CHAPTER 4

LITERATURE REVIEW
4.1 Previous studies on customer satisfaction

There are plenty of literature which focuses on reasons, impact and new innovative conclusions for customer satisfaction in banking sector. We have reviewed literature which relates to customer satisfaction in private banks as well as public sector banks.

Vinita Kaura, (2013) "Customer satisfaction Antecedents: a study mainly focused on Indian public and private sector banks", In Bank Marketing International Journal studied that various service quality factors are behavior of employee with account holders, tangible factor and information technique factor. The various factors of service convenience are required quickness in decision, fast in access, suitable in transaction, good in benefit and post-benefit analysis. For banks of public sector except tangible factor, all other factors have impact positively on satisfaction of customers. And for banks of private sector except tangible factor and good in benefit all other factors have impact positively on customer satisfaction. There is a basic change in beta coefficient is observed between public and private sector banks regarding behavior of employees, quickness and effective in decision, fast in access and post-benefit analysis.

Most of studies found that there is relationship between type of customers and their education and the degree of customer satisfaction i.e. literate customer and who uses internet banking and customer who belongs to village area and unaware with modern banking there is vast difference in same services provided by banks in general. However there are some studies where outcome is stable and found no relationship among these criteria. As Winsted (1997) reports customers of different states and traditions may receive and considered quality of service differently.

Matilla (1999), Furrer et al., (2000) and Lopez et al., (2007) have found among other customers that customer tradition or culture is an important factor of customers’ way of thinking on service quality and it follows with the trust factor. This denotes there is requirement of study this relation from the angle of various traditions and culture which varies from country to country. So the work carried out shows good amount of contribution by studying trust factors or initiators in the banking sector. Nevertheless customer loyalty factor is important and it also plays huge role while considering the customer satisfaction. However customer taste may
Madhavankutty G. (2007) concludes in his study that the Indian banking system has reached to a level of good growth and as possible is started with education management practices and to adopt it, which become an unavoidable part of policy decisions. Indian Banking is about to enter yet another development phase once the entry of players from other countries in 2009. This change requires growth and advancement in management of new technologies, management of people and the ability to forecast future and quickly managed to the fast changes in the financial arena. Presently, there is a good amount of difference between the earnings of state owned banks top management and private sector banks, as well as banks from foreign country. Every bank needs to have management strategies to handle risk and inside capital availability judgement committees to check that they do not deviate from the needs which are prudential.

According to Best (2009), the study shows that the price which generally acceptable to customers may not attract them because of ever changing cost and trust and faith to a brand of competitors. A study conducted by Brodie et al., (2009) tested the influence of various factors like image of the brand, image of the company, employee trust factor, and trust of company on customer loyalty. An author found that except of image of company all the others factors showed indirect relation with loyalty of customers. There are studies which highlight the effect of brand image on overall satisfaction, an excellent study conducted by Bloemer et al., (1998) focused on an opposite relationship where image of brand is mediated by quality of service. Again, Kottler et al., (2008), in establishment of the relationship among the customer & satisfaction bring out with an analysis in the order: Image --> quality --> satisfaction--> post purchase behavior.

Krishnaveni R. and Prabha D.D. (2006) a research conducted recognize the need to development of long term relationship with existing and prospective customers to stick in competitive environment. The fact realized by the banks as There is want to accept a people oriented approach as compared the approach related to profit towards improvement of customer service,. In this study among list of 49 both sector banks a quantity of 27 banks is finalized at random. The study concluded that delivery the right information and quality facilities to the
employees will change and promote the internal service quality features with the different factors taken up for the study.

The real concept of brand image creates changes in the degree of customer satisfaction, particularly this group of customers have different image and value for the bank in their mind and even in real negative part from bank side if it is public or private bank considered with different ways of thinking and would not impact much on the image of bank and degree or level of satisfaction. The customers of any bank usually follow information of brand to assess value (Grewal et al., 2004), and impact customer evaluations (Rao and Monroe, 1999). So to determine the desired value the cost benefit analysis involved with such factors.

The money and time spent on getting particular service which comes under the cost side of the equation and the other side of equation focus on the quality of service.

The research study conducted by Vijay Kumbhar (Marathe College, Rajapur Dist-Ratnagiri (Maharashtra State) 416 702, India) on Satisfaction of customers in Service features of ATM: An important study from Private and Public Sector Banks in India.

The basic and important goal of this research paper was to see a primary comparison in search of the satisfaction of customer in service of ATMs of private and public sector banks in India. For this study data primarily was collected through a questionnaire from total 150 respondents of both sector banks. Data collected through the questions asked was calculated with the need of the research and result of the figurative analysis indicates that public sector banks are not at all providing more satisfactory ATM service features as compared with private sector banks. All the collected evidences shows that way of lookout of customers about Efficiency in service, Security features and Responses, Effect of Cost, Proper Handling of problems and remuneration paid and customer contact service like call centers related to service of ATM centers is less in both sector banks (between range of 3.00 to 3.50). Therefore both public and private sector types of banks should noted about these aspects related to ATM service to increase the level of satisfaction among customers.

A Research paper on Banking Services and Customer Satisfaction –Author Mr. Raunak Mehta, Assistant Professor, Naran Lala school of Industrial Management & Computer Science
Navsari has studied both sector Banks in Navsari City with the following literature for the reference.

India is the developing country so many international banks are coming to market, which are in competition with local banks irrespective with that they are privately owned banks or publicly owned banks. Various upcoming banks are available with new schemes, offers and services with wide products range. Customer has many options where proper data can be collected at less cost, and can take the benefit of such competition. In the globalization era the account holders has a choice to select good product related to their profile, options good for their money. In Navsari city there are 9 branches of Bank of Baroda and 11 branches of SBI, along with two more branches of private sector bank like HDFC and ICICI and Axis bank. It shows that Navsari has less no. of branches of private sector banks then public banks which is 07% of the total market share of bank branches located in Navsari.

That discussion concludes that private banks are having deposits which are less in amount and accounts of people residing in Navsari then of public sector banks.

Customer is leader in the society, this concept by Adam Smith suggest that in this market of competition in service industry customer has a big power to choose the best and having full opportunity with availability wide range of product with the many of services with various options and schemes. Now the king means customer must be satisfied to retain and create brand loyalty converting in to brand equity, which is like asset for the any of the service provider.

That’s why the learning’s shows importance that why customers are not opting private sectors bank in navsari city?

The factors which derive satisfaction to the customer residing in navsari city are their demographic profile has impact on their degree of satisfaction level and preference between public and private sector bank? Present study has focused on such issues.
Prerna Dawar (2013) on her study on satisfaction of customer in sector of banking found factors affecting satisfaction are staff knowledge, behavior of staff, online banking services, e-channel management & support system, amount charges, and language information. Alabar, T. Timothy (2012) has focused on e banking services and customer satisfaction in Nigeria, and concluded that there is a great impact of e banking services offered by the banks on customer satisfaction of the banks in Nigeria. MajidKaboli, Saeed-Fathi, Marjan Ajiji, (2011) has done their research on customer satisfaction of the banking customer in Isfahan city. The results drawn such as technical knowledge and environment of the bank are main factors which creates dissatisfaction in Isfahan City.

Rao N & Tiwari S (2009) observed the efficiency of five banks of public sector on the criteria of deposit size. The study reveals that there are insignificant influence assets, deposits and advances from efficiency of the branch, only significant and positive impact shown by cost of deposits and operating profits per branch, the profit factors is not having influence on assets, deposits, and advances significantly although all profit factors have negative impact. The study conducted also suggested some measures to improve efficiency.

Thulani D., Tofara C. and Langton R. (2009) focus on the amount of usage and adoption of online banking by all commercial banks in country Zimbabwe. The study conducted thoroughly drawn a conclusion that while the higher number of the banks in Zimbabwe have accepted online banking concept, but the level of use was very less, as many of the customers are not using this facility in Zimbabwe. Legacy systems cope up, security problem and high cost of implementation are the major hurdles faced by banks in the acceptance of online Banking. The effects of the study shows that the banks should highlight on the online or internet banking facility and educate the customers about the same while Indian Government and the Reserve Bank should increase amount of funds invested and targeted at development of infrastructure so as to promote banks and individuals alike to adopt the new technologies and innovations.
Kumar and Rajesh (2009) covered that in their study that performance in work of the bank have to be more on branch to branch basis and derived that the factors which brings satisfaction to customer are modernization and advancement in technology.

Trivedi and Agrawal (2009) has focused in his study on five major dimension to judge customer satisfaction towards banking sector, the factors are tangibility, assurance, responsiveness, empathy, and reliability.

