Banks serve as intermediaries in mobilizing public savings and channelising the flow of funds for productive purposes, keeping on the process of the economic growth of the country. Realizing the important role of banks in economic development, Government of India/Reserve Bank of India took several major initiatives after independence to gear the banking system to serve the national objectives.

One of the most momentous of such initiatives was the substitution of private ownership by public ownership, through the medium of an ordinance, in 14 largest commercial banks in the private sector on 19th July 1969. This has popularly come to be known as nationalization of these banks without which it would not have been possible to transform class banking into mass banking and align bank credit to serve the planned priorities and social needs. These banks were the Central Bank of India, Bank of Maharashtra, Dena Bank, Punjab National Bank, Syndicate Bank, Canara Bank, Indian Overseas Bank, Indian Bank, Bank of Baroda, Union Bank, Allahabad Bank, United Bank of India, UCO Bank and Bank of India. The objective was to serve better the needs of development of the economy in conformity with national policy objectives (http://rbi.org.in/scripts/publicationsview.aspx?id=10487, retrieved at 28/9/2012).

Branch expansion programmes formulated by the Reserve Bank of India aimed at increasing access to banking facilities in all parts of the country especially the unbanked rural and semi-urban areas. This was perceived as essential for implementation of project for rural development and upliftment of economically weaker sections and also spreading the culture of banking even in remote areas of the country. The number of branches increased significantly between 1952 and 1960 and further between 1960 and 1967. The population per office declined from 1,36,000 in 1951 to 92,000 in 1960 and further to 65,000 in 1967 (Handbook of Statistics on the Indian Economy, 2006-07).

Banks assisted the rehabilitation of sick industrial units and in the prevention of unemployment, which would otherwise have resulted from the closure of industrial units for want of credit. These measures thus mentioned, substantially contributed to
the channelising of bank credit to the various sectors of the economy which involved *inter alia*, flow of credit to sectors, which were hitherto neglected or the so called 'priority sectors'.

The reorientations in lending policies of banks have resulted in providing more employment opportunities to lakhs of people and helping large sections of rural population increase their earnings. Mieko Nishimizu of the World Bank feels "India has the capacity to become the heart of Asia's economic dynamism" (Nishimizu, M. 2005).

An efficient financial sector is an engine for economic growth. It converts the fuel of savings into kinetic energy for the economy. The banking industry which is at the core of the financial sector must take the lead. The reform process started in the 90's has given the industry a great opportunity (Das, 2010). Not only must the sector become more efficient but it must also identify sectors having growth opportunities and devise strategies to move savings into these sectors.

**1.2 HISTORY OF BANKING**

During 1786 to 1969, growth was very slow in Indian banks and they also experienced periodic failures between 1913 and 1948. There were approximately 1100 banks, mostly small. To streamline the functioning and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949. Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the central bank authority. Seven banks forming subsidiary of State Bank of India were nationalized in 1960. On 19th July, 1969, nationalization was carried out. The stated reason for the nationalization was to give the government more control of credit delivery (Goyal and Joshi, 2012).

In the 1990s, the banking sector in India saw greater emphasis being placed on technology and innovation. Globalization and deregulations have increased competition in the market place, as now a days, it has become much easier for companies to cross borders and compete internationally. This increased competition is forcing organizations to increase their productivity and decrease their costs. One of the ways to achieve that is by investing in information technology (Fredriksson, 2003).
Recent developments in information technology have led to major changes in service providing organizations such as banks. Every bank realizes that they must use information technology to survive in this era. Through information technology, banks can better maintain the relationship with customers as customers tend to interact more with provided services through information technology. Other advantages are that information technology increases revenues and banks can easily gain competitive advantages through differentiation of banking services and thereby, an image improvement. In the beginning of the 21st century almost everyone went to the bank offices to carry out their banking errands, however, today this has changed. Banks began to use technology to provide better quality of services at greater speed. Internet banking and mobile banking made it convenient for customers to do their banking from geographically diverse places.

Banks are segregated in different groups. Each group has their own benefits and limitations in operating in India. Each has their own dedicated target market. Few of them work in rural sector while others in both rural as well as urban. Many are only catering to cities. Some are of Indian origin and some are foreign players.

Previously, the Indian market was ruled by the government enterprises but the scene in Indian market changed as soon as the markets were opened for investments. This gives a boom to the Indian private sector companies, which are customer friendly and provide speedy service. This further fueled competition amongst same industry players and even in government organizations. Total 8877 branches of new and old private banks were found in India till March, 2009 (http://www.rbi.org.in/scripts/PublicationsView.aspx?id=12681, retrieved on 6/10/2012, 4:35 pm).

