CHAPTER II

REVIEW OF LITERATURE
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2.1 INTRODUCTION

This chapter is devoted to giving a detailed description of the previous studies undertaken by researcher’s relating to the service quality in banking sector. As, such, it is an exercise to review the literature available relating to the present study. This chapter gives an insight into the various research studies already undertaken in various areas, giving scope for further research on the aspects uncovered. It is to be mentioned that as the review of literature is an important component of a research study, it serves as a base for the researcher to gain knowledge of a theme. It also helps the researcher to give the proper measure to minimize the problems while conducting the study. It also gives a logical presentation of the research studies over a period of time. The review includes articles (based on research studies) published in leading journals, books and reports. The following are the studies which enabled the researcher to undertake this study.

2.2 REVIEW OF LITERATURE

The researcher has revived various journals, books and reports relating to study, but she presented here only very few of them. The review has been dividing into two categories as studies conducted in India and studies conducted abroad.

2.2.1 Studies Undertaken in India

Biswa N. Bhattacharyay, (1989)\(^1\) in his study entitled “Marketing Approach to Promoting Banking Services” tries to study the trends and pattern of savings and deposits, customer behavior, attitude and perception towards banking service. The result of the study showed that thirty one per cent of the bank customers living in metropolitan and state capitals were not satisfied with the working hours of bank branches. A good number of them prefer banks to remain open during holidays as
well. The four most important motives behind savings emergency (80%), old age (63%), children’s education (63%) and children’s marriage (56%) clearly indicated the Indian way of family life and Indian culture dominate in motivating people to save. A majority of the customers pointed out the negative attitude of bank staff towards customers. The banking sector seems to have displayed a halfhearted approach towards promotion strategies. There seemed to be a lack of commitment to advertising, communication and personal strategies. Customers were not aware of deposit related schemes except savings account and usage of other schemes and their usage improved through meeting, exhibitions, personal contacts etc., Meetings can be held (at least twice in a month) between bank staff and customers which would help customers become aware of various banking services and motivate to use these services. Market oriented banking will require a new culture: a disciplined, professional and committed manpower, employees trained for specialized services, specialized branches, strong marketing organization in different banks; aggressive selling; meeting new customers expectations and cost effective services.

Biswa N. Bhattacharyay, (1990) in his study entitled “Is Customer Service Deteriorating in the Indian Banking Industry?” examines whether the hypothesis that banking services are deteriorating was well founded or not. The study bases itself on two field surveys conducted in the post nationalization era in 1974 and in 1984 by the National Institute of Bank Management, Pune (India). An attempt has been made to compare the 1974 data with the 1984 data related to certain select variables in order to test the hypothesis stated above. The statistical analysis shows that when the 1984 data when compared with the 1984 data, on the following parameters, banking services have improved in the perception of bank customers. Time taken to deposit cash and obtain receipt, time required for collection of local cheques, time taken to
issue or renew a fixed deposit receipt. The service parameters which have neither improved nor deteriorated are time taken to encash a fixed deposit receipt, time taken to purchase a bank draft, time taken to receive remittances through telegraphic transfer. The analysis related to the quality of service indicators showed that the increasing trend of customer complaint against staff behavior, the attitude of staff towards customers deteriorated and the efficiency of staff as indicated by the number of complaints regarding errors in entries and calculations as a proportion of total complaints, neither improved nor deteriorated. The efficiency of staff as far as speed of transaction was concerned showed improvement. It is inferred that while some services may have improved and some may have deteriorated, there was definitely more scope for the banking industry to give a market thrust towards customers oriented strategies and practices.

R.R.Lakhe and R.P.Mohanty, (1994) in their article entitled “Total Quality Management Concepts, Evolution and Acceptability in Developing Economies” takes a synoptic view of the key concepts of TQM, its globally acceptability, implementation process and the role of TQM in developing economies. The authors have pointed out that a survey conducted to access TQM in India showed that only 39 companies out of 1000 were practicing TQM. Most of the companies in developing countries were suffering from the lack of employee involvement, lack of management commitment, perception that quality was an optional extra, unorganized and indifferent customers, lack of political support, lack of established standards, obsolete technologies, low level education and negligible capital investment in technologies. A comprehensive company case focusing on TQM adopting and implementation was presented by the authors to highlight the implications of TQM in developing countries. To adopt TQM in developing countries the authors suggested certain
approaches like developing a vision, promote a policy on quality, create a total quality orientation culture and training and education to employees.

R.R.Lakhe and R.P.Mohanty, (1995) in their study entitled “Understanding TQM in Service System” tries to conceptualized a service system and application of TQM in various service systems like health care, telecommunications service, hotels, restaurants, transportation service and banks. The basic definitions, characteristics and importance of service system have been outlined. The article also points out how the service system differs from manufacturing and thus requires a changed orientation in planning the quality system. A case study of application of service quality programme in banking industry has also been presented. The authors have proposed a six step guide map to strengthen TQM in the bank. The points enumerated in the six step guide map are defining service as a tangible product that has utility to customers, identify and differentiated customers in terms of their roles, specific characteristics and needs, determine customers prioritized expectations related to service attributes, continuously measure the degree to which expectations are being met, maintain a current description of the service quality measures. A conceptual model called dimensions of TQM in an organization. The model included independent variables such as top management commitment response, product and process improvement, customers’ orientation response, human response excellence and economic advantage.

M Kakati, (1999) in study entitled “Let Customers Determine Performance Bonus” assert that customers satisfaction should be the primary driver and measure of employees performance and hence there is need for linking performance bonus to the customers satisfaction. He explores the theoretical and practical issues regarding the measurement of customer satisfaction and presents three alternatives models (linear,
conjunctive and disjunctive) for measuring overall customer satisfaction level. Institute of Neurological Science (INS), Guwahati, the largest private hospital with all the modern facilities in the north-eastern region was selected for the study. The study suggested that ideal bonus plan must encompass both internal and external performance objectives. The customer satisfaction index which captured all the aspects of external performance objectives was especially important since linking bonus to it reinforces the customers’ priorities and concerns in the organization. The study reveals that such linkage really brings a positive change in employees’ attitude towards improving customer satisfaction.

R.Jagadeesh, (1999) in his study entitled “Total Quality Management in India – Perspective and Analysis” analyses the total quality management in India during the post independence era and post liberalization era. The companies in India enjoyed a protected market with virtually no competition, and some of them even monopolized the market, with customers having little or no choice. Due to protected business environment many positive attributes of the Indian industry were lost and weaknesses were found. The TQM initiatives were first set by the Confederation of Indian Industries (CII) in the early 1980s, in its pioneering effort in promoting awareness about quality among Indian Industries. The reasons to adopt TQM in Indian were due to pressure set by decreased profits, inability to penetrate into new markets, intensifying competition, and above all quality conscious customers demanding better and improved products and services from the companies. The policy of globalization and liberalization adopted by the Indian Government in 1992, opened new avenues and challenges to companies in India. The new policy resulted in open doors through which global corporate players entered the markets, and were threatening the domestic manufacturers and suppliers, using quality as a weapon. The author also
stated that the manufacturing sectors in India were well aware of importance of quality, and efforts have been channeled to improve product quality. However, the service sector mostly government owned and operated, lagged behind the manufacturing sector in all aspects that imply quality.

Madhukar G.Angur, Rajan Nataraajan and John S.Jahera Jr, (1999) in their study entitled “Service Quality in the banking Industry : An Assessment in the Developing Economy” examines the applicability of four alternative measures of service quality proposed by Cornin and Taylor (1992) in the context of banking industry in India. The study was conducted in Bangalore. One public sector bank and one private sector bank was selected for the study. The four alternative measures for service quality were SERVQUAL scale, weighted SERVQUAL, SERVPREF and weighted SERVPREF. Confirmatory analysis was used to test the convergent and discriminate validates of SERVQUAL and SERPREF. The mean performance of SERVPREF and performance minus expectations (SERVQUAL) gap scores for the two banks used in the study were computed to assess their diagnostic value. The results suggested that the service quality concept in the developing world is a multi dimensional construct. The results reinforce that the five dimensions are of varying importance with reliability and responsiveness dimensions being the most important. In addition the SERQUAL scale appears to provide more diagnostic information about service quality gaps than SERVPREF scale does.