Rayappan and Shunmghan (2008) have done regression test of customer satisfaction with demographic profile of the customer. Bharathe et al (2008) have found that inaccuracy in transaction charges of the bank, staff attitude towards customer, complaint handling by staff, system and procedure followed by the bank are some of the factors which derive dissatisfaction to the customers.

Keerthe and Vijayakshmi (2009) done analysis and found the expectation and the lookout way of customers with consideration of their location wise profile. So the location or the living area or work place are directly or indirectly affecting the customers need from the banks.

Virani (2008) suggested that the banks which still operate on traditional way need to understand the value of new techniques like ATM, Banking on cell, Credit and Debit card, Online Banking services.

Ghosh and Kailash (2010) has strong argument that knowledge of the customers about services offered by the bank is also most valuable factors which can affect satisfaction. He reached to the conclusion in his research that the success of any bank irrespective of public or private sector bank directly relies on its customers.

As an industry for offering service, all banks should goal at fulfilling the customers’ needs & wants by providing maximum features in their services offered.
The analysis of gap between customer expectation and practiced services should be dogged out regularly to evaluate the latest stage of satisfaction. Many Banks are floating down in introduction of new customer oriented products such as investments and Advise Service related to Tax, management service of hard cash, and so on. fund transfer electronically, real time gross scheme and banking on cell services growth are very less. New technology advancement and direct personal communication are essential for the banks to attract over minds of customers.

The another research paper written and published by Mr. Akhil Goyal Research Scholar, NIMS University, Jaipur with the guidance of Dr. Shudhindhar Singh Chowhan Research Guide, NIMS University, Jaipur on Indian Banking Industry- Customer Satisfaction mentioned the Services provided by Indian Banking Sector for their customers as follows

**Real Time Gross Settlement (RTGS):**

In India from March 2004 the Real Time Gross Settlement system, introduced as online system by which one can transfer the funds from one destination bank to another destination bank in accounts through the computerized instructions and it is very safe and user-friendly for the customers who use computers.

**Electronic Funds Transfer (EFT):**

In this system of payment of one person to another person by first person visiting to the bank and make cash payment then that filled up the form to transfer that cash to another person’s account or directly transfer of cash from his account to the other account is the facility of Electronic Fund Transfer. It is safe and easy way for fund transfer.

**Electronic Payment Services:**

The system introduced the concepts of E-cheque and Truncated cheque by which the fund from one account is transfer to another account by the way of this negotiable instrument. They follow the policies of e-governance and ecommerce.

**Electronic Clearing Service (ECS):**
This advance system is used to make huge payments of a similar type especially when the payments are in repetitions with time and having small amount so this payment system is called as retail payment system.

**Automatic Teller Machine (ATM):**

Nowadays this is most popular way adopted by the customer’s coz ATM is a best option to withdraw money whenever required without visiting to the bank or contacting with any employee of the bank when the customer has ATM card and even the ATM centers are used for the deposits of cheque, balance enquiry, money transfer and payment of online bills etc.

**Tele Banking Services:**

In Telephone Banking service the customer can use the facility of telephone to perform entire non-cash related transactions.

Under this devise for simpler queries and transactions Automatic Voice Recorder is used.

For difficult queries and transactions, personal phone terminals are used.

**Electronic Data Interchange (EDI)**

In this System the exchange of business data like purchase orders, shipping notice, invoices and receiving advices through the computer by electronic process with the format of data transfer by popularly used data formats.

This facility can also be used to transfer information of electronic formed finance and payments.

The conclusion of the research that found by the researcher in their research the greater part of customer satisfaction is found in the area of responsiveness such as ready to served end uses, good attitude towards customer by staff, followed by the area where the customer can trust such as staff guidance to customers, customer help system and other hand, the average satisfactions are in the area, such as location, access, interiors, facilities followed by main areas such as banks operating timing and ROI.
Due to the major difference in the responses by the customers, both sector banks need to consider and focus on the sensitive areas in order to cure and try to complete customer requirements.

To stick in the competition of banking sector and achieve success in banking sector, banks must offer quality service to customers who at least meet their expectation or better if beyond their expectations, and the study will provide some suggestions and guidelines to the Managers or decision makers of banks policies to take proper judgment to advance the quality of services in Indian banking.

People should avail more and more advantage of latest technology adopted by banks like net-banking, e-banking and doorstep banking. Banking, mobility and GDP ratio are in the equally proportional i.e. synonymous. If the banking facilities will increase, mobility will also increase and GDP ratio will also increase. All public as well as public sector Bank staff should also learn this equation by heart.

Private Banks is also reliable and trustable users should avail more and more services of Private Banks.

With the use of Information Technology the banking today is defined again and re-engineered and it is true that in near future of banking will provide more customer accepted services to the customers with the regular innovations in product and process This article discusses the Services and Customer Satisfaction and Banks are always struggling to remain and beat the competition. The various competitors are from Indian banks.
4.2 The Factors affecting Customer Satisfaction and Detail Review of Literature

A study on Customer Satisfaction with analysis of Public and Private Banks in Bangladesh comparatively conducted by Umma Salma, Mir Abdullah Shahneaz focuses on globalization in economic reforms intensifies antagonism and makes a constant transform environment, satisfying and maintaining customers is need of the day. In those days banks have understood that cost of maintaining existing customers is less as compared to the cost of attracting or getting new customer so banks are concentrating more upon satisfaction of end customers. Customers demand for products served with minimum wait time and top quality services, so consumer accepts advance technology banks as well bankers. At this situation, survival in competition in long way, getting good customers and maintaining their valuable customers are the major threat today to the banks which operates commercially, most significantly the public banks in Bangladesh which were earlier operated in a balanced environment after nationalization.

The current research paper shows the effective analysis on comparison of satisfaction level of customers towards services offered by both sector banks. In 5 major cities the study has been conducted. Questionnaire method is base of this study. A convenient sampling method is used to select sample of 500 customers. The tests in statistical tools are observed at 5% and 1% level of effective the main statistical tools are used. This study founded that as compared with public sector banks the privately owned banks are most liked by large group of the customers they believes more upon building of relationship with their consumers and are strongly adaptive with modern techniques as Reference: European Journal of Business & Management


There are series of literature and research has been working to finding out the actual present needs and requirements by which bank can provide great degree of satisfaction to the customers. There was study conducted for quality issues related to the service given in mid of year 1960s (Rathmell, 1966). Apart from that, liking on the topic achieved a great insight within the past two decades. On the other side, to separate these two in the market of competition the
delivery of service quality on higher side to customer’s offers firms an opportunity. If you see other side, service quality on higher note delivery results in happiness of customer and trust, greater wants to suggest to someone else, reduce in complaints, and increase in customer maintenance rates.

Levesque and McDougall,1996; Magi and Julander, 1996; Zeithaml et al., 1996). A plenty of studies has been carried out for customer’s satisfaction at public or private sector banks in India and abroad. Hess, L R (1999) has studied that in what way satisfaction with an employee service affects overall satisfaction with an organization related to service, following an employee- initiated service failures.

The study reveals that the past service experience of the customers with an organization directly have impact on overall satisfaction of customers with the organization. There are studies which focus on quality of services which compares with customer satisfactions, as Bedi (2005) has studied about the relation between quality of service and satisfaction of customer in few banks in Chandigarh and has good impact on the service quality towards customers has a positive and good strike on satisfaction of customers.

Customer satisfaction, a most popular term frequently used in modern era, is a criterion to understand the expectation level of customers and the how the services and products offered to the customer.

It varies from service to service and from person to person. A customer may be defined as the perfect user or potential user of services provided by the bank. A customer would include a person does some business related transactions with a bank or an account holder. The work ability of this sector like banking mostly depends upon the quality of service provided to the end consumer.

The services providers in banking sector are needed to regularly increase the quality of services in order to survive in this competitive environment and provide continual customer
satisfaction.

The hierarchical structure of customer’s satisfaction factors is presented in Figure and it indicates the set of criteria and sub criteria used in this survey.

Figure 4.01 Global Satisfaction

The main satisfaction criteria consist of: **Personnel of the bank**: this parameter contains all the personnel characteristics (responsiveness, skills and knowledge communication, friendliness and collaboration with customers etc.).

**Products:**
This criterion suggest mainly to the service and products offered (variety, refund, cost, special services, etc.).

**Image of the bank:**

Name, Reputation means credit of the bank, excellence in technology, as well as ability of bank to satisfy future customer’s needs are included in this criterion.

**Service:**

This criterion refers to the bank related service offered to the customers; it includes the ambience of the stores, the response waiting time (queue, telephone, etc.), the difficulty of service processes and the required information provided (informing customers in an understandable way, explaining the service and other relevant factors, informing for new product launch, etc.).