One more section comprises of upcoming foreign banks in India. The RBI has shown keen interest in involving more foreign banks. This step has paved the way for few more foreign banks to set up business in India. As on 30 April, 2012, 323 branches of foreign banks are present in India. (http://rbidocs.rbi.org.in/rdocs/Content/pdfs/71207.pdf retrieved on 28/08/2012, 3:25 pm)
Involvement of foreign and private banks in India created strong competition to survive in the banking industry. Every bank needed to provide better services to their customers so that they can retain their customers.

1.2 SERVICE AND SERVICE CHARACTERISTICS

A service is the intangible equivalent of a good. Service provision is often an economic activity where the buyer does not generally, except by exclusive contract, obtain exclusive ownership of the thing purchased. The benefits of such a service, if priced, are held to be self-evident in the buyer’s willingness to pay for it. Public services are those services, for which society pays for as a whole through taxes and other means.

A service is an act or performance offered by one party to another. Service represents either intangibles yielding satisfaction directly or intangibles yielding satisfaction jointly when purchased either with commodities or services (Dhar, U; Dhar, S. and Jain A. 2004).

Goods versus Services

There is a general agreement that inherent differences between goods and services exist and that they result in unique, or at least different, management challenges for service businesses and for manufacturers that offer services as a core offering (Zeithaml et al., 1985). These differences and associated marketing implications are given as under:
<table>
<thead>
<tr>
<th>Goods</th>
<th>Services</th>
<th>Resulting Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible</td>
<td>Intangible</td>
<td>Services cannot be inventoried. Services cannot be patented. Services cannot be readily displayed or communicated. Pricing is difficult.</td>
</tr>
<tr>
<td>Standardized</td>
<td>Heterogeneous</td>
<td>Service delivery and customer satisfaction depend on employee actions. Service quality depends on many uncontrollable factors. There is no sure knowledge that the service delivered matches what was planned and promoted.</td>
</tr>
<tr>
<td>Production separate from consumption</td>
<td>Simultaneous production and consumption</td>
<td>Customers participate in and affect the transaction. Customers affect each other. Employees affect the service outcome. Decentralization may be essential. Mass production is difficult.</td>
</tr>
<tr>
<td>Non-perishable</td>
<td>Perishable</td>
<td>It is difficult to synchronize supply and demand with services. Services cannot be returned or resold.</td>
</tr>
</tbody>
</table>


Services can be paraphrased in terms of their generic key characteristics.

### 1.2.1 Intangibility

Services are intangible and insubstantial: they cannot be touched, gripped, handled, looked at, smelled, tasted or heard. Thus, there is neither potential nor need for transport, storage or stocking of services. Furthermore, a service cannot be (re)sold or owned by somebody, neither can it be turned over from the service provider to the service consumer nor returned from the service consumer to the service provider. Solely, the service delivery can be commissioned to a service provider who must generate and render the service at the distinct request of an authorized service consumer.
1.2.2 Perishability

Services are perishable in two regards

- The service relevant resources, processes and systems are assigned for service delivery during a definite period in time. If the designated or scheduled service consumer does not request and consume the service during this period, the service cannot be performed for him. From the perspective of the service provider, this is a lost business opportunity as he cannot charge any service delivery; potentially, he can assign the resources, processes and systems to another service consumer who requests a service.

- When the service has been completely rendered to the requesting service consumer, this particular service irreversibly vanishes as it has been consumed by the service consumer.

1.2.3 Inseparability

The service provider is indispensable for service delivery as he must promptly generate and render the service to the requesting service consumer. In many cases, the service delivery is executed automatically but the service provider must assign resources and systems and actively keep up appropriate service delivery readiness and capabilities. Additionally, the service consumer is inseparable from service delivery because he is involved in it from requesting it up to consuming the rendered benefits.

1.2.4 Simultaneity

Services are rendered and consumed during the same period of time. As soon as the service consumer has requested the service (delivery), the particular service must be generated from scratch without any delay and friction and the service consumer instantaneously consumes the rendered benefits for executing his upcoming activity or task.