R.K.Mittal and Rajeev Kumra, (2001) in their study entitled “E-CRM in Indian banks – An overview” attempts to analyze the concept of e-CRM in Indian banks from its various dimensions covering specifically its need, process, present status and future prospects. According to the authors in India, new private sector
banks like ICICI bank, HDFC bank, Global Trust bank and UTI bank, have taken the lead in 3-banking and among the foreign banks, Citibank had noticeable presence, while others like Federal bank, HSBC bank were moving towards becoming big players in e-banking. There are five functional categories for online banking sites – online brochure center, interactive bank, e-mails, calculations and cyber banks, which offer customers access to account information, inter-branch funds transfer and utility bill payments. The e-CRM techniques used by banks in offering new products and services to its customers are Internet banking, Data Warehousing and Data Mining, ATMs, Telebanking or Mobile banking, computerized decision support system, e-mail, computer networking and customer smart cards. The author points out a survey conducted by McKinsey which reveals that the global market for IT-enabled services would be $140 billion by 2008, of which $17 billion could belong to India. Out of this, India has about $ 450 million e-CRM market. To take advantage of this growing market, global giants like PeopleSoft, SAP, Baan, Nortel, Talisma Corporation, Oracle Corp., Pivotal and Siebel Systems are planning to invest in India so as to provide e-CRM softwares and services to Indian companies including banks. The author concluded that these companies will facilitate the growth of e-CRM in Indian banks.

Atul Parvatiyar & Jagdish N. Sheth (2001) in their research article “Customer Relationship Management: Emerging Practice, Process and Discipline” explores the conceptual foundations of CRM by examining the literature on relationship marketing and other disciplines that contribute to the knowledge of CRM. They have defined CRM as “Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of
marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value”. They have proposed a CRM process framework that is build on other relationship development process models. The author has stated that the purpose of CRM is to improve marketing productivity. Marketing productivity is achieved by increasing marketing efficiency and by enhancing marketing effectiveness (Sheth & Sisodia, 1995). In CRM, marketing efficiency is achieved because cooperative and collaborative processes help in reducing transaction costs and overall development costs for the company. They have also stated that the major challenge faced for implementing CRM is to develop an integrated CRM platform that collects relevant data input at each customer interface and simultaneously provides knowledge output about the strategy and tactics suitable to win customer business and loyalty. They have concluded that CRM has the potential to become a distinct discipline of marketing.

S. Tandon, (2001)\(^{10}\) in his study “Customer-Relationship Management – A Case Study of Commercial Banks in Jammu and Kashmir” makes a comparative analysis of level of customers satisfaction among four banks – State bank of India, Punjab national bank, Central bank of India and Jammu And Kashmir bank Ltd., by analyzing their attitude towards bank, employees and management. Customers have been split up in three categories as business man, service class and practitioners. Comparative analyses of the level of customers satisfaction in four banks shows that the customers were not fully satisfied with the services offered by the banks. The customers of Central Bank of India showed a highest level of satisfaction, State bank of India was ranked second in order of satisfaction amongst customers. Customers of Punjab National Bank and Jammu and Kashmir Bank showed the same mean score.
which was lower than the overall mean score. It showed the dissatisfaction prevailing in these two banks. Though Central bank of India, was a bank with few number of branches had good relations with its customers. They should be quick and prompt in offering the services and Quality service should be maintained consistently. Employees should be properly equipped with communication facilities for easy access.

G.S.Sureshchandar, Chandrasekharan Rajendran, R.N.Anantharaman and T.J.Kamalanabhan, (2002) in their study “Management’s Perception of Total Quality Service in Banking Sector of Developing Economy – A Critical Analysis” investigates the discrepancies among the various groups of banks in India with respect to the total quality service dimensions from the perspective of management. A review of the quality management literature gave 12 dimensions for service sector. They were top management commitment and visionary leadership, human resource management, technical system, information and system analysis, benchmarking, continuous improvement, customer focus, employee satisfaction, union intervention, social responsibility, servicescapes and service culture. The questionnaire was based on the 12 dimensions. The sampling procedure used for the survey was stratified random sampling. The stratification was based on the bank (public sector, private sector and foreign banks). From each group of bank 150 executive from middle and top level management were randomly selected. The respondents were asked to indicate their perception of TQS practices in their banks. The result revealed that there was significant difference on TQS between executives of public sector banks and private sector banks, public sector banks and foreign banks, private banks and foreign banks in all dimensions except top management commitment and visionary leadership, information and system analysis and benchmarking. There was no
significant difference between private sector banks and foreign banks on top management commitment and visionary leadership, information and system analysis and continuous improvement.

Sheetal B. Scahdev and Harsh V. Verma, (2004)\textsuperscript{12} in their study “Relative Importance of Service Quality Dimensions: A Multisectoral Study” attempts to explore relative importance of service quality dimensions and the service quality performance in relation to “should” and “would” expectations (zone of tolerance) across service organizations like banks, insurance sector, fast food and beauty salons. The data for study was obtained through a non-distinguished questionnaire. The questionnaire consisted of six-sections, eliciting data on personal information, customer perception, expectation both “should” and “would”, overall service quality and the direct evaluation of 5 service quality dimensions. According to Zone of Tolerance (ZoT) in the banking industry it is assurance at the first place, responsiveness in the second place, followed by reliability, empathy and tangibility are in the order of importance. The regression results showed that in the banking industry empathy, tangibility, reliability, assurance and responsiveness are in order of importance. The result is not in harmony with the previous result (ZoT). The result suggests that all the service quality dimensions are equally important as no proper order of importance could be established. The service performance in relation to the “expectations” is poor in respect of nearly all dimensions and in all select services. The nature of service does not see, to have a role in establishing an order of importance of the dimensions. On the whole the service providers need to tone up their performance with most of the service dimensions.
Sanjay K Jain and Garima Gupta, (2004) in their study “Measuring SERVQUAL vs SERVPREF Scales” assess the diagnostic power of the two service quality scales. The SERVQUAL scale was formulated by Parasuraman, Zeithemal and Berry’s (1988) and the SERVPREF scale was formulated by Cronin and Taylor (1992). Using data collected through a survey of customers of fast food restaurants in Delhi, the study finds the SERVPREF scale to be providing a more convergent and discriminant valid explanation of service quality construct. However, the scale was found deficient in its diagnostic power. It was the SERVQUAL scale which outperformed the SERVPREF scale by virtue of possessing higher diagnostic power to pinpoint areas for managerial interventions in the event of service quality shortfalls. The major managerial implications of the study were, because of its psychometric soundness and greater instrument parsimoniousness; one should employ the SERVPREF scale for assessing the overall quality of a firm. The SERVPREF scale should also be preferred research instrument when one is interested in undertaking service quality comparisons across service industries. On the other hand, when research objective was to identify areas relating to service quality shortfalls for possible intervention by the managers, the SERVQUAL scale needs to be preferred because of its superior diagnostic power. They concluded that the serious problem with the SERVQUAL scale was that it entails gigantic data collection task. Employing a lengthy questionnaire was required to collect data about consumers’ expectations as well as perception of a firm’s performance on each of the 22 service quality scale attributed.