**Access:**

Expansion of the bank network, branches location, as well as observed troubles in the service system (strikes, damaged ATMs, etc.) are included in this criterion.

Customer satisfaction in this study reveals that it depends on variety of factors i.e. availability of branches at all locations, customer convenience, verity of services, customer’s perception regarding bank and its services etc.

On the basis of the work done by Parasuraman et al., (1988) that provided proof that expected service quality is depends on various factors similar to the context, and that service quality is an important for the customer satisfaction, trust and loyalty.

**Figure 4.02 Service Quality Gap Analysis**
During the research study we have focused on multidimensional factors, we noticed that most of the literate or educated customers who do use modern banking services are compared to less loyal to those dissatisfied customers but who are illiterate, they do not often switch banks even though they are highly dissatisfied with any banking services. While the first group of customers do switch the banks if there is repetition of dissatisfaction. Qualitative and the Quantitative methods are the two approaches on basic methods where different studies are same as like that.

While qualitative research is more descriptive in nature, quantitative research most of the times use of graphical representation and figurative discussion in analysing and on the basis of statistics it draws differences in the process (Ghauri and Grönhaug, 2005). Some of the studies in recent years show that it is regular to use both qualitative and quantitative methods in a single research (Ghauri and Grönhaug, 2005). In our study, we mostly use both the Qualitative and the Quantitative methods. In these methods the quantitative method shows more output than the
other. On the other side, the qualitative method is a need highly in the theoretical aspects of the observed relationships in this study.

The impact of quantitative approach and qualitative approach becomes very important in case of satisfaction and dissatisfaction in customer categories. Today the need of the customers and continuous business growth is motivation factor for the banking business.

In coming days competition increased in businesses that helps in protecting the products and services through customer maintenance (Roberts, 2005.)

Service quality, easy availability of bank features, cost of product is very important to retain the customers. The study also pointed out that if the customer is happy with the banks products and services then they think about repeat purchase and also they tell their family friends and colleagues about the same so it helps to increase profits and market share of the banks.

Hinson et al., (2006) denotes, in a sticky competitive environment, customer changing the service delivery banks is high especially when customers are relatively not satisfied with service provided by the earlier provider.

Nevertheless every noted concept has its own limits to study and read. McGuire, (1989) studied that even the given concepts have some drawbacks of being simpler in nature a better concepts or theoretical structure is required in the right perspective. The qualitative parameter becomes much more important while delivering of services and deal with individual customers against their timely needs and requirements. The European school of thought shown by the work of Gronroos (1984), argument on the service as the theoretical point of departure for studies on the conceptualisation of service quality.

The functional and the technical service quality are the two perspectives from which consumers perceive service quality as it is believed by this school of thought. Technical quality denotes whether the service meets customers’ expectations while how customer takes the delivery of the service and production is measure of functional quality.

This difference is feasible technically, because together they are required to affect consumers’ service loyalty behaviours and evaluations of quality (Richard and Allaway, 1993). The European school entered in problems because it has not given value to the physical
environment of service. After that the concepts of service quality- the American school of thought studies on the work of Parasuraman et al., (1985, 1988). The view obtained is used and demonstrated by many research scholars who are in research of service quality.

Ashish Shashkant Jani (2012) identify the various factors affecting the strength & weakness of privately and publically sector banks with the different technologies offered to customers and growth of e-channels in future, The various parameters like reliability, financial services, motivation, money transactions and efficiency were used to find above.

The data of 100 respondents are collected on the basis of questionnaire prepared and the hypothesis was framed on the tools like standard deviation, mean square, coefficient of variation, correlation analysis and z test were used. The conclusion shows that use of latest technology infers the positive perception in both publically as well as privately sector banks.

Dharmalingam et al. (2012) examined to evaluate the gap existing between the perceived and the expected services and the different areas to improve on the service quality in selected public as well as privately sector banks. The factors of service quality like reliability, tangible, trust, responsiveness, access, product variety and price are considered for the perception and expectations. The responses of 780 customers are collected and around 8 hypotheses were taken for study and the paired t-test measurement results that customers lowest expectations are in responsiveness dimension and highest in the security and accessibility dimension. The largest service gap exist between the reliability, price and product variety and the smallest service gap exist between empathy and tangible dimension.

Debasish (Nov 2009) for the satisfaction of customers the banks should provide better quality of services by paying attention to all Dimensions of service quality. Public sector banks should focus on trust of the consumers and private banks concentrate on reliability services. Tangibility and reliability provides maximum satisfaction to customers of both sector banks.

Subbaroo (2007) concludes in his research study the Indian banking system has undergone a uniform change itself from local banking to Globe banking. However, the today's
system requires a combination of new technologies, appraisal of credit and well regulated risk, management of treasury, diversification of product, internal control, external regulations and skilled as well as professional human resource to achieve the heights of the international excellence to critically play its role in meeting the global challenge ahead.

As of now the large number of studies has been conducted or focused on customer satisfaction; another study conducted on telecommunication reveals that the exploring factors affecting satisfaction, retention and loyalty in mobile telecommunications industry include: Gerpott et al. (2001) investigated in one of the survey conducted on telecommunication among 684 respondents conducted for satisfaction among customer, loyalty factor and maintain in the German mobile telecommunications and found that maintaining of customer cannot be equated with loyalty of customers and/or customer satisfaction, rather link of two stage can be assumed in which customer satisfaction depends upon loyalty of customer which in turn has impacts on maintaining the customer. However, these three factors customer satisfaction, loyalty and maintaining the customer is important for economic success among telecommunication service providers.

Kim et al. (2004) found in the survey among 350 respondents in Korea for changes of customer satisfaction and changing on customer loyalty and reported that customer support, quality of call and services which add value have significant impact on satisfaction of customer.

Thus, quality of service and services which are customer related are the tools to maximize satisfaction, major focus should be on changing hurdles on the other side is affected by changing costs for example cost loss, interpersonal relationships and cost which moves in and was revealed to have an effect of adjustment on satisfaction and trust. Serenko and Turel (2006) studied the concept of customer satisfaction in Canada with services of cellular phones and reported that key factors influencing satisfaction are perceived quality and perceived value with cellular services.

Care and customer satisfaction is reported to be oppositely related, which means that less prone to complain is a more satisfied customer. Here they became able to conclude that
satisfaction is the effective measure that able to good attend the service range, quality and prices and more so, this is an good indicator of performance for both regulation achievers and cellular service providers. Finally in final conclusion, these studies conducted may put behind the theory that customers higher satisfaction live long lasting, purchase more, not thinking about to price up from their providers or price down from competitors. However, study on subject of telecommunication is not part of our research but customer satisfaction does. Parker and Mathews (2001) in the study found that the steps in satisfaction of customers focus on the previous to satisfaction rather than inner satisfaction.

Customer satisfaction as a determined process is the most widely used definition of customer satisfaction and for that a lot of research work has been directed at understanding the process which is process of satisfaction evaluations (Parker and Mathews, 2001). This adopted approach has its evolution in the discrepancy theory (Porter, 1961), which found and argument that customer satisfaction is measured by the perception of a difference between some defined parameter and true performance. Many studies observed that customer satisfaction depends on product and service delivery evaluation; Cardozo (1965); and Howard and Sheth (1969) involved the study which is contrast in nature, which shows the points that customers would seen any negative between product wants and product value.

Olshavsky and Miller (1972); and Olson and Dover (1979) the developers of theory of assimilation, which states that expected quality is directly proportional with increase in level of expectations. The Assimilation effects generally occur when there is small difference between quality and expectations. Anderson (1973) further worked on this theory into assimilation-contrast theory, which means if the difference between them is too large to be assimilated then the contrast results occur. The assimilation-contrast results generally seen when the quality and expectations gap is too large to be perceived and this difference is with effect of end customers. It means that customer satisfaction highly depends on the perceptions regarding the bank, branch, branch image and customer’s perception for bank branch.

Parker and Mathews (2001), research study is the most famous follower of theories of discrepancy is the customers expectation disconfirmation theory (Oliver, 1977, 1981), which shows that the result of expectations of the difference between their customer perceptions of
performance and their customer expectations of performance. Negative disconfirmation leads to increased dissatisfaction, the opposite effect occurs with positive disconfirmation.

Yi (1990) expressed in his study that customers takes purchase decision to purchase products or services with need before purchase about unmatched performance, once the product is purchased or service has been actually used, output of the product are compared against expectations. If the output of product used does not match with the expectations, the result is disconfirmation. When there is match between customer expectations and output, confirmation occurs. Positive disconfirmation generally get when performance of product or service exceeds expectations. Therefore, satisfaction is caused by positive disconfirmation or confirmation of customer expectations, and dissatisfaction is the negative disconfirmation of customer expectations (Yi, 1990). While there are several studies that support the disconfirmation paradigm, others do not.