1.2.5 Variability

Each service is unique. It is one-time generated, rendered and consumed and can never be exactly repeated as the point in time, location, circumstances, conditions,
current configurations and/or assigned resources are different for the next delivery, even if the same service consumer requests the same service. Many services are regarded as heterogeneous or lacking homogeneity and are typically modified for each service consumer or each new situation (consumerised). Heterogeneity also results because no two customers are precisely alike; each will have unique demands or experience the service in a unique way. Thus, the heterogeneity connected with services is largely the result of human interaction (between and among employees and customers) and all of the vagaries that accompany it (Booms and Bitner 1981).

1.3 SERVICE QUALITY

The efficiency of a banking sector depends upon how best it can deliver services to its target customers. In order to survive in this competitive environment and provide continual customer satisfaction, the providers of banking services are now required to continually improve the quality of services.

Gronroos (2000) proposed “A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources of goods and/or systems of the service provider, which are provided as solutions to customer problems.” Kotler and Bloom (1984) considered service as, “any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.”

It can be concluded through definitions that services are intangible activities, benefits or satisfactions that are offered for sale and does not result in the ownership of anything. Because services are performances rather than objects, quality in service can be engineered only when delivered to the consumer. Most services can not be counted, measured, inventoried, tested and verified in advance of sale to ensure quality delivery.
1.3.1 Themes of service quality

Due to their intangibility, heterogeneity, perishable nature and the inseparability of production and consumption, service quality becomes difficult to conceptualize and measure. Quality is thus relative and subjective, and depends on the perceptions and expectations that the customer has with respect to service offering. On a review of literature on the service quality characteristics, the following three themes emerge:

1.3.1.1 Service Quality is more difficult to Evaluate

Service quality is more difficult for consumers to evaluate than goods quality. Therefore, the criteria that customers use to evaluate service quality may be more difficult for marketers to comprehend. Unlike goods, when purchasing services, fewer tangible cues exist. In most cases, tangible evidence is limited to service provider’s physical facilities, equipment and personnel. Customer’s assessment of the quality of health care, education and training, insurance and banking services is more complex than their assessment of quality of automobiles or other tangible products. Because of service intangibility, a firm may find it more difficult to understand how consumers perceive services and service quality. When a service provider knows how (the service) will be evaluated by the consumer, it becomes imperative to influence these evaluations in a desired direction.

1.3.1.2 Quality is a Comparison between Expectations and Performance

Service quality perceptions result from a comparison of consumer expectations with actual service performance. Lewis and Booms (1983) suggested that service quality involves comparing customer expectations to the performances obtained from the service provided. Quality is thus, perceived as the manner in which services, through their delivery system, satisfy customer needs. Delivering quality service means conforming to customer expectations on a consistent basis. Gronroos (1982) contended that consumers compare the service they expect with perceptions of the service they receive in evaluating service quality. To earn good reputation in quality, the firm must match or exceed customer expectations.

1.3.1.3 Quality Evaluations Involve Outcomes and Processes
Customers do not evaluate service quality solely on the outcome of service. They also involve evaluation of the process of service delivery. Gronroos (1984) establishes a distinction between two forms of service quality:

a) Technical quality – which involves what the customer is actually receiving from the service,

b) Functional quality – which involves the manner in which the service is delivered to include the attitudes and behavior, appearance and personality, service mindedness, accessibility and approachability of customer contact personnel – together with the corporate image dimension of quality. Functional quality is seen as being predominant in the customers’ evaluative process. Lehtinan and Lehtinan (1982) proposed three major determinants of service quality: (i) institutional quality, i.e. corporate image; (ii) physical quality, which corresponds to the physical environment associated with the service-producing system; and (iii) interactive quality, which involves the interactions between contact personnel and customers as well as interaction among the customers themselves.

1.3.2 The Dimensions of Service Quality

Many scholars agreed that service quality can be decomposed into two major dimensions (Grönroos, 1983). The first dimension is concerned with what the service delivers and is referred to by Parasuraman, Zeithamal and Barry (PZB) (1985) as “outcome quality” and by Grönroos (1984) as “technical quality”. The second dimension is concerned with how the service is delivered: the process that the customer went through to get to the outcome of the service. PZB (1985) referred to this as “process quality” while Grönroos (1984) called it “functional quality.” However, while PZB (1985) and Parasuraman and Zeithamal (2006) confirmed these distinctions, they often confusingly use “service quality” when they meant “service process quality.” Thus, to avoid any further confusion, a distinction was made between “service process” and “service outcome”. Whenever the word service is used, it should be taken as the total service which is a combination of process and
outcome. Likewise, service quality shall be used to refer to the totality of process quality and outcome quality.