Nitin Seth, S.G.Deshmukh and Prem Vrat, (2004) in their study “Service Quality Models: A Review” tries to critically appraise various service quality models and identify issues for future research based on the critical analysis of literature. The
various service quality models examined were Technical and functional quality model (Gronroos, 1984), GAP model (Parasuraman et al., 1985), Attribute service quality model (Haywood-Farmer, 1988), Synthesized model of service quality (Brogowicz et al., 1990), Performance only model (Cronin and Taylor, 1992), Ideal value model of service quality (Mattson, 1992), Evaluated performance and normal quality model (Teas, 1993), IT alignment model (Berkley and Gupta, 1994), Attributed and overall affect model (Dabholkar, 1996), Model of perceived service quality and satisfaction (Spreng and Mackoy, 1996), PCP attributed model (Philip and Hazlett, 1997), Retail service quality and perceived value model (Sweeney et al., 1997), Service quality, customers value and customer satisfaction model (Oh, 1999), Antecedents and mediator model (Dabholkar et al., 2000), Internal service quality model (Frost and Kumar, 2000) Internal service quality DEA model (Soteriou and Stavrinides, 2000), Internet banking model (Broderick and Vachirapornpuk, 2002), IT based model (Zhu et al., 2002) and Model of e-service quality (Santos, 2003). The review of various service quality model revealed that the service quality outcome and measurement is dependent on the type of service setting, situation, time, need etc., factors. In addition to this even the customers’ expectations towards particular service are also changing with respect to factors like time, increase in the number of encounters with a particular service, competitive environment etc., From the study of these models it appears that the key ingredients to service quality improvements are clear market and customer focus, motivated staff, clear understanding of concepts of service quality and factors affecting the same, effective measurement and feedback, effective implementation system and efficient customer care system.
Avinandan Mukherjee and Prithwiraj Nath, (2005)\textsuperscript{15} in their study entitled “An Empirical Assessment of Comparative Approaches to Service Quality Measurement” assess three comparative approaches to measuring service quality: modified gap model (Parasuraman et al., 1981), TOPSIS (Hwang and Lin, 1987) and loss function (Taguchi and Clausing, 1990). They present TOPSIS (Technique for Order Preference by Similarity to Ideal Solution) from decision sciences and Loss function from operations research and engineering as alternative approaches to GAP analysis. GAP model is the difference between expectation and of service and perception of service. TOPSIS is a popular technique used to rank ordering units by preference or similarity to ideal situation. Loss function “Larger the better” characteristics was used to calculate the overall loss due to improper service delivery. The best performers are those for whom the loss is minimum. The study was conducted among all the 27 public sector banks in India. The best banks according to GAP analysis was Corporation Bank, Bank of India, Indian Overseas Bank, State Bank of Saurashtra, State Bank of Patiala. The best banks according to TOPSIS were Canara Bank, State Bank of Hyderabad, Corporation Bank, State Bank of Bikaner and State Bank of Saurashtra. The best banks according to loss function were Bank of India, Corporation Bank, Indian Overseas Bank, and State Bank of Travancore and State Bank of Hyderabad. The research shows that a single measure of overall service quality based on gaps model is over simplified. Each method has its own advantage and disadvantage, and should be used based on its suitability to particular application.

J.Clement Sudhahar, D.Israel and M.Selvam, (2006)\textsuperscript{16} in their article “Service Quality Management in Indian Retail Banking Sector: CA Approach” holds that service quality primarily determines the customer value which in turn contributes to the customer retention and customer loyalty. Four banks SBI, Syndicate Bank, HDFC
Bank and ICICI Bank were chosen for the study. The instrument developed by Allred and Addams (2001) with 15 attributes such as Reliability, Responsiveness, Competent, Accessible, Courteous, Communication, Credible, Security, Empathy, Tangible, Survey needs, Need fulfillment, Fairness, Mistakes and Treatment was used. The customers’ perception was measured by “pick any tick any” method. Snowball sampling method was adopted to select the respondents. Correspondence Analysis was performed on the data collected. The findings revealed that much need to be done by public sector banks when compared to the private sector banks. The Public Sector banks were closely related to security, reliability and credibility and it needs improvement on tangibility, fairness, accessibility and courteous behavior. At the same time the correspondence analysis in the present study points out the need on part of private sector banks for focusing on reliability, credibility and security.

Darshan Parikh, (2006) in his research entitled “Measuring Retail Service Quality: An Empirical Assessment of the Instrument” tries to assess the internal reliability of the retail service quality instrument by Dabholkar, Thorpe and Rentz (1996) and to evaluate the validity of the scale and to carry out the gap analysis and identification of areas for improvement in service quality of retail stores in India. Statistical analysis were performed to test the dimensionality of service quality and to examine the reliability of the scale. The results indicated that although the instrument was found to be quite reliable, the gap score did not merge into five dimensions of service quality proposed by the scale developers. The instrument and the five dimensions may needs considerable reconstruction. The instrument may not be applicable to retail stores in India without further restructuring. The analysis of gap score indicates that the highest perceived service gap lies in the policies of the retail stores, particularly, parking facilities provided by them. Apart from this, all other
statements also show a negative gap implying the need for considerable improvements in retail service quality. Therefore, it is suggested that retail stores in India will have to improve the quality of their services significantly in order to compete successfully in the global marketplace.

Ashutosh K. Singh and Shiv K Tripathi, (2007)\textsuperscript{18} in their study entitled “Perceptual Difference of Quality in Banking Services: A Study on Indian Private Sector Banks” measured the gap in the service quality perception of both the service provider and customers. The randomly selected banks covered ICICI, IDBI and Centurion Bank of Punjab in Lucknow and Delhi. The quality dimensions as prescribed by SERVQUAL method were used to assess the perception and expectation of the customers and the banking executives. A seven point Likert scale was used to rate the quality of the banks against service quality dimensions. The analysis revealed that the customers’ expectations and management perception of customers’ expectation existed on quality parameters like responsiveness, competence, product range and security. There was no significant difference in quality parameters like Reliability, Accessibility, Courtesy and tangibles.

Dr. Madhu Jasola and Shivani Kapoor, (2008)\textsuperscript{19} in their article “CRM: A Competitive Tool for Indian Banking Sector” tries to measure the difference in quality of service rendered by banks adopting Customer Relationship Management (CRM) and banks that do not adopt CRM. The SERVQUAL instrument developed by Parasuraman et al., was used to measure customer perceptions related to bank’s services and included 23 items on reliability, responsiveness, empathy, tangibles, assurance. Instead of using two questionnaires (as traditionally done; one for expectations and one for performance, the difference between first and second is said
to be the service gaps) only one set was used and designed in such a way that it brought out the gaps between expectations and performance directly, as perceived by the customers. The items were prepared on a 7 point scale read, ‘better than excellent banks’ and ‘worse than excellent banks’. Additionally, some items (again on a 7 point scale) were developed with a view to assess customer satisfaction, loyalty and commitment. Two thirds of the respondents strongly believed that CRM bank is better than excellent banks in Reliability, Responsiveness, Empathy, Tangibles and Assurance.

Sandip Ghosh Hazra and Kailash B.L. Srivatsava, (2009)\textsuperscript{20} in their article “Impact of Service Quality on Customer Loyalty, Commitment and Trust in the Indian Banking Sector” studied the association between service quality, customer loyalty, customer commitment and customer trust. The customers of public sector and private sector banks in West Bengal were selected for the study. Service quality was measured using 22 item scale adopted from Parasuraman et al., (1998). Customer loyalty was measured using 13 item scale adopted from Behaviour Intentions Battery developed by Zeithaml et al., (1996). Customer commitment was measured using 4 item scale from Garbarino and Johnson (1999) and Walter et al. (2003) and customer trust was measured using 4 item scale from Garbarino and Johnson (1999) and Walter et al. (2003). The results showed that customers value four dimensions of perceived service quality assurance, empathy, tangibles, security and reliability, with assurance-empathy being valued the most. The private sector banks showed that enhancement in reliability made differences in customer commitment and willingness to pay, whereas enhancements in security made difference in loyalty for the public sector banks.
R.K.Uppal, (2009)\textsuperscript{21} in his study “Customer Service in Indian Commercial Banks – An Empirical Study” compared the “Customer Service” only regarding “Time” between public sector banks, private sector banks and foreign banks. The study was conducted in Amritsar district and the banks (Two banks for each sector) having largest network in the district was identified for the study. These banks were further divided into two categories has partial e-banks and full e-banks (One bank for each sector under each category). The required data was collected from the respondents by means of structured questionnaires, which measured speed in rendering service in eight dimensions, viz, time taken by customers to withdraw cash, deposit cash, get cheque book, encash draft, open fixed deposit account, purchase of bank draft, to get local cheques credit in their account, to get outstation cheque credit in their account. It was concluded that in bank service, e-banks were more efficient as compared to partial e-banks. Chi square test was used to check the level of significance difference among various bank groups.

Sultan Singh and Ms.Komal, (2009)\textsuperscript{22} in their article “Impact of ATM on Customer Satisfaction (A Comparative Study of SBI, ICICI & HDFC bank)” analyzed the ATM facilities provided by SBI, ICICI and HDFC banks and examined the factors affecting the choice of ATM. They have also examined the impact of ATM on customer satisfaction and post purchase behavior of customers. The customer satisfaction level was analyzed in two terms i.e. material customer satisfaction (MCS) level and abstract customer satisfaction (ACS) level. Customer satisfaction in material sense denotes the aggregate position of the banks in terms of fee charged, frequency with which problems are faced and post purchase behavior of the customers. In abstract sense, customer satisfaction level denotes the position of the banks in terms of post purchase behavior and the efficiency of facilities provided. It was concluded
that material satisfaction level was highest in SBI, then second was ICICI bank and third was HDFC bank. This was due to the size of the respective bank and number of years of its establishment. But according to abstract customer satisfaction i.e. in terms of efficiency and performance, HDFC bank is at 1st position, 2nd is ICICI and 3rd is SBI.