For instance, Churchill and Surprenant (1982) found that neither expectations nor disconfirmation had any effect on satisfaction of customers with consumer durable products. The one of the important concept of attribution theory presented by Weiner (1980, and 1985); and Folkes (1984) proposed the theory of attribution, which denotes that when a consumer takes a purchase decision and buy a product or service, if the consumption of product or service is below customers desire, the customer is convinced that the provider causes the negative satisfaction. The customer complaints are focused on rejoining trust and the satisfaction output is driven by expected goodness of the output of complaints.

There are many other related theories which relates to the cognitive evaluative process such as presented by Westbrook and Reilly (1983) founded the theory of value, which focus customer satisfaction as an output in emotional caused by a finalization process, which is the comparison of the service or product to one's values than expectation about that. So, satisfaction is a difference between the desired and the observed. Some of theories emphasis on individual needs, for instance Fisk and Young year1985;

Swan and Oliver in year 1985 proposed the theory named equity theory, which stated that customers in person compare their input and output ratios with other product and services and feel equitable treated. Judgment of Equity is based on two important steps; first step, the
customer compares the output to the input given and secondly, a relative comparison is performed of the outcome to the other desired party.

The basic studies conducted on general modus operandi of customers reveals two new concepts; presented by Pizam and Ellis (1999) reported that in addition to the existing there are two important theories of customer satisfaction apart from the seven different ones and these include:

1. Comparison-level

2. Generalized negativity

The approach related to outcome of the customer satisfaction is stated as the experience of consumption results in end-state satisfaction. This state after consumption can be an output that happens with not differentiating values & expectations (Oliver, 1996); or may be a different phase of award, a response in emotional sense that happen as the result of comparison of perceived and true performance or a comparing of awards and costs to the expected services (Vavra, 1997, p. 4).

Furthermore, Parker and Mathews (2001) said that higher focused towards output factor with the concentration on the nature of satisfaction:

1. **Emotion:**
   The element which is surprise of product or service buying and or their consumption experiences is Customer satisfaction (Oliver, 1981), or is an effective response shown experience to a specific product or service consumption (Westbrook and Reilly, 1983). This denotes the comparative cognitive processes input but it goes further by stating that these may be just one of the determinants of the affective “state” satisfaction (Park and Mathews, 2001).

2. **Fulfillment:**
   The various theories of motivation state that many people are charged by the desire or wish to satisfy their needs & wants (Maslow, 1943) or by their regular behavior to achieve the relevant goals (Vroom, 1964). However, either way satisfaction is the end-point in the
motivational process. Thus “consumer satisfaction can be seen as the consumer's fulfillment response” (Rust and Oliver, 1994, p. 4)

3. State:

Oliver (1989) expressed in his research study that there are four main framework of customer satisfaction, which is related to reinforcement. Positive reinforcement results into “Satisfaction-as-pleasure”, where the products or services are adding to a confused state and negative reinforcement results into “satisfaction-as-relief”. In relation to confusion, low arousal fulfillment is defined as “satisfaction-as-contentment”, an output of the product or service performing smartly in an continuing sense of passiveness.

The other mostly known customer satisfaction definitions include: Satisfaction is “the state in cognitive sense of the prospective buyer about the inappropriateness or appropriateness of the reward received in exchange for the service experienced (Howard and Seth, 1969, pp. 145); the evaluation of persons emotions (Hunt, 1977, p. 460); the favorability of the individual's subjective evaluation (Westbrook, 1980, p. 49); a positive output from the outlay of scarce resources (Bearden and Teel, 1983a, p. 21); an overall customer attitude towards a service and products provider (Levesque and McDougall, 1996, pp.14); is an assessment made based on experience by the customer of how far his own expectations about the individual characteristics or the overall functionality of the services obtained from the provider have been fulfilled (Homburg and Bruhn, 1998); the fulfillment of some need, goal or desire characteristics (Oliver, 1999); an emotional reaction to the difference between what customers want and what they get (Zineldin, 2000); is based on a customer’s estimated experience of the extent to which a provider’s product and services fulfill his or her expectations (Gerpott et al. 2001)”.

Satisfaction of customer define used is that of Homburg and Bruhn (1998) which is “an assessment made based on experience by the customer of how far his personal expectations about the individual characteristics or the functionality of the overall services obtained from the provider have been fulfilled”.

The proper response of this definition to this study is that it indicates that customers use the facilities depends on experience of use and the overall calculations is done in accordance with the services features. Satisfaction of customers with the cellular services is measured based
on customer’s experience of quality of network, validity period, billing and call center care support.

Customer relation and customer happiness can be viewed as two sides of single coin. There are many studies discussed hereunder regarding the importance of customer relationship with customer satisfaction. As per example, Uppal R K and Poonam Rani (2012), has described in their learning and represented very well that studied customer views about CRM, accuracy, reliability, security and clearance among the customers of public banks, private banks and foreign banks in Amritsar, Punjab. They have mentioned that many of the customers are happy with the various services offered by banks and that satisfaction of customers can be gained by offering more speed in doing transactions and giving quick services and “Customer views towards good Banking Services in India- An outline Study” There are studies which priories the importance of customer relationship management, and the brand image and reputation of bank or companies.

It believes that relationship marketing effectiveness also affects customer satisfaction levels. Mittal Anurag (2009) “Relationship Marketing Effectiveness in Indian Banking” this study compares the relationship of orientation in market and customer happiness in the activities related to retail of selected five public owned banks and five private owned banks in the State of Delhi. Customers of both the group of banks were of the opinion that there is wider gap in the application of customer relationship marketing in the banks under study.

They have noticed that the marketing with relationship approach is not used in good manner in public sector banks and so the satisfaction level of customer is low.

With this mentioned article, it is simply acknowledge that customers decide to buy services based on their needs and wants and have strong desire that the purchased services will definitely meet their needs. Loyal customers are different and have different concept and perceptions to look at the services provided by the public as well as private sector bank. Assess of the service performance of customers in accordance to how fine it covers their expectations of customers. One should note that expectation of customer is not a prime focus of this research; however measurement of satisfaction is useful to learn expectations of customer (since many
times assessment is carried or completed by customers based on experiences in past and future beliefs of performance of services.) The study mainly focuses to cover the all dimensions which reflect the customer satisfaction and loyalty factor in all different cases.

Angur et al (1999) have observed that the service issues with quality factors have not focused in emerging economies when differentiated to data available about emerged economies like the USA and Europe and this applicable for the banking industry.

Berry (1983) has opinion that the marketing with relation development as attaching, maintaining and increasing the customers. It is accepted that the quality of service is more valuable to create satisfaction as well to retain the customer.


The basic aim of this paper is to study the perceptions and expectations of the consumers across the three different banking sectors in India. It further concentrates on the factors affecting the perception with quality of the customers in the banking sector and tries to collaborate this perception with the Indian Banks financial performance.

To increase the customers' desire and expectation of factor of service quality analysis is completed and factors changing the minds of the Indian customers are found and focused. A research of the work in financial of the banks is also done to see if the desire of service quality has a problem on the banks bottom line. The result found that in the Indian banking sector it is the foreign banks which are perceived for offering better quality of services followed by the private and then public banks. It was also noticed that these perceptions of customers are reflected in the financial performance of the banks also. With the increase in competition amongst banks, the findings can act as a strategic tool to achieve competitive advantage and level of customer satisfaction.

Ganesamurthy K et al, (2011) have focused on the study related to the customer perception on Customer Retention Management of the Commercial banks and to differentiate the view of the customers of the privately and publicly sector banks on Customer Retention
Management. Among the findings noted, it is seen that customer’s perception in both the banking groups of Customer Retention Management practices is almost the same. The results reveal that the total employee involvement, special events, empowered employees, usage of advanced technology, low charges and safety are better practiced in public sector banks and the remaining dimensions like market leadership in strategies, providing new and advance services, individual customer oriented programs, effective query handling system, customer oriented steps, value added services and customer feedback are better practiced in private sector banks.

The findings further stated that customer’s view of Customer Retention Management in banks does not change irrespective of different demographic classification.

**Siddiqi (2011)** conducted a uniform survey of 100 banking customers in retail in country Bangladesh to create the valuable relationships between customer satisfaction, good quality attributes and customer trust. His education also helped the thinking that all quality of service attributes are dynamically in relation with customer satisfaction, and customer satisfaction is related in positive way to loyalty of customer in the retail banking settings in that country.