PZ defined service quality as “the degree and direction of discrepancy between customers’ service perceptions and expectations” (2006). Thus, if the perception is higher than expectation, then the service is said to be of high quality. Likewise, when expectation is higher than perception, the service is said to be of low quality.

1.3.3 Service Quality in the banking sector

Delivering high quality services is a prerequisite for achieving customer satisfaction and only through customer satisfaction can any organization gain customer retention. Because of the highly undifferentiated products and services that financial organizations, and specifically banks offer, service quality becomes the main tool for competing in this marketplace (Stafford, 1996; Kim, Han, Choi and Kim, 1998). In general, because of the higher profits and higher customer retention to which they lead, high-quality services are believed to provide banks with competitive edge in the marketplace (Bennett and Higgins, 1988).

The globalization of Indian economy has truly called for much more disciplined approach on the part of Indian banking sector to improve the overall quality of customer services through smart use, absorption and adoption of flexible and appropriate information technology. It is seen that 5 per cent increase in customer retention can increase profitability by 35 per cent in banking business, 50 per cent in insurance and brokerage, and 125 per cent in the consumer credit card market. Therefore, banks are now stressing on retaining customers and increasing market share (Pritesh Y. Chothani, Arjun Siva and Lochan Naraynan, 2004).

From the above discussion, it becomes obvious that high service quality is essential for surviving in the highly competitive banking environment (Wang, Lo and Hui, 2003). This leads to the fact, that a good understanding of the attributes that customers use to judge service quality is necessary for the firm to be able to monitor and enhance its service performance and improve its overall service quality.
A favorable climate for excellent service manifests itself in employee behavior like, being attentive to customers, speaking favorably about the organization and its services. With frequent employee-customer contact, customers are more often exposed to such positive behaviors, which in turn, affect customer satisfaction.

The most recent trend in many service organizations is to consider quality service as a critical factor in enabling them to achieve a differential advantage over their competitors (Albrecht and Zemke, 1985; Ross and Shetty, 1985). Increasingly, quality is becoming a key variable in strategic planning. Further, the organisations which are becoming leaders in quality service are characterized by the commitment of top management and a corporate culture that encourages a consumer and quality focus throughout the company (Albrecht and Zemke, 1985; Marshall, 1985). In India, many academicians and practitioners (Brahmanandam and Narayana, 1990; Nageswar and Pramod, 1990; Nageswar, 1987; Sesha Sai, 1999; and Sundaram, 1984) had highlighted the need for better service quality in banks, mostly public sector banks and offered guidelines for improvement in bank services. These studies have also warned public sector banks that if the present trend of customer dissatisfaction continues unabated, time is not far away when these banks will loose their valuable customers to competitors (especially private and foreign).

1.4 CUSTOMER SATISFACTION
Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer’s experience of both contacts with the organization and personal outcomes.

The existing evidence suggests that customer satisfaction is likely to come from improvements in service quality, service features and customer complaint handling. Maximizing customer satisfaction through quality customer service has been described as the ‘ultimate weapon’ (Davidow and Uttal, 1989). There are strong linkages between service quality dimensions (e.g., courteous service providers) and overall customer satisfaction. However, little empirical research has examined the importance of service quality dimensions in determining customer satisfaction. Customer satisfaction is also related to the service offering. Researches had shown that customer satisfaction is likely to come from improvements in service features.
1.5 INFORMATION TECHNOLOGY IN BANKING SERVICES

The Indian banking industry is passing through a phase of customers market. Customers are becoming more demanding. Apart from traditional type of banking services, customers today require more personalized products, services and access to such services at any time and at any place. In addition, the advent and use of internet has changed considerably the daily activities of most people in banking. Online banking services are becoming an attractive alternative to visiting service or phoning call centers for increasing number of customers.

The new age information technology is bringing about sweeping changes in the banking industry, forcing them to re-engineer many of their basic processes and systems. Few of the technology-driven electronic banking services being offered are viz., Automated Teller Machine, Electronic Clearing Services, Electronic Fund Transfer, Tele-banking, Internet banking etc. New technological capabilities could be effectively used to create value and to better manage customer relationship.

Reddy (2001) stated “Banks are at different stages of technology adoption partly due to their different legacies, as much as the differences in their strategic approaches to computerization and technology absorption.”