S. Dhandabani, (2010) in his paper entitled “Linkage between Service Quality and Customer Loyalty in Commercial Banks” has attempted to study the dimensions of service quality in banks and examine the interrelationship between service quality, customer satisfaction and customer loyalty. 20 public and 20 private sector banks in Madurai were selected for the study. The study adopted the “SERVPERF” scale to measure service quality and Westbrook and Oliver’s (1991) four emotion laden items were used to measure customer satisfaction. The customers’ loyalty towards banks was measured on the basis of three statements (Kish, 2000; Bridgewater, 2001). The direct and indirect effects of service quality, customers’ satisfaction on customer loyalty are predicted with a structural equation model. The structural equation model revealed that there is no significant direct linkage between service quality and customer loyalty. At the same time, the service quality had a significant indirect impact on customers’ loyalty especially through customers’ satisfaction.

Dr. Sneha Shukla, (2010) in her article entitled “Two Dimensional Analysis: A Study of SBI and HDFC bank” has attempted to study the overall service performance of SBI and HDFC bank in Ahmedabad through two dimensional performance matrix. The main objective was to find the service quality dimensions in which the bank is performing well and in which dimensions it need improvement.
Nine factors such as Appearance, Promises, Doing it right, Promptness, Willingness, Competency, Credibility, Approachable and Understanding were identified for both banks to perform two dimensional analysis. The study concluded that HDFC need improvement in the area of Promise, Doing it Right and Competence. HDFC performed well in Appearance and Approachable. While SBI should improve its performance in Understanding, Credibility and empathy dimensions and it performed well on promptness factor. All the other factors in both the banks were performing moderately well.

Uma Sankar Mishra, Kalyan Kumar Sahoo, Satyakama Mishra and Sajit Kumar Patra, (2010) in their article “Service Quality Assessment in Banking Industry of India: A Comparative Study between Public and Private Sector” has made a comparative study of service quality perceptions and service quality expectations of commercial banks of both public sector banks and private sector banks. A questionnaire containing all the 22 statements of SERVQUAL instrument developed by Parasuraman et al., for customer survey was used. The data regarding perception and expectation was collected on a 7 point interval scale. A comparison of mean and t-values of expectations and performance showed that the tangibility and reliability factor were highly satisfactory for public sector banks. The remaining three factors such as responsiveness, assurance and empathy were not satisfactory. The private sector banks performed well in the reliability and empathy dimensions whereas they lacked performance in the assurance. They performed fairly in the responsiveness and tangibility dimensions. Higher differences for mean scores were observed for public banks, compared to that of private banks.
Naveen Arora, (2010) in his article entitled “A Comparative study of Customers Perception and Expectation : Public Sector Banks and Private Banks” has studied the customers’ expectations and perception of service quality across public sector ad private banks and measured the gap between the expected and perceived service quality. Four public sector banks – State Bank of India, Bank of Baroda, Central Bank of India and Punjab National Bank and two private sector banks – HDFC bank and ICICI bank operating in Kanpur were selected for the study. The service provided by the respective banks was evaluated on SERVQUAL scale. It was found that customers’ expectations of service quality in banks were high and perceived quality of services were quite lower across public and private sector banks. For public sector banks the most prominent gap was in responsiveness dimension of service quality and for private sector banks the largest gap was in reliability and responsiveness dimensions.

Dr.R.K.Uppal, (2011) in his article “Customer Delight – A Milestone for the Banks” has analyzed the customers’ satisfaction from the services of various banks. The study was conducted during the year 2008 in Ludhiana district, Punjab and included one Foreign Bank, One Private Bank and one Public Sector Bank. A well structured and pre-testes questionnaire was used for the study. E-Channels were considered to be good channel to create social relations. The paper concludes that customers of private and foreign sector banks are delighted rather than public sector banks because these banks are providing e-channel services to the customers. The tremendous advances in technology and the spread of IT have brought in a paradigm shift in banking operations. Gender wise, females and occupation wise agriculturalist are more satisfied. Customers are preferring e-banks rather than traditional banks. This was considered to be the reason that customers were shifting from traditional
banks to e-banks. The study suggested that customer service in banks particularly in public sector banks should be improved.

Dr. M.G. Basava Raja & Vahid Rangriz, (2011)\textsuperscript{28} in their study “Measuring of Services Quality in Banking Industry Based on Customer Perception” identified five factors for assessing the services of banks. The five factors were Business and Financial dealings, Customer alliance, Information Technology, Branch and Image. 33 statements were framed with the above 5 factors for studying customers perception. The study adopts SERPERF by Cronin and Taylor (1992) to address the quality of banking service. The data was collected from 11,936 customers. The descriptive analysis showed that the bank’s customers were highly satisfied. Information technology was ranked first in performance followed by customer relationship, image, branch and business & financial transactions. The study highlights that the most valued factor customer satisfaction performed well and took the second place and on the other hand, the major purpose of the bank, business and financial dealings was the worst in accomplishment, urging the bank’s executives to address it more carefully.

R.K. Uppal and Bishnupriya Mishra, (2011)\textsuperscript{29} in their article entitled “Excellency in Banking Services – A New Road Map for banks in the Emerging New Competition” has attempted to find the gap between the desirability and availability of banking services and to provide recommendations to bridge the gap between the desirability and availability of banking services. They had developed a questionnaire to collect information on desirability and availability of bank customers regarding reliability, accuracy, confidentiality, flexibility, e-channels, high attention to customers, low service charges and overall satisfaction of customers. Likert type five
point scales were used to know the desirability and availability of service quality parameters. The whole banking industry was divided into three – public banks, private banks and foreign banks. Three branches from each bank group were selected. They found that desirability is much higher than the availability in all the above said aspects. This caused dissatisfaction among customers and to some extent the customers shifted from one bank to another. They had recommended that banks should add more qualitative services to win the confidence of the new customers and to retain the old customers.

Dr. S.P. Singh and Ms. Suganya Khurana, (2011)\textsuperscript{30} in their study “Analysis of Service Quality gap and Customers’ Satisfaction in Private Banks” tried to examine the gender wise customers’ expectation and perception of service quality provided by private banks in Hisar District. They have also identified the main attributes of service quality in which male and female customers were more satisfied. The SERVQUAL instrument framed by Parasuraman et al., (1985, 1988 and 1991) with 22 items was used for the study. A five point Likert scale was used to measure the 22 attributes relating to five dimensions. Hypotheses was framed to test the significant difference in service quality gaps, satisfaction level related to personal contact with employees, quality of banking service and overall satisfaction of male and female customers. The study revealed that there was no significant difference between the satisfaction level of male & female customer related to overall performance, personal contacts of bank employees and quality of banking services. This means that bank customers whether they are male or females are just satisfied with services of private banks. But they had more expectations with banks. Therefore the private banks should adopt measures to reduce the service quality gaps.
2.2.2 Studies Undertaken Abroad

Leonard L.Berry, Valarie A. Zeithaml and A.Parasuraman, (1985)\(^{31}\) in their study entitled “Quality Counts in Services, too” concluded several customer focus group interviews to understand the nature and determinants of service quality from both consumer and executive prospective. They proposed 10 major determinants of service quality which could be common for most service industries. They were Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding and Tangibles. They concluded that consumer perceptions of service quality results from comparing expectations prior to receiving the service and actual experiences with the service. If expectations are met then service quality is perceived to be satisfactory. They identified two types of service quality. First the quality at which regular service was delivered and secondly the quality level at which “expectations” or “problems” was handled. They also suggested that service quality can be improved by identifying primary quality determinants, managing customer expectations, educating customers about the services, developing a quality culture and automating services.

Mary Jo Bitner, Bernard H.Booms and Mary Stanfield Tetreault, (1990)\(^{32}\) in their study entitled “The Service Encounter: Diagnosing Favorable and Unfavorable Incidents” tries to find out the events that lead to satisfaction from the customer point of view, specific event that lead to dissatisfaction from the customers point of view, the events and behaviours that lead to satisfied and dissatisfied service encounters and the generic events among across service industries. The data was collected from customers of airlines, hotels and restaurants. The data was collected and categorized into various incidents with the help of incident classification system of the CIT. The research questions were based on the above incidents. The three major incidents
identified were – Employees response to service delivery system failure, Employee response to Customer requests and needs and Unprompted and Unsolicited Employee actions. The results showed that the main source of satisfaction in service encounters resulted from the way the employees respond to difficulties attributable to failures in core service delivery. The major cause of dissatisfaction was not the initial failure to deliver core service, but the employee's response to the failure. The underlying causes for satisfaction and dissatisfaction were same but the frequency with which they occur was different. The incident classification system identifies sources of satisfaction and dissatisfaction that can be generalizable across the three industries.