**Jahiruddin and Haque (2009)** in their market survey in the research study about one hundred ninety eight bank customers in one of the big city of Bangladesh is Khulna, to increase the relative importance of different factors to customers and pattern of preferences when choosing their liked banks. The study finally founded that customers placed the bigger place to factors of convenience, i.e. assurance and responsiveness points in the SERVQUAL model. The study also suggested that banks should keep eye on minimizing their difficulty in procedural and promising the quick parcel of services to customers in view to maintain existing as well as grab new customers.

**Heggade** in the year 2000 studied bank and relations of customers in Indian banks. He found the responses collected of 11 various grades of bank customers including businessman, salaried, advocates and peasants. He studied employees’ views on the first hand and customers' views on the second. The paper written concluded that there is a very low relation among the different customer occupations and customer satisfaction from services provided by the Public Sector Banks.
Kaujali in 1999 in his paper has commented that foreign banks previously have the benefit of good technical experience in various banking features. He further observed that Information Technology (IT) plays a important part in delivering better customer service, particularly at a lower cost.

Puccinelli in year 1999 noted that CRM is a concept in management with an eye on service to the customer. The focus is on the bank service delivery where it is found that the service channels require more and more personal attention towards the customer problems.

Rangarajan in 2010 “The Indian banking sector has in operation in s stability phase from last 30 - 40 years. For many organizations CRM is evolving into a major idea of corporate excellence. The systematic research is carried out by him on the “Effective role of CRM in banking sector” Roger Hallowell (1996) an empirical study focused on “The sound relationships of profitability, customer satisfaction, and loyalty of customer”

The study conducted which presents the findings of collected figures from a large bank’s banking operations in retail across India. The study focused on the relationship of satisfaction of customer to trust of customer and customer trust to amount of profit gain, using various measures of satisfaction, profitability and loyalty. An estimate prepared on the changes of increased level of customer satisfaction on profitability index suggests that is directly proportional with increases in satisfaction could dramatically improve profitability.

Sanjay Kanti Das has carried out the research study comparatively to focus on the customer relationship management (CRM) at State Bank of India (SBI) and other nationalized bank in India. The major focus is given to Customer Relationship Management in the reference one study found on customer relationship management in banking sector with prime reference to state bank of India and other nationalized commercial bank in India. In today’s banking sector, the tough competition between these players and falling of interest rates had made bankers to realize that the mission of their banking work is to create and maintain a prospective customer and to view that the entire process of business is constant with an real efforts to find, maintain and satisfy customer needs & wants.

But the winning of CRM concept rely upon its capacity to know the needs & wants of the customer and to collect them with the organization’s strategy, technology, people and business
process. Day by day services related to finance are in a dramatic change where race and customer demands are increasing more and more. (Sanjay Kanti Das, APJEM, Vol.1, Issue 6, Sep.2012 pg 71)

Sachdev and Verma in the year 2004 is found that leading measurement’s instrument SERVQUAL is the best-known; it is globally accepted and majorly used by academicians and administrators in variety of companies, commercial and NGO firms. It is study multi sector wise on favor importance of service quality factors.

Singh (2004) in his updating of customer services in public banks and concluded that the level of customer satisfaction and services is measured by the location of branch, variety in offered services, design, figures and changes, systems and procedures, attitudes and responses. The study done by him was truly related with the customers of publically owned banks.

Singh Jaspal et al (2011) have made a try to identify the parameters changing satisfaction level of customers in selected Universal banks located in India and to analyze the impact on customer satisfaction of these parameters. The findings of this study concluded that there are 7 parameters of customer satisfaction i.e. Employee responses, social responsibility, look of tangible things, good word of mouth, services innovation, competence and reliability. Ganesamurthy K et al, (2011) have focused on the study related to the customer perception on Customer Retention Management of the Commercial banks and to differentiate the perception of the customers of the private and public sector banks on Customer Retention Management. Among the findings noted, it is observed that customer’s perception in both the banking groups of Customer Retention Management practices is almost the same.

The results reveal that the total employee involvement, special events, empowered employees, usage of advanced technology, low charges and safety are better practiced in public sector banks and the remaining dimensions like market leadership in strategies, providing innovative services, individual customer care programs, effective complaint management system, customer centric approach, value added services and customer feedback are better practiced in private sector banks. The findings further stated that customers’ perception of Customer Retention Management in banks does not vary irrespective of different demographic classification.
The results further drew a conclusion that the customer satisfaction is influenced by 3 factors – reliability, social responsibility and good word of mouth. With a good consumer satisfaction and research titles banks may get more profit, more opportunities and would be able to place themselves at a competitive advantage.

In the today’s bank sector it is essential to develop the use of modern technology to better satisfy requirements of customer, improvement in efficiencies, reduce operative costs and ensure customer delight on higher side and it was the foreign banks and private sector which started the revolution in technology of banking in India and taking into consideration the truth that in the new economical condition, thought process leads to share of market and sharing of mind is affected not only by the promotions and advertisements but majorly on acceptable perception of customer which in turn is depends on satisfaction with regard to services, products and interaction (B. K. Tiwary)

The fine entry of well advanced technology in information into the banking industry of India has created a change and it has functioned commercial banks to form great service systems and practices, to achieve the developing customer needs. It is essential to address that the results are highly consistent with the prior studies conducted on customer service related aspects, and it has been realized that the new generation privately banks and foreign banks are serving the customers better in all respects. (Rengasamy et, al)

The valuation of services received and quality expectation and are slightly more in the privately banks as compared with the publicly banks. The effects for tactic since sector wise differentiation become very blurry as a result of increasing correspondence between services and struggle from linked and additional industries (Peter et, al).

Offered good Service is one of main important criteria of customer satisfaction and their buying decision. The consumers of both private and public sector banks vary in terms of their expectation and view of service quality. As compared with public sector banks the private Banks have been seen to be higher on integrity of service quality: effective and convenient while, the many nationalized banks are good on the parameters of consistency and price (Sachinet, al).

Customers of Private bank are highly obliged with the facilities than offered by public banks. The survey on satisfaction of customers is the requirement if today’s managers for this
they have to take some important steps and it is seems that customers view that they require good products and quality to their banks service and that may be the important and only thing important to them (Muhammad Naveed).

Some public sector banks are having good reputation among customers but overall analysis shows that satisfaction rate in customers of privately banks is much higher than publically sector banks and people will continue the believe with private banks than public because they're impressed by the level of honesty of private banks (Colin Beasty).

After the economic reforms and the entry of private players in india force the nationalized banks to revamp their product and services portfolios to incorporate new, innovative customer-centric schemes. Nowadays, due to the increase in competition, satisfaction of consumers is taken to be the highly important thing in retail services but there is no noteworthy variation in satisfaction of publically and the privately sector banks (Vigget, al).

Cheque clearing and deposits are most common services used by customers, the charges levied by the bank on these services are higher in private and foreign banks then in nationalized banks. Their study also shows that due to the behavior of employee and infrastructure the customers of publically owned banks were not much satisfied, while customers of privately and outside India banks were not much satisfied with great charges, approachability and interaction.

They have also guided that training on internal & external management of stress and direct people contacts should be used to the employees of nationalized banks or public banks and nationalized banks need to improve their infrastructure and ambience to compete with private and foreign banks in India (Surabhiet, al).

Now Credit cards have become important part of life. In coming years there was a huge demand increased shown for credit cards and the scope for credit cards business in India is increasing day by day. The credit cardholders consider eleven variables 'very important' which "Satisfied" them are: Annual fee, Joining Fee, Minimum payment due, Availability of ATMs, Cash withdrawal possibility, lost card liability-after losing the card, Card replacement fee, Life Insurance Cover Air insurance, Baggage cover, and lost card liability-before losing the card (Chennappa,D; Eliat, M.J).
Good and prime site location of the branch is essential for bank branches for good operation of banking business operations. When the publically owned banks were compared with private banks, all the privately owned banks have excellent and catchy site places from their profit point of view compared to publically banks in India and for providing better service to consumers training with proper techniques for working staff by the management of the banks also publically banks should invest and pay more attention on overall staff development and privately gives more value to the things related to infrastructure. The strict policy of public banks creates more negative happiness among the customers as opposite with private banks as it gives good service to the customer so it definitely create happiness. (Uma et, al).

First most valued parameter for satisfaction of customer in national level banks is Orientation of offered Service but, for private banks customer satisfaction is more important than Service orientation and it appeared as second dimension and nationalized banks give more importance to Vision and Competency and Flexibility in Use of facilities. Also account holders of national level banks are not getting good treatment by the bank employees. On the different hand right from the beginning account holders of private banks had been facilitated by these services, consumers of privately banks are most happy (Jitendra Kumar Mishra).