The foreign banks are ahead in offering better banking services and products, coupled with smart use of IT adoption and have considerably achieved high operational efficiency (RBI, 2001).

Vyas, P. (2004) concluded that there was effective implementation of e-banking services in case of private banks and foreign banks, whereas, nationalized banks were found to have lesser degree of computerization.

Dr. Rangarajan, the former Deputy Governor, Reserve Bank of India, commented “Indian banks have to conform to international accounting standards, if Indian banks are to get their due place and recognition in the global financial market” (Jankiraman, R., 1995).
1.6 CURRENT SCENARIO OF INFORMATION TECHNOLOGY

Currently, overall banking in India is considered as fairly mature in terms of supply, product range and reaches even though, reach in rural India still remains a challenge for the private sector and foreign banks. Well computerized foreign banks are beginning to compete seriously with the nationalized banks. They aim at a profitable and wealthy part of the market and in contrast to the nationalized banks, do not recognize any social responsibilities to small account holders or to a rural and semi urban clientele. Almost 80 per cent of the businesses are still controlled by Public Sector Banks (PSBs). PSBs still dominate the commercial banking system.

With the advancement in technology, services provided by banks have become more easy and convenient. The competitive character has been further promoted by facilitating the entry of new players, especially foreign banks. The country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking are recent innovations. The entire system became more convenient and swift. Time is given more importance than money.

1.7 E-BANKING IN INDIA - CHALLENGES AND OPPORTUNITIES

E-banking is a generic term for delivery of banking services and products through electronic channels, such as the telephone, the internet, the cell phone, etc. The concept and scope of E-banking is still evolving. It facilitates an effective payment and accounting system thereby, enhancing the speed of delivery of banking services considerably.

Several initiatives taken by the government of India, as well as the Reserve Bank of India (RBI), have facilitated the development of E-banking in India. The government of India enacted the IT Act, 2000, which provides legal recognition to electronic transactions and other means of electronic commerce (http://www.rbi.org.in/Scripts/PublicationsView.aspx?id=12043).

The RBI has been preparing to upgrade itself as a regulator and supervisor of the technologically dominated financial system. It issued guidelines on risks and control in computer and telecommunication system to all banks, advising them to evaluate the risks inherent in the systems and put in place adequate control mechanisms to address
these risks. The existing regulatory framework over banks has also been extended to E-banking. It covers various issues that fall within the framework of technology, security standards, and legal and regulatory issues. While E-banking has improved efficiency and convenience, it has also posed several challenges to the regulators and supervisors.

1.7.1 Drivers of Change in Internet Banking

A successful Internet banking offers:

- Checking with no monthly fee, free bill payment and rebates on ATM surcharges
- Credit cards with low rates
- Easy online applications for all accounts, including personal loans and mortgages
- 24 hour account access
- Quality customer service with personal attention

Advantages previously held by large financial institutions have shrunk considerably. The Internet has leveled the playing field and afforded open access to customers in the global marketplace. Internet banking is a cost-effective delivery channel for financial institutions. Consumers are embracing the many benefits of Internet banking. Access to one's accounts at anytime and from any location via the World Wide Web is a convenience unknown a short time ago. Thus, a bank's Internet presence transforms from 'brochure' status to 'Internet banking' status once the bank goes through a technology integration effort to enable the customer to access information about his or her specific account. The six primary drivers of Internet banking includes:

- Improve customer access
- Facilitate the offering of more services
- Increase customer loyalty
- Attract new customers
- Provide services offered by competitors
- Reduce customer attrition
1.7.2 Main Concerns in Internet Banking

The Internet banking is changing the banking industry and is having the major effects on banking relationships. Internet banking involves use of Internet for delivery of banking products and services. There are several major challenges and issues facing the internet banking today. First, and perhaps most important is the security concern (Ziqi and Michael, 2003). Customers are certainly concerned of giving their bank account information online. Proper completion of transaction from beginning till end is the prime concern of users of internet banking. Unfortunately they face problems during the process of transactions and many times they have to restart the whole process from beginning.

Another challenge facing internet banking, in general, is the quality of delivery service – including both delivery speed (i.e., short advance time required in ordering) and delivery reliability (i.e., delivery of items/services on time) (Furst et al., 2000). Limited online payment options have resulted in many customers to drop out due to dissatisfaction and inconvenience.

Internet banking also has the potential to create new opportunities for fraud and cyber crime. Moreover, customer education on security risks can play an important role for consumer protection and thereby, limit reputational risk of the banks.