Roland T.Rust, Anthony J.Zahorik & Timothy L. Keiningham, (1995) in his study entitled “Return on Quality” (ROQ): Making Service Quality Financially Accountable” present the “return on quality” approach, which is based on the assumptions that (1) quality is an investment, (2) quality efforts must be financially accountable, (3) it is possible to spend too much on quality, and (4) not all quality expenditures are equally valid. They have stated that quality improvements can attract new customers and covert existing customers into repeat customers thereby increasing companies share value. Quality expenditures generally have not been treated as an investment by most companies, because there has been no solid basis for accessing financial impact (spitzer 1993) of this expenditure. In this study they have provided a framework that can be used to evaluate the financial impact of quality improvement efforts; thus enabling quality to be considered as an investment and financially accountable. The ROQ approach enables managers to determine where to spend on service quality, how much to spend, and the likely financial impact from service expenditures, in terms of revenues, profits and return on investments in quality improvement – the “return on quality”.
Robert Johnston, (1995) in his study entitled “The Determinants of Service Quality: satisfiers and Dissatisfiers” seeks to classify the determinants of service quality into those determinants that are predominantly satisfiers and others that are predominantly dissatisfiers. One major UK highstreet bank was the organization chosen for this study because banks are the largest identifiable source of anecdotes in the study reported by Johnston and Silvestro (1990). The 17 quality determinants provided by Johnston and Silvestro (1990) such as Attentiveness/helpfulness, Responsiveness, Care, Availability, Reliability, Integrity, Friendliness, Courtesy, Communication, Competence, Functionality, Commitment, Access, Flexibility, Aesthetics, Cleanliness/tidiness, Comfort and Security was used for the study. There were only four exclusive determinants of satisfaction or dissatisfaction with the bank. They are integrity (dissatisfaction); commitment (satisfaction); aesthetics (dissatisfaction); and cleanliness (satisfaction). The most frequently mentioned sources of satisfaction were attentiveness, responsiveness, care and friendliness. The main source of dissatisfaction with the bank was integrity: the honesty, justice, fairness and trust with which customers are treated by the service organization. The study demonstrated that some determinants of quality predominated over the others.

Roger Hallowell, (1996) in his study “The relationships of customer satisfaction, customer loyalty, and profitability: an empirical study” illustrates that customer satisfaction, customer loyalty and profitability are related to one another. The data was collected from the customers of one retail bank in United Kingdom, limiting its generalizability. In this study the researcher has reviewed customer satisfaction, customer loyalty and profitability under the service management literature and marketing literature. Both the service management and the marketing literatures suggest that there is a strong theoretical relationship for an empirical
exploration of the linkages among customer satisfaction, customer loyalty and profitability. This research focuses at a relatively high level of abstraction in an effort to contribute to the body of theoretical and empirical knowledge on the relationships among customer satisfaction, customer loyalty and profitability. Its findings support the theory that customer satisfaction is related to customer loyalty, which in turn is related to profitability (Heskett et al., 1994, and discussed in Storbacka et al., 1994).

Frances X.Frei, Ravi Kalakota and Leslie M.Marx, (1997) in their research paper entitled “Process Variation as a Determinant of Service Quality and Bank Performance: Evidence from the Retail Banking Study” presents an empirical examination of the magnitude of service process variability and its impact on service quality and a firm's financial performance. The data used was gathered from the Wharton Financial Institution Center Retail Banking Study of fifty-eight of the largest retail banks in the United States. The findings revealed that there existed persistent and statistically significant positive effect of service process variation on firm financial performance. This finding suggests that service processes with consistent (low variation) process performance can play a role in helping firms deliver high firm financial performance. It also showed even smaller banks, will be able to achieve higher overall firm financial performance than their larger competitors, who have a much higher asset base and more diverse service delivery channels. This result suggests that the consistency in service is important for setting expectations for service quality but that consistency at a high enough level is also required.

quality and satisfaction determine loyalty in a retail bank setting at the global construct level. For the study, five hypotheses were framed as image will have a direct positive effect on loyalty (H1), Image will have an indirect positive effect on loyalty via satisfaction (i.e. A mediator effect) (H2), Satisfaction will have an indirect positive effect on loyalty via quality (i.e. Mediator effect) (H3), Quality will have an indirect positive effect on loyalty via loyalty via satisfaction (i.e. A mediator effect) (H4) and Satisfaction will have a direct positive effect on loyalty (H5). The study was conducted among customers of a major bank in The Netherlands in 1996. The image (IM) of the bank was measured with a scale containing 17 four-point Likert-scale items, ranging from 1=completely disagree, to 4 = completely agree. The perceived service quality was measured based on the service quality literature (e.g. Parasuraman et al., 1988). In order to measure satisfaction, customers were asked to state their satisfaction (SAT) with the bank on a scale varying from 1 to 10. The study reveals that image is indirectly related to bank loyalty via perceived quality. In turn, service quality is both directly and indirectly related to bank loyalty via satisfaction. The latter has a direct effect on bank loyalty. It becomes clear that reliability (a quality dimension) and position in the market (an image dimension) are relatively important drivers of retail bank loyalty.

Mathew Joseph, Clindy McClure and Beatriz Joseph, (1999) in their study “Service quality in the banking sector: the impact of technology on service delivery” investigates the role that technology plays in Australian banking and its impact on the delivery of perceived service quality. Hemmasi et al. (1994) method was considered the most appropriate way of measuring service quality in the banking industry. The data for this study was collected in two stages. Focus groups were conducted to identify the major themes in electronic banking, including ATM, telephone and
Internet banking (Importance/Performance). This provided the background information required to develop the instrument for this study. Stage two involved distributing surveys to a convenience sample of electronic banking customers from Melbourne, Australia. The analysis from the gap scores and the Importance-Performance grid displayed a perceptual problem indicating poor performance of electronic banking facilities compared with an ideal banking service. The study suggests that banks providing electronic banking should provide statements for all transactions, find ways to make their service more accessible, provide customers with a toll free number, improve security of ATM's, develop electronic facilities to cater to elderly and differently abled people.

Minjoon Jun and Shaohan Cai, (2001) in their study entitled “The Key Determinants of Internet Banking Service Quality: A Content Analysis” analyzed the customer anecdotes of critical incidents in internet banking. They identified 17 dimensions of internet service quality, which can be classified into three broad categories – customer service quality, banking service product quality and online system quality. The derived dimensions included: for customer service quality ten dimensions such as reliability, responsiveness, competence, courtesy, credibility, access, communication, understanding the customer, collaboration and continuous improvement; for online system quality, six dimensions such as content, accuracy, ease of use, timeliness, aesthetics and security; and for banking service product quality one dimension of product variety/diverse features. These dimensions were partly adapted from Zeithaml et al., 1990, Johnston 1997, Doll and Torkzadeh 1988. The most frequently mentioned dimensions as the main source of satisfaction or dissatisfaction were reliability, responsiveness, access and accuracy. They also suggested that to have strong impact on customer satisfaction the banks should
perform the promised service more dependably, send prompt and attentive email to customer queries, increase the speed of online systems and provide a wide array of service and products on a single website.

E. Grigoroudis, Y. Politis and Y. Siskos, (2002) in their study entitled “Satisfaction benchmarking and customer classification: An application to the branches of a banking organization” classifies the customers according to their satisfaction behaviour which may indicate different client clusters with distinctive preferences and expectations. MUSA (Multi Criteria Satisfaction Analysis) was implemented in order to measure and analyze customer satisfaction in two branches (Branch A and Branch B) of Cypriot private banking sector, Cyprus. Branch A was larger than Branch B and located in a central area of the city. The customers of the bank were divided into two groups – individuals and business customers. The customers of the bank were divided into different segments which enabled to identify the different groups of customers and estimate the homogeneity of preferences in distinct customer segments. The set of satisfaction criteria used in this survey was Personnel of the bank, Image of the Bank, Products, Service and Access (Grigoroudis et al., 1999; Mihelis et al., 2001). The results of the MUSA method show that the customers of Branch A were less satisfied compared to the clientele of Branch B. Customers were satisfied with the Image and Access dimensions of Branch A when compared to Branch B but the customers of Branch B seemed to be more satisfied with Personnel, Products and Service dimensions of Branch B compared to Branch A. The individual customers were more satisfied with the Product and access dimensions of the branches when compared to Business customers. The Business customers were more satisfied with the Personnel, Image and Service dimensions. The study suggested that being a large branch when compared to Branch B, Branch A should
improve in all the dimensions. The service criterion for individual customers and the access criterion for business customers should also be considered for improvement.