The consumers of national level banks are happier with quality of service, than banks which are owned by private and it’s required to know the valuable success things in the industry, by keeping in view the developing size of the market and the huge competition in terms of satisfaction of customers (Pooja Mengi).

From last ten years the private sector banks came in picture with the objective of to reduce the government intervention in banks and from since then in short period of existence they try their level best to obtain satisfaction of customers even. According to a survey the result shows that publically banks are less popular to get customer satisfaction than the privately banks (Farzad Asgarian).

Banking environment should view on fast and fair services to their customers that should be confirm by the Management of banks. If focused on fishermen and farmers the public sector banks are having more facility for credit than private banks and the announcement of State
Government for giving the agricultural loan has given more happiness to the consumers of public banks (N. Senthi kumar et, al).

The effort taken towards ease of banking operations and accessibility to various services is preferred by the customer who is more seen in private banks as compared to public and customer wellness and customer maintenance programs should take into action by public banks.

In Kuwait Muslim customers are satisfied more with accessibility of ATM machines in multiple locations for their transactions, ease to use ATM machines, funds safety and service quality provided, but interest rate on loans is the very bad thing which has been acknowledged in this study, which was the signal of that the most of account holders in Kuwait give more focused to loans (Khaled et, al).

The most important feature of satisfaction in bank industry is quality in service even it is publically sector and the privately sector banks and satisfaction of Customer is viewed to be highly associated with propensity to suggest. (Monica Bedi)

Some of the specific respondents to the survey chosen the bank as SBI is because the bank is having more ATM facility to the consumers and out of the total respondents many of them in survey are saying the main aim to choose the offered services of the SBI bank is because they are quite better in effective customer service but also many of the respondents are totally unaware of the many services provided by the SBI bank. The few are deposit of cash in ATM deposit machine, cheque book request in ATM, mobile sms service for balance updates, etc.

While some of the respondents of the survey choose the private bank such as ICICI bank is because this bank is more trustable to the customers and many of the survey customers are saying the main reason to select the services of the ICICI bank is because they are good in fast customer service and cleverly handling of complaints. So at final both the banks are in competition equally with each other but SBI bank is little bit below the line in handling of customer complaints when compared with ICICI bank (M.J. Vidhya).
Shibu N.S. (2011) the final and valuable way the banking can survive the market share & increase growth is greater focus on CRM. For sustainable growth CRM gives the competitive advantage over another.

Levesque, T and McDougall, G.H.G. in the year 1996, the study investigated in the banking sector of retail operations the major determinant of satisfaction and behavioral intensions in future. The study found the various points that include service quality factors means getting it right time, service features and service reutilization and use of products and problems in service related issues. The study conducted finds, in specific, that problems occurring in service and the bank’s ability to service recovery have a major impact on customer satisfaction and intention of customers to switch banks. However, the results obtained do not in backup the view that satisfactory recovery of problem leads to greater customer satisfaction or close relation of f the customer with the provider. At final a recovery of satisfaction problem leads to the same level of customer satisfaction as when a problem had not occurred.

Malhotra M. and Arora S. (1999) With the purpose of helping bank managements the study focused and found that phase of satisfaction of customer in the public sector banks as well the private, to formulate strategies related to marketing to attract customers towards them. The study was done by collection of data from the major cities of Punjab like Amritsar, Chandigarh and Ludhiana.

For measuring the level of satisfaction/dissatisfaction, twenty attributes were taken into consideration. The study conducted found that there are six such factors, in order of their specific importance are regular operating factor, factor of situation, factor of price, factors of environment, technology related factor and interactive factor. Similarly, for private sector bank customers, the factors found to be important are factor of staff, factor of service offered, factor of routine operation, environmental factors, technology factor, interactive factor and factor of promotion.

Moreover, these factors concluded that there is difference between the satisfaction measure of the customers of publically and the privately sector banks depends on average scores which is factor wise. The later discussions are found to be happier. To improve service quality a few well and successful strategies suggested by the authors are proper guidance and education to
the staff, personalizing the service, avoidance of long queues, periodically conduct of market surveys, having well lit, ventilated and clean surroundings.


Armstrong Robert W., and Seng T.B. (2000) the study conducted in the banking industry in Asia further elaborate the current understanding of customer satisfaction at the B to B level. It incorporates guanxi (Chinese business relationship), relations marketing and the paradigm of disconfirmation.

The research conducted in detail focuses the value of relational constructs and paradigm of disconfirmation in the impact on customer satisfaction at the business – to – business level in the banking industry of Singapore. At the business – to – business level in the Asian context, the paradigm of disconfirmation is still the predominant paradigm influencing the customer satisfaction process. Relationship marketing and guanxi are significant in the comprehensive model of corporate customer satisfaction.

Marketing in relationship is found to have both an indirect and a direct impact through disconfirmation on corporate customer satisfaction. Guanxi is found to exert a direct impact on satisfaction as opposed to the initial hypothesized direct impact on satisfaction. Armstrong Robert W., and Seng T.B. (2000), “Corporate – Customer Satisfaction in the marketing in the Banking Industry”.

Athanassopoulous, A., Gounraris, S. and Stathakopououlos V. (2001), the research paper investigates satisfaction in the banking in terms of behavioral consequences. The authors understood the effect of customer satisfaction on customer’s responses which is behavioral.

The findings and conclusion indicate that they either decided to continue with the previous service provider or subdue their non positive behavioral intentions when they feel satisfaction to be high, word-of-mouth communication is also found to have strong positive association with Customer satisfaction. The research results confirm prior research and noted
that the satisfaction parameters are not totally company oriented, but also country oriented. To enhance behavioral responses the authors suggest developing strategies to satisfaction and oppose negative ones. Such strategies mainly involve preventing problems in service, meeting customers expected levels of, effective communication with unsatisfied consumers, dealing with customer problems and queries positively and solving problems smoothly when they occur.


Anantharaman R.N. (2002) and Sureshchandar G.S., Rajendran C. view satisfaction of customer as a many dimensional structure and adopt a different approach just as quality of service, but opposed that satisfaction of customer should be operationalised along with the factors which are same and the items corresponding to them on which service quality is operationalised., the link between customer satisfaction and quality of service has been found based on this approach. The analysis results are not dependant on each other but are in relation tightly with each other, denoting that an increase in one is directly proportional to lead to an increase in another.

Singh S. (2004) studies in empirical dimensions the customer services appraisal of PSBs in terms of level of satisfaction and customer service calculated by place and design, brand, variety of facilities, systems and procedures, rates and changes etc. The study concludes that services are provided in the late hours even and staff behavior is very polite. Study found that 62 percent respondents answer that for outstation cheques immediate credit is not given, 93 percent feel that according to the given schedules they do not conduct meetings periodically and are not provided with services. It concludes that services of publicly banks are not better than the facilities of privately sector banks.

Saha P. and Zhao Y. (2005) analyze the direct connection between customer satisfaction and service quality in internet banking and five parameters of service are selected. To get an understanding in better way of this issue a qualitative research approach is used. To match the output taken from the qualitative study a small survey quantitatively has been also conducted.
Service quality dimensions with quantity nine i.e. communication, efficiency, reliability, fulfillment, privacy, responsiveness, personalization, technology update and logistic/technical support are identified in this study. To show a high effect on satisfaction the quality performance of all the nine dimensions is shown.

**Consumer Voice** in year 2006 conducted a response survey to study the level of customer satisfaction of total 3100 serving banks, debit and credit card holders, which is conducted during the period September 2005 to November 2005. In eight cities the survey is conducted, where maximum customers who are under survey belong to the age limit of 26-34 years and the maximum numbers of respondents come from State Bank of India (17.10 pc) followed by ICICI Bank (8.80 pc).

The study reveals that most dissatisfied customers are from City bank and most of the customers are preferring private sector banks to public sector banks, mainly due to less functioning hours of public sector banks and due to convenient availability of private banks. Overall, only 6 percent of the active respondents use facility of internet banking and many among the groups (16.3 pc) are connected with HSBC followed by ICICI Bank (12.6 pc). Considering all, the study reveals that Vijaya Bank, Syndicate Bank and Standard Chartered Bank, steal the march, Citibank is the most proffered bank and the small known the United Western Bank operates positively.

**Mishra J.K. and Jain M.** (2007) studied the satisfaction of consumers with various dimensions to study on nationalized and private sector banks. To reach at the satisfaction parameters Two-stage factor analysis is computed. The study conducted analyzes 10 factors and 5 parameters of satisfaction respectively for nationalized and private sector banks. The study conducted in various regions of India concludes that customer satisfaction is most valuable criteria for the modern organizations, providing competitive edge, to develop long run relations as well as equality in brand. To deliver high level of customer satisfaction the best approach to customer retention is that result in strong loyalty among customer.