Finally, the issue of customer unfamiliarity with the internet is also imperative to deal with, which is prominent among senior citizens (Yang et al., 2007). There are plenty of issues, which influence customer’s intention to adopt internet banking. These issues should be of prime concern to the banks providing internet banking facilities and the banks should make efforts to expunge these issues.

1.8 Rationale of the Study

“Marketing and winning over customers who fit our target profile is our key challenge. We are not afraid of current competitors or new entrants because we believe that we have a niche and a differentiated quality service.” (Taufik Jellasi, 2001).

The banking industry in India is facing unprecedented competition from non-traditional banking institutions, which now offer banking and financial services over the Internet. The deregulation of the banking industry coupled with the emergence of
new technologies, are enabling new competitors to enter the financial services market quickly and efficiently.

World over, the banking environment has become highly competitive, as traditional banking has undergone an absolute transformation. To survive in this competitive e-age and to provide continual customer satisfaction, the bankers are now looking for innovative use. Absorption and adoption of information technology results into increase in overall profitability, operational efficiency and marketing effectiveness. In such a competitive environment, financial institutions are forced to examine their performance because their survival in the dynamic economies of the coming years will be dependent upon their overall efficiencies. In response, banking firms have been trying to adopt and to adjust themselves to improve their efficiencies in the changing social and economic environment.

The efficiency of a banking sector depends upon how best it can deliver services to its target customers or how far the expectations of customers are met. Any service to be provided to the customers can be differentiated by the service provider from the rest of the service providers if it has some unique selling proposition. The customers compare the perceived service with the expected service. The customer perceives the service quality to be high if it is perfect on his expectation. This perception leads to customer satisfaction with the related service. In the present time, customer satisfaction is an interesting and dynamic concept. It is a concept, which varies from time to time. What is considered as “good” customer services today may be termed “bad” tomorrow. IT strategies therefore, need to be in proper consonance with bank’s marketing strategies. Customers are now demanding an individualistic attention and are no longer willing to accept delay in transactions. A customer centric view has replaced the earlier product centric view.

In traditional banking, personal interaction between the customers and the bank employees takes place while impersonal interaction takes place between the customers and the bank employees in Internet banking. There is a dearth of researches
about service quality dimensions and customers satisfaction in both transactions based and IT enabled banking services.

Therefore, it becomes imperative for service providers to meet or exceed the target customers’ satisfaction with quality of services expected by them. Hence, the present research attempted to study customers’ perception of quality of services, both transactions based and IT enabled in terms of its constituent factors in public sector, private sector and foreign banks. Also the present study attempted to identify lacunae, if any, that existed which might hamper good customer service and in turn, affected customer satisfaction. Also through the present study, the extent of IT adoption in public sector, private sector and foreign banks in this e-age was gauged.

A lot of research has been conducted about key service quality dimensions and customer requirements in the traditional banking environment, where personal interaction between the customers and the bank employees takes place, but researches on service quality dimensions in IT enabled services were not available (Cowling and Newman, 1995; Johnston, 1995; Bahia and Nantel, 2000). However, the service quality attributes and customer requirements involved in Internet banking, where the interaction between the customers and the bank is impersonal, have not been studied enough, which can be implied by the fact that a precise measurement instrument for online services quality has not been available (Cox and Dale, 2001). Thus, it is really important to learn more about the customers’ perceptions of the online banking services quality and the attributes, the customers find essential for a quality service delivery on the Internet. Customers have some expectations and criteria, on the basis of which they judge whether the provided banking services, both transaction based and IT enabled are satisfactory or not. This is what banks, which provide banking services should try to find out, so that they can improve their online as well as traditional services and gain competitive advantage in the banking industry.

1.9 RESEARCH QUESTIONS
• What are the major factors affecting customers’ satisfaction?
• What are several dimensions of service quality in banking services?
• What is the level of customers’ satisfaction with the quality of services provided by public sector, private sector and foreign banks?
• Do customers switch over to the IT adoption in banks and to which extent?

1.10 OBJECTIVES OF THE STUDY

Objectives planned in the present investigation were-

❖ To study various aspects of services provided by the public, private and foreign banks.
❖ To study the access of customers to the banking services with special reference to both transactions based and IT enabled services.
❖ To analyze the constituent factors affecting customer satisfaction with the quality of services provided by the banks.
❖ To determine and compare the extent of customer’s satisfaction with quality of banking services on the basis of different constituent factors.