Fco. Javier Liorens Montes, Maria Del Mar Fuentes and Luis Miguel Molina Fernandez, (2003) in their research article entitled “Quality management in Banking Service: An Approach to Employee and Customer Relationship” analyzed the relationships between the organizational obstacles perceived by the employees, the employees' psychological climate, the recognition received, and the service culture, with various affective responses from the employees (organizational commitment, job satisfaction and work motivation), as well as the perception of the service quality that the bank provides. A series of interviews with employees and bank managers in order to design a conceptual model that would represent the antecedents and consequences for the employees' perceptions of the service quality provided to customers by their firm. A model was proposed with 17 factors to find the perception of employees. They were support/sincerity, pressure, cohesion, innovation, extrinsic recognition, intrinsic recognition and impartiality (similar to Campbell et al., 1970; Koys & DeCotiis, 1991; Payne & Pugh, 1976) work information, computer system breakdowns, work materials, training, working environment, authority in decisions, central service support, role ambiguity and role conflict (Peters & O'Connor 1988, Schneider 1978, 1980, Brown & Mitchell 1993. Customer's perception about service quality was assessed by tailoring the measurement scale proposed by Teas (1993). The results showed that the several variables making up the climate perceived by bank employees have a high level of predictive power for work motivation, job satisfaction. The employees' organizational commitment had a weak and barely significant effect on their perception of the service quality. A strong relationship may
be deducted between employees and customers' perceptions which suggest that the latter is spurious and may be attributed to the presence of common background data.

Adeoti Johnson Olabode, (2003) in his research article “The Impact of Total Quality Management on Banks Performance in Nigeria” examines the application of total quality management in the service industry with particular reference to the commercial banks in Nigeria and examines how the application of TQM can prevent future threats of distress in commercial banks. The entire commercial banking sub-system was partitioned into three categories, first, second and third generation. The first generation banks are defined as those having a track record of more than 50 years, second generation banks as those that emerged after the indigenization act of 1976 and the third generation banks are defined as post-distress banks or new generation banks. Three banks were selected randomly one to represent each of the three generation banks. The selection of the three banks was based on their proximity to the author. The data analysis employed was ANOVA. The results show that the level of education of the bank customers as well as the bank staff determines to a large extent the success of TQM implementation. It was also found that the year of service of bank staff determines the level of their commitment to achieving the organizational goals. The response from the customers of the three banks show that inaccuracy of banking transaction and poor customer relation have been major quality problems of the banks. It also shows that the quality and quantity of employees employed determine to a very large extent the survival of any bank. The six elements of TQM – quality of personnel, computerization, attitude of employees to work, awareness of organizations objectives, the level of motivation and the involvement of the employees in decision making all determine the quality of banking transactions.
Hence implementation of TQM is essential in banks. The application of TQM will not be immunity against distress but a preventive mechanism of distress.

Dr. Chaisomphol Chaoprasert and Dr. Barry Elsey, (2004)\textsuperscript{43} in their study entitled “Service Quality Improvement in Thai Retail Banking” identified the attempts made by Thai banks to enhance service quality through establishing key quality initiatives, in response to dramatic changes in the industry. The respondents were chosen from eight banks – three Thai banks, three International Thai Banks and two Government owned banks. The major areas of study were problems of customer service and the focus on service quality dimensions, interest in improving service quality, actions and success in service quality improvement, persistence of problems in serving customers and willingness to improve service quality. The result showed that among the service quality dimensions the Bankers gave much importance for reliability, followed by responsiveness, assurance, empathy and tangibles. In improving service quality, the banks concentrated on personal counter service rather than electronic service, although they planned to increase the focus on electronic service in the future. The four major measures of success by implementing service quality projects were increase in number of customers, increase in customer satisfaction, better service provision, better image perception and increase in work efficiency. The major problem in serving customers was customer behaviour because customers were reluctant to change. The research shows that the banks’ further efforts to lift service quality will focus on personal counter services, supported by a drive to enhance electronic services.

Zhilin Yang and Robin T. Peterson, (2004)\textsuperscript{44} in their research article “Customer Perceived Value, Satisfaction, and Loyalty: The Role of Switching Costs”
examines the moderating effects of switching costs on customer loyalty through both satisfaction and perceived-value measures. Scale items for assessing key constructs such as perceived value (Adapted from Levesque & McDougall, 1996) Customer loyalty (Adapted from Mols, 1998) and switching costs (Jones, Mothersbaugh, & Beatty, 2000) were adapted from prior studies. The results showed that perceived value and customer satisfaction are two powerful predictors of customer loyalty. Although switching costs have a positive impact on customer loyalty, their direct effect on loyalty was insignificant. Switching costs play a significant moderating role in the satisfaction-loyalty relationship only when the level of customer satisfaction is above the mean. The same applies to customer-perceived value. The switching costs could serve as exit barriers only when a firm's services are above average. The findings suggest that customer loyalty can be generated through improving customer satisfaction and offering high product/service value. To satisfy online customers, a firm may focus on five key dimensions identified by the current study. First is to provide quality customer services; second, it is vital for a firm to perform the service correctly by executing transactions accurately; third, online providers should differentiate their products from other sites by providing an appropriate range and offering features to target customers. The last two aspects, ease of use and security/privacy, are relevant and essential to the Internet channel.

Zhilin Yang, Minjoon Jun and Robin T.Peterson, (2004) in their study entitled “Measuring Customer Perceived Scale Development and Managerial Implications: Online Service Quality” tries to identify the more salient online service quality dimensions. The major purpose of the study was to confirm the identified service quality dimension in producing overall service quality. Based on the literature review, the authors identified the following three broad conceptual categories related
to online service quality: (1) customer perceived service quality; (2) information systems quality and (3) product portfolio. The authors have adopted a two-stage approach to develop valid online service quality dimensions. In phase one, a content analysis was employed to explore possible dimensions of online service quality. In phase two, a survey questionnaire was generated to assess and refine the model. The content analysis identified a total of 17 dimensions of online service quality and assorted these into three groups: Customer service quality constituting ten dimensions: Responsiveness, Reliability, Competence, Access, Personalization, Courtesy, Continuous improvement, Communication, Convenience and control. Online system quality consisting of six dimensions, namely: Ease of use, Accuracy, Security, Content, Timeliness and Aesthetics and one dimension of product portfolio, referring to product or service variety. The results of the validation procedure indicated that a six-factor online service quality scale has appropriate reliability and validity in every aspect. They were Reliability, Responsiveness, Competence, Ease of Use, Security and Product Portfolio.

Mohammed Al-Hawari, Nicole Hartley and Tony Ward, (2005)46 in their study “Measuring Banks’ Automated Service Quality: A Confirmatory Factor Analysis Approach” strives to develop a comprehensive model of banking automated service quality taking into consideration the unique attributes of each delivery channel and other dimensions that have a potential influence on quality issues. The research was conducted in Queensland, Australia. The research was conducted in two stages – Stage one involved a pilot study which was conducted to refine the test instrument. Specific issues addressed were question ambiguity: the refinement of the research protocol and the confirmation of scale reliability. Stage two involved the distribution of 600 surveys to a random sample of people from the general public. The research
posits that customers perceived quality for banking service is based essentially on five factors – ATM Service, Internet Banking Service, Telephone Banking Service, Core Service and Customer perception of price. The proposed model has been empirically tested for unidimensionality, reliability, and validity using confirmatory factor analysis. The composite reliability, variance extracted, and Cronbach alpha coefficient values for all critical factors, greatly exceeded the minimum acceptable values. This indicated that measures were free from error and therefore yielded very consistent results. The Confirmatory Factor Analysis (CFA) and the other criteria indices for the overall model have also been found to exceed the obligatory requirements. Hence it can be accepted that the automated service quality in banks can be conceptualized into five factor dimensions.