**Vimi Jham & Kaleem Mohd Khan** in 2008, conducted a study in the Banking Sector of India, among five banks of the country on Customer Satisfaction, aimed at finding customer
satisfaction points which lead to forming a concept of building relationship and practices of marketing depends on relationship in banks of India by capturing the opinions of customers with view to their level of satisfaction with various services offered and delivered on time. It also sought to identify whether demographic regions have a distinct role to play in satisfaction of customer.

As we have covered detailed discussion below which particularly focuses to increase trust to a company Banks should observed and concentrate to these define parameters of service effectiveness and give more attention to the various parameters of faith, willingness to pay in time, commitment of customer and trust of customer. Most of the research suggests that customers clearly want attention in person and an understanding of their needs wants and desires by the banks. To make changes and improvements, managements must remove the weaknesses and take care by paying attention towards individuals. Next, the results regarding the differences seen in the belongingness to a company, response to problems, ready to pay on time, commitment of customer and blind trust of customer across banks, showed that there were no as such significant differences in customer trust and response to problems between the public sector and private sector banks. A proper difference was observed for company loyalty, payment willingness and commitment of customer.

The three relationship factors, namely, banking with multiple channels, traditional services, and inter organizational marketing, multi channel banking, which comes to customer satisfaction, were judged via analysis of factors. A measure with repetition of one way ANOVA test was run on the parameters of relationship to get valuable change in the level of satisfaction the customer. To find how each bank was memorized in the brains of customer a thought figures was created of the five banks with the scores of factors.

Concentrating on the different levels of the customer’s satisfaction, the findings shows that while banks which are private have been capable to pull higher educational level customer who are young in age, and even who are comfortable with banking of multi channels, the account holders of the national bank are older in age and more satisfied with the facilities provided by the bank in traditional way. The concluded results from this study on satisfaction could teach
managerial lessons on improvement of services and assessment of strengths in evolving a research strategy that will benefit the banks management.

**Puja Khatri & Yukti Ahuja (2008)** have analyzed satisfaction of customers in private and public sector banks and revealed that the banking sector in India has observed strong competition with so many upcoming banks with all their market share and using their strength which is global to their betterment in order to survive and themselves in the market. As compared with than Publically Banks the Privately Banks seem to be good in customer satisfaction with services in proper way and they have been successful in maintaining its customers by providing facilities which are better in all respects. But, still to become customer’s first preference private Banks need to improve a lot. In an economy of changing markets and innovative technologies, each and every service variable has become more important.

New products and services related to financial have to be incorporated continuously in the market in order to stick in competition. The mantra for Success could be orientation which is centered with customer, where the bank builds and maintain good relations with its customers and Private Banks have been achieving success in such ownership with customers whereas public sector banks have to change in this selected area.

Customers who are actually involved do not have a very good judgment about these facilities being offered by Private Banks so Private Banks need to concentrate more on their insurance services and credit facilities since many studies are also focuses on the customer perceptions rather before premising customer satisfaction. Uppal R K and Poonam Rani (2012), in the analysis on Perception of Customers towards good Services Banking in India- An thorough Study, studied perception of customer about reliability, CRM, accuracy, security and transparency among the public banks customers, privately owned sector banks and foreign banks in Amritsar, Punjab.

They have found that many of the account holders are happy with the different services of banking and that satisfaction amongst customer can be developed by offering more speed in performing transactions and offering fast services.
There are studies which prioritize the importance of customer relationship management, and the brand image and reputation of bank or companies. It believes that relationship marketing effectiveness also affects customer satisfaction levels. Mittal Anurag (2009) in his study, Effectiveness of marketing in relationships for Indian Banking, distinguish the market orientation in relations and happiness of consumers in the banking activities of retail sector in selected 5 publically owned banks and 5 privately owned banks in the State of Delhi.

Customers of all the group of banks were of the view that there is bigger gap in the application of customer marketing in terms of relations in the banks. The marketing in terms of relationship approach is not effectively designed in publicly banks and so, satisfaction level is low.

The customers of public banks are rely on the bank so that the bank is happy due to the trust and still they need to improve their service delivery on time by improving in the locations, facilities, and proper training to the employees.

The work done in this direction was for increasing the banking experience in retail. That is why a well delivered service in all respect encounters possibly even withdraw the bad impression which happened by poor quality in technical manner as well as promote good mouth to mouth publicity, especially if customers knows the truth that employees have offered their better in view to satisfy them during a problem.

Bank workers are important segment of the customer service process, which is the success factor for any bank. It is these denotes with customers while a service that are the most important criteria of overall satisfaction of customer, and a experience of customers with the service may be known by the vast experience with the firm’s employees and the firm’s systems. Any negativity at the end of the employees can lead to defect in customer.

R.K. Uppal (2009) studied happiness and service in commercial banks of India and concluded in the study that in the growing environment with competition and emerging IT era with no or little separation in the product offering, and the difference between one banks with
another is speed of rendering service. Quality service is equaled with Prompt service. Utilization of effective time is a main factor which changes the quality & brand of the banks. E-banks are becoming more popular coz they are providing quick service.

It is essential for the both sector banks to minimize the service time and fast service they need to introduce a good kind of system so that they achieve their aims to attract the customers. Only such discussed banks will satisfy or meet the customers’ expectations and tend to survive in the competition and in the rat race for market shares in the days to come.


Hazra, Sandip Ghosh,Srivastava, Kailash B L, (2009) studied the effect of Service Quality on Commitment, Customer Loyalty factor, and Trust in the Banking Sector of india. This study analysed the power of the association between the service quality expectations which is independent variable and the variables which are dependant, namely, customer loyalty, trust and commitment. The results focused that customers value five dimensions of perceived service quality- assurance-empathy, security and reliability, tangibles with assurance-empathy being valued the most.

As per the findings in the survey conducted, 'In the New era of Expectation of Customer ’ that is not yet released outside country, around 75% of the banking customers of retail in India said that their actual trust in the banking industry grown up in 2010. “Indian people have the level which is highest of trust and satisfaction in their banking industry. The impact on confidence of customer in the banking industry of India due to the credit crisis was vey less. The present banking systems of providing various services to the customers at their door step is about to be not even dreamed in 90s. Aswasti (2007) has studied about the quality delivery of service, happiness, and behavior changes in the service sector and denotes that there is strong connection between the desired quality of service and the way of satisfaction carried from services. Quality of Service has a great impact on satisfaction of customer; it affects the future behavior of purchasing the product and the truth intentions of end customers.
To increase customers trust factor to a company Banks should focus on parameters of quality of service and get more focus to the factors of assurance-empathy, ready to pay, customer commitment and customer trust. Customers totally expect attention towards him/her and an bank should understand the needs of them. In view to make changes and advancement, managements must pay attention to the weaknesses and take care by paying attention on one to one basis.

The outcomes regarding the variation in the trust to a company, response to problems, ready to pay attitude, customer commitment and customer trust on bank showed that there were no as such significant differences in customer trust and response to problems between the publicly and privately banks.

The private sector banks showed that increment in reliable services a parameter of service quality which make variation in willingness to pay and customer commitment, on the other side increase in security which is parameter of service quality make changes in trust to a company for the publicly banks.

**Kumbhar V. M** (2011) attempted to study the satisfaction with part of many factors of service quality. A output obtained from the research study shows that, all 13 variables were able to compete and were better for judgment of overall satisfaction in e-banking.

However, Principle component analysis results indicates that, Perceived Value, Effectiveness of Cost, Perception of Brand, Easy to Use, Handling of Problem, Convenience, Security/Assurance and Responsiveness are important factors in customers satisfaction in e-banking it explains 48.30 per cent of variance. Contact Facilities, Efficiency and Compensation, System Availability, Fulfillment are comparatively less important because these dimensions explain 21.70 per cent of variance in customers’ satisfaction. Responsiveness, Cost Effectiveness, Easy to Use and Compensation are predictors of brand perception in e-banking and Fulfillment, Efficiency, Security/Assurance, Responsiveness, Convenience, Cost Effectiveness, Problem Handling and Compensation are predictors of perceived value in e-banking.
The attitude which was purely positive showed by the publicly as well as privately banks in handling the financial melt-down on global basis of 2008 has successfully increased the trust of the people in the system of banking of the country. As per the findings & suggestions in the survey, 'A New Customer Expectation era' that is yet to be released globally, 75% of customers in the retail banking commented that their trust in the banking industry grown up in 2010. The customers from India have the great factor of trust and satisfaction in their industry related to banking. The impact on confidence of customer in the banking industry of India due to the credit crisis was very less.