Bo Edvardsson, (2005) in his study “Service Quality: beyond cognitive Assessment” presents six propositions related to service experiences when consuming services and the role of emotions in customer-perceived service quality. An important assumption in this article is that service quality can be understood from both a cognitive and an emotional perspective. An emotional response may start a cognitive process, and thinking may start emotional and effective responses. Service experiences may result in both cognitive and emotional responses, thus forming the basis for perceived service quality. The six propositions presented in this paper were – service quality perceptions are formed during production, delivery and consumption processes, customers have roles as co-producers by carrying our activities as well as being part of interactions influencing both process quality and outcome quality, service quality is perceived and determined by the customer on the basis of co-production, delivery and consumption experiences, favorable and unfavorable customer experiences seem to be more and more important in forming service quality
perceptions, there are two categories of service quality clues: clues of experience related to functionality and clues of experience related to emotions, positive and negative emotions seem to be more and more important in forming service quality perceptions, and negative emotions have a stronger effect on perceived service quality than positive emotions.

Lotfollah Najjar and Ram R.Bishu, (2006)\(^{48}\) in their study entitled “Service Quality : A Case Study of a Bank” identifies the underlying dimensions of service quality in banking industries and assesses the customers perceptions of the importance of each of these dimensions. The five dimensions of service quality formulated by Parasuraman et al., (1985) with five dimensions was the basis of this study. Two banks in Nebraska were selected (Bank A and Bank B). The results showed that reliability and responsiveness are the two most critical dimensions of service quality and they are related to overall service quality. The factors that may delight the customers tend to be more concerned with the intangible nature of service, commitment, attentiveness, friendliness, care and courtesy. The main source of dissatisfaction appear to be cleanliness, aesthetics, integrity, responsiveness, reliability and security which are associated with either to the tangible aspects of service or systemic issues. The study suggested that in order to improve the reliability and responsiveness dimensions, the banks should give proper training to its employees so that they can provide complete and comprehensive information at all times. Staff should be encouraged to present relevant options to banking customers in a manner that does not resemble salesmanship so much as a desire to serve.

Evangelia Blery and Michalis Michalakopoulos, (2006)\(^{49}\) in their study “Customer Relationship Management : S Case Study of a Greek Bank” analyses the
design and implementation of CRM in a Greek bank, identifies the benefits, the problems, as well as the success and failure factors of the implementation of CRM. The main objective of the study was to develop a better understanding of CRM impact on banking competitiveness as well as provide a greater understanding of what constitutes good CRM practices. The bank under study was established in 1991 in Thessaloniki by a group of famous Greek entrepreneurs. Until 2002, the bank had a few number of customer with 15 employees who were not well trained. In the year 2004, CRM was implemented in the bank. After implementation of CRM, the bank was able to reduce its cost, decrease complexity, improve operations and improved technological benefits. CRM helped the bank to come closer to its customers and emphasis was given to customers instead of sales. The bank could provide service 24 hours a day, seven days a week. Effective project management, realistic time scheduling, perfect programming and not exceeding the budget were the critical success factors for CRM implementation. In addition, CRM raised the capital value of the bank by means of: coordination between the departments of Marketing and Operations; the prospects for new marketing channels with Telesales; the possibility of promoting the increased service level as a differentiation from competitors and the emphasis given to customers instead of sales.

Nelson Oly Ndubisi, (2007) in his study entitled “Relationship Marketing and Customer Loyalty” investigates the four underpinning of relationship marketing – trust, commitment, communication and conflict handling on customer loyalty in Malaysia. Data was collected through a field survey of bank customers in Kota Kinabalu, Malaysia. The items to measure the construct dimensions were adapted from previous studies: Churchill and Sprprenant (1982) for the trust dimension, Morgan and Hunt (1994) for communication, commitment and conflict handling, and
Bloemer et al. (1999) for loyalty. All items were measured by responses on a five-point Likert scale of agreement with statements, ranging from 1 = strongly disagree to 5 = strongly agree. Multiple regression analysis was performed to predict the relationship between the four “underpinnings” of relationship marketing and customer loyalty. The results of the regression analysis show that trust, communication, commitment and conflict handling contribute significantly to customer loyalty among Malaysian customers.

Izah Mohd Tahir and Nor Mazlina Abu Bakar, (2007) in their study entitled “Service Quality Gap and Customers' Satisfactions of Commercial Banks in Malaysia” investigates the level of service quality of commercial banks in Malaysia from the perspective of bank customers and assesses the satisfactions towards the services provided by the commercial banks. The measurements used were based on widely accepted SERVQUAL model (Parasuraman et. al. 1985, 1988, 1991). A five-point Likert scale ranging from strongly disagree = 1 to strongly agree = 5, was used to measure the 22 attributes under five dimensions. A descriptive statistics analysis (mean and paired t-test) was used to evaluate the level of service quality of Malaysia's commercial banks from the customers' perspective. The results of the study indicated that the overall service quality provided by the commercial banks was below customers' expectations. Responsiveness was rated as the most important dimension followed by reliability, tangibility, assurance and empathy. The study suggests that the statements “staff giving customers best interest at heart”, “staff performing services right the first time” and “staff willingness to help” must be given importance and must be considered for improvement.
O.V. Safakli, (2007)\textsuperscript{52} in his study “Testing Servqual Dimensions on the Commercial Bank Sector of Northern Cyprus” examines the sustainability of Servqual dimensions developed by Parasuraman, Zeithaml and Berry (1985) towards the service quality of commercial banks in Northern Cyprus. The questionnaire used in the study consists of three parts – part 1 contains the demographic profile of respondents, part 2 includes expectations of respondents, part 3 contains perceptions of respondents. The analysis and tests utilized in the study include frequency and percentage analysis, one-sample t-test, independent-samples t-tests, paired samples t-tests, one-way ANOVA test, factor analysis and reliability analysis. A new dimension of “customer orientation” was added to the servqual model instead of “assurance” and “responsiveness” to make it unique to the banking sector of Northern Cyprus. This dimension results from the personal judgement of the author. The result shows that apart from the age group and marital status other demographic characteristics yielded no significant differences in disparity of service quality. Age group of “46 and above” indicated a higher servqual score for the reliability dimension, and married respondents provided a greater servqual score for the tangibles dimension. The result shows that servqual scores, respondents reported negative results for all dimensions, meaning that expectations are greater than performance, and perceived quality is less than satisfactory and service quality gap materializes.

Victoria Bellou and Andreas Andronikidis, (2008)\textsuperscript{53} in their study “The impact of internal service quality on customer service behavior: Evidence from the Banking Sector” examine the effect that internal service quality has on employees' pro social customer behavior displayed, which is crucial for customers' perception of service quality. This effect was examined both for publicly and for privately held banks. The present study used an instrument developed by Reynoso and Moores (1995). In
particular, 24 items, consisting of 7 distinct dimensions (reliability, responsiveness, competence, communication, understanding, courtesy and access) were used to measure the extent to which employees believe that the bank offers internal services of high quality. In order to assess the pro social behaviour displayed by employees, this study incorporated the instrument developed by Bettencourt and Brown (1997). According to the findings, the perceived level of internal service quality is quite satisfactory both in public and private sector banks. The findings indicate that employees are more likely to improve their general performance and are more cooperative when internal service quality exists. Employees in both sectors agree to the fact that reliability and access are critical for displaying role-prescribed customer behavior. There was significant difference with regard to cooperation and extra-role customer behavior. The study suggested that Quality Circles, employee involvement and human resource management policies designed to stress internal service quality can enhance employees' willingness to serve customers, and in turn increase service quality provided to external customers.

Yu-Ping Lee, Nguyen Tuan Anh and Ching-Yaw Chen, (2009) in their study “Banking Service Quality in Vietnam: A Comparison of Customers' and Bank Staff's Perceptions” assesses banking service quality in Vietnam and to make a comparison of customers' and bank staff's perceptions based on six dimensions of the BSQ (Bank Service Quality) model suggested by Bahia & Nantel (2000). The BSQ model consists of six dimensions – Effectiveness and Assurance, Access, Price, Tangibles, Price and Reliability. All the data were collected through questionnaires which were delivered to two groups: customers and bank staff in some large banks in Vietnam. Descriptive statistical approach, ANOVA, independent t-test, and multi-regression were then used to describe and analyze these six dimensions as well as to make them
into a comparison of banking service quality perceptions between the above two groups. The results of this study showed two important conclusions. Firstly, there were two significant differences in customers' and bank staff's perceptions about the price and service portfolio. The study suggested that in order to decrease the gaps between customers' and bank staff's perceptions as well as to improve customers' satisfaction and loyalty, banks need to build and apply new business strategies and/or reform their old business ones in the fields of prices and service portfolio. Secondly, both customers and bank staff had the same opinions and evaluations about the important levels of six dimensions, with effectiveness and assurance the most important factors and service portfolio as the least important one.

Barbara Culiberg and Ieža Rojšek, (2010) in their research study entitled “Identifying Service Quality Dimensions as Antecedents to Customer Satisfaction in Retail Banking” explores service quality dimensions in a retail bank setting in Slovenia. The major purpose of the study was to develop a scale that will be suitable for measurement service quality in retail banking in Slovenia and to investigate the relative influence of each dimension of service quality in determining customer overall satisfaction. SERVQUAL dimensions formulated by Parasuraman et al., (1985) provided the basis for development of measurement tool. The scale was adapted by adding, deleting or rewording items to ensure suitability for the research context and national culture and language. One additional dimension, access, was added to the existing five dimensions of SERVQUAL. The research process involved the following steps. First, a literature review was undertaken to identify service quality dimensions in retail banking. Finally, a quantitative research was implemented where factor analysis was used to analyze dimensions of service quality. The results of the rotated factor matrix were interpreted and four variables were identified with
meaningful interpretation as suitable for measurement of service quality in retail banking. The four dimensions can also be aligned in respect to the new conceptualization of service quality. The four dimensions were Assurance and Empathy, Reliability and Responsiveness, Access and tangibles. The method used to predict customer satisfaction was multiple regression analysis. The results show that all five variables used in the model are statistically significant in predicting customer satisfaction.

Beh Yin Yee and T.M.Faziharudean, (2010) in their study “Factors affecting Customer Loyalty of using Internet Banking in Malaysia” determines the factors that create loyalty among customers towards internet banking and the factors that are essential in forming loyalty among Malaysian customers in the Internet banking environment. A structured questionnaire was developed to obtain the responses from Internet banking users about their opinions on various research variables. The questionnaire of this study consists of seven variables: The 17 items to measure Perceived e-service Quality (PeSQ) scale was adopted from a study done by Cristobal et al. (2007). Then, perceived value, trust and habit are adapted from Lin and Wang (2006), with each consisting of 3, 5 and 4 items measurement respectively. Lastly, to measure customer assessment of Internet banking website provider reputation in determining their choices of Internet banking website, this study adapted a past study from Casalo et al. (2008) which consists of 4 items measurement. The results of the study show that service quality and perceived value is not a predictor of customer loyalty towards Internet banking websites in Malaysia; customers tend not to be loyal although the Internet banking providers provide high quality services and have gained high customer perceived value, whereas trust, habit and reputation of internet banking
had a positive influence on customer loyalty. Service quality is found to be an important factor in influencing the adoption of the technology, but did not have a significant influence in retention of customers.

Christopher Bond and Msc & Marc Ting-Chun Hsu, (2011) in their study “International Students' Perceptions of Quality in UK Banking Sector : An Exploratory Study” assesses international students' expectations and perceptions of service quality in their engagement with UK banks and identifies any service quality gaps experienced by this customer segment. The questionnaire used in this study was designed using the standard SERVQUAL categories of tangibles, reliability, responsiveness, assurance and empathy. The study reveals that the main areas of service quality with which International students are generally satisfied relates to tangibles such as physical layout and appearance. The key areas of dissatisfaction that the study identified were with factors related to reliability and empathy. The test results revealed there were differences in both perception and gap in the responsiveness dimension when the data was analyzed according to region of origin of the respondents. The results indicate there are significant differences in the responsiveness dimension between North American students where the gap score is larger than the Middle East and Asian students who have a lower perception score compared with Middle Eastern students. The study revealed a difference in expectations between holders of specialist paying and non-paying account holders with the latter having generally higher expectations of the service they expected. This is somewhat unusual as one might normally expect a person that pays for a service to have a higher expectation than someone who does not. Overall, the data reveals that there is a general level of dissatisfaction with service quality among all respondents.
Ravi Kant Sharma, (2011)\textsuperscript{58} in his study “Service Quality in the Retail Banking Sector: A Study of India vs. China” tries to identify the growth potential in retail banking segment in both the economies and compare the service quality in retail banking segment in both the economies. The study has adopted the Gronroos’s service quality that emphasizes the following “seven factors (2007) – Professionalism & Skills, Attitude and Behaviour, Accessibility & Flexibility, Reliability and Trustworthiness, Service Recovery, Servicape, Reputation and Credibility. The common characteristic of retail banking-India & China is increased middle class, increased disposable income, incremental use of technology, increasing expectation of customers and growth of more banking distribution channel. The challenges of retail banking in both the economies are globalization and privatization, new technology, innovation of banking products, customer relation, competition in retail banking, mergers in banking and political and administrative interference. The results showed that Indian banks have higher professionalism and skills (based on Return of Asset) compared to Chinese Banks. Chinese customers frequently switched between their service providers compared to Indian customers. The accessing of retail banking service in urban & rural areas more or less is same in both the countries but Indian customers have much better access and reach of banking service.

Mehdi Rouholamini and S.Venkatesh, (2011)\textsuperscript{59} in their study “A Study of Customer Relationship Management in Iranian Banking Industry” evaluates the banks personnel perception about CRM in Iranian Banking Industry and evaluates the CRM practices in Iranian banking industry. The primary data were gathered from 400 respondents who represented the top, middle and lower management of public and private banks of Iran through questionnaires. The results showed that the bank personnel's had less knowledge, idea and concepts about CRM. It was observed that
managers of private sector banks had higher knowledge and ideas about CRM compared to public sector banks. The CRM practices in Iran banking sector were not up to the standard. The practice of CRM is widely acknowledged as an important component of marketing management and corporate communication management processes in Iranian banks but unfortunately applications of CRM is not favorable.

Hazlina Abdul Kadir, Nasim Rahmani and Reza Masinaei, (2011) in their study “Impacts of service quality on customer satisfaction: Study of online banking and ATM services in Malaysia” tries to identify the effects of services offered by Malaysian banks through online media and ATMs on customer satisfaction. 500 students from different universities in Malaysia including University of Malaya, University Kebangsan Malaysia, University Putra Malaysia, Multimedia University Malaysia and Limkokwing University chosen as a sample frame of the study. Two analyses are employed to fully reflect the effect of online and ATM services on their satisfaction level. The first one was Parasuraman et al., (1985) service quality model which compares the difference between satisfaction and expectation level in order to find out which dimensions need to be improved. The structure of questionnaires for online banking services was based on E-SERVQUAL model with 11 dimensions in order to discover any gap in online banking services in Malaysia. These dimensions consist of ease of navigation, trust or assurance, privacy, responsiveness, reliability, customization, aesthetic design, efficiency, access, flexibility and price knowledge. Second analysis was two-way ANOVA analysis which tried to identify the relationship between demographic factors and the study's outcome. The results showed that tangible and responsiveness dimensions out of 5 dimensions of SERVQUAL model are found unable to fulfill the respondents demand as well. 3 out of 11 dimensions of E-SERVQUAL model are found unable to respond customers’
need. These dimensions are responsiveness, customization and flexibility for E-SERVQUAL model which was applied for online banking system in Malaysia. Therefore, Malaysian anchor banks are required to improve their services related to these dimensions in order to fulfill the customers need.

2.3 WHY THIS PRESENT STUDY

It is evident that these studies have been attempted to examine the relationship of service quality with banks and its importance in today’s competitive environment. However, it has been observed that none of the studies have extensively covered the quality of service and products of the bank, attitude of the customers towards service quality and the drivers of operationalization of service quality. The study has been undertaken to highlight the comparative analysis of the perception of the customers of State Bank of India and ICICI Bank towards service quality. As such, the researcher has made an attempt to discuss the perceptual difference between the customers of State Bank of India and ICICI Bank. Hence, the present study has been made to bridge the gap in order to know the actual opinion of the customers towards service quality.

2.4 SUMMARY

At the outset, this chapter has discussed the studies relating to service quality in banks which are found in the early literature to form the base for further studies in the field. It has also summed up the important findings of each study. It serves as a base for the researcher to gain insight into the various aspects of the study. As such, this chapter describes in capsule form all the previous studies relating to the present study.
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Information Technology and Knowledge Management, July-December 2011, Volume.4, No.2, pp.723-729