Therefore, bank management and e-banking service operators should think over this parameter and make changes which are easily doable in the services related to electronic banking according to the expectations of customer and need of the time. It will be helps to increase quality of service in electronic banking and enhance the level of satisfaction among customers in e banking.

**Dr. Naveen Kumar & Dr. V.K. Gangal (2011)** held a study on satisfaction in new evolved privately owned banks a systematic study of hdfc bank and found that the majority of India’s banks which are in private sector are not very different in view of the products they offer to the end customer. One major focus in strategic way that banks can use to stick in the competitive era would be to maintain as more consumers as possible with the good offerings. And customer maintenance is only realized through satisfaction. Thus customer satisfaction is mantra of success in today’s’ competitive environment.


**M. Mohamed Siddik & Dr. M. Selvachandra (2011),** studied in his research level of satisfaction towards customers E-banking services provided by ICICI bank of city Chennai and finally concluded that Quality of service is key for the majority of the respondents preferred their bank branch. Popularity and Convenience of branch were given subsequent preference. There
has been quite positive opinion registered with regard to the common problem encountered by
the customers in the public as well as private banks, relating to that there is service delay in the
bank branches, customers were dissatisfied with the service rendered and behavior of the staffs,
and dissatisfied with the delay in the process of loan sanctions, at the outset proportion of the
problems are relatively major, hence it was illustrated that the there has been very major
problems in the transactions. Therefore they suggested that banks should provide sufficient
training programs to mitigate the above problems.

Puja Khatri and Yukti Ahuja (2010) through their research work, A comparison in
Study of Satisfaction in Indian Publicly and Privately Banks,
The study showed that privately banks concerned to have satisfied their customers far good than
public sector banks by providing better facilities, where as Pandit C Bilamge (2011) in his work
on the comparison study of perception of customers to the services provided by the Public Sector
Banks and Private Sector Bank’s and discussed the various problems relating to services of
customer in the ICICI Bank and SBI. The output shows that the service offered by ICICI bank is
good than the SBI to their account holders.

Vijay m. Kumbhar (2011), factors which changes on satisfaction of customers: an
investigation of ATM service and examined that the ATM service cost effectiveness were core
quality service factor and it was majorly changing the overall satisfaction of customer in ATM
service provided by all commercial banks. However, output of factor study indicates that, easy
to use, effectiveness of cost and help & quick response were also impact on satisfaction of
customer. So the banks should focus on their work on these factors for offer better ATM service
to satisfy their customers.

Ronak Mehta (2013) describes in his study on Banking Services and Satisfaction – A
Study of Publicly and Privately Sector Banks in Navsari City and presented problems for
Customers are heart for any business. And industry related to banking is highly service related
work. In case there is service problem, it always focuses on the virtual decision taking of the
customer. Here in this paper researcher try his level out to mention the reason for the views of
the people living in Navsari for opting the service in banking depends on cost, convenience,
facility and casual factors like up gradation of the bank, quickness for attending customer. And
he concluded profit level of the bank purely rely on its customers. Bank is a service industry, so
all banks should goal at satisfying the customers’ desires by providing plenty of features in their offered services.

Real Gap finding of expectation of customer and actual services should be practiced out regularly to judge the current customer satisfaction level. Many Banks are downsizing in adoption of new customer oriented products such as mutual funds, and tax Advisory Services, cash management service, and so on. Sustainable Growth of electronic fund transfer (EFT) real time gross scheme and cellular banking services are very poor. New techniques and face-to-face conversation are important for the banks to rule over customers.


Ernst and Young survey in the year 2011, The survey was done on around 20,500 customers of retail banking which are in country and outside of country including 1,000 numbers of bank account holders from India. The survey mainly aimed to identify the driving factor of good relationships of customer with their banks. In Indian banking sector most of the customers of retail are satisfied with the banking system provided, according the survey. The attitude which was purely positive showed by the publicly as well as privately banks in handling the financial melt-down on global basis of 2008 has successfully increased the trust of the people in the system of banking of the country. As per the findings & suggestions in the survey, 'A New Customer Expectation era' that is yet to be released globally, 75% of customers in the retail banking commented that their trust in the banking industry grown up in 2010. “Indians have the highest level of trust and satisfaction in their banking industry. The impact on customer confidence in the Indian banking industry due to the credit crisis was very less.

Reserve Bank of India the banking sector regulator benefited with the conservative banking policies applied, Indian remained relatively untouched by the global financial crisis. The survey also concluded that banks in india have grown up to the requirements of various of their clients as the financial crisis globally of 2008 had a minimal focus on them in comparison to their global peers.
Jyoti Agarwal (2012) studies satisfaction of customers in banking services in Aligarh district. She examined that due to competitive environment and the advance of technology the Indian banking is going through major changes. To enhance his/her satisfaction the customer is asking for good service quality. This study done on the basis from various research findings, suggestions and is also in position with findings with consideration to customer satisfaction by other researchers. Finally, the outcome of the study guides us to the following conclusion and policy suggestions:

- The relational marketing paradigm is satisfaction in terms of quality of delivery of service. The relations are mostly seen from the point of view of the company providing products and services. For firm which deals with service in our case the banks, for improving customer satisfaction building strong relationship is important through service quality.

- Publicly sector banks like State Bank of India are at lower level in the perceptions of their customers on all service quality parameters. Private Banks such as ICICI bank are far better in the impression on their customers on all service quality parameters.

- The above findings suggest the need of today and relevance of heavy investment on tangibles particularly internet and intranet services, computer based banking, tele-banking, 'anywhere and anytime banking', etc., besides communication material and physical facilities. This will help in delivering quick and accurate services to end customers as well as reducing the workload of frontline staff and thereby providing quick ways to employees to respond to customer requests. This investment will also ensure convenient banking hours on which the services of our banks are perceived by the customers to be very low.

- Customer service must match with marketing efforts taken by the team, otherwise a customer would remain a dissatisfied customer and all marketing efforts taken will go
down the drain. The process of fulfilling or competing customer needs, therefore, requires tailoring bank services to what customers want and desire, rather than making them force to accept whatever banks can provide as per convenience. Today, customers are known with the standards of international banking and expect the same service quality from Indian banks. If public sector banks fail to regulate the efficiency and quality of their financial services to match or surpass those of private banks or foreign banks, time is not far away when they will lose substantial market share to private and foreign banks.

- Banks must look after the potential failure points and service recovery procedures, which nowadays become integral to employees' training. In other words, it amounts to empowering employees to exercise judgment, responsibility and creativity in responding to customers' complaints.

- To know whether the bank meets or exceeds or is below the expectations of their customers the banks should continually assess and reassess how customers perceive bank services. Such an appraisal, however, is a tedious task because customer service is dynamic in action and complex in nature. Moreover, it can vary greatly from one branch to another. Also, what is 'good service' today may become 'indifferent service' tomorrow and 'bad service' the next day. Frequent customer surveys, therefore, throw light on ratification and refinement which will go a long way to improve the service quality in banks.

Many studies are also focuses on the customer perceptions rather before premising customer satisfaction. Uppal R K and Poonam Rani (2012), in the analysis on Perception of Customers towards good Services Banking in India- An thorough Study, studied perception of customer about reliability, CRM, accuracy, security and transparency among the public banks customers, privately owned sector banks and foreign banks in Amritsar, Punjab. They have found that many of the account holders are happy with the different services of banking and that satisfaction amongst customer can be developed by offering more speed in performing transactions and offering fast services. There are studies which priorities the importance of
customer relationship management, and the brand image and reputation of bank or companies. It believes that relationship marketing effectiveness also affects customer satisfaction levels. Mittal Anurag (2009) in his study, Relationship Marketing Effectiveness in Indian Banking, compares the relationship market orientation and customer satisfaction in the retail banking activities of selected 5 public sector banks and 5 private sector banks in the State of Delhi. Customers of both the group of banks were of the opinion that there is wider difference in the application of customer relationship marketing in the banks under study. The relationship marketing approach is not effectively administered in public sector banks and so, customer satisfaction level is low.

A plenty of studies has been carried out for customer’s satisfaction at public or private sector banks in India and abroad. Hess, L R (1999) has found out how happiness with a service employee affects overall satisfaction of customers with an organization related to service, even if there was a service failure done by employees. The study focused on the important thing that the customer’s past experience about the offered service with an organization directly relates to the customer’s overall satisfaction with the firm. There are studies which focus on quality of services which compares with customer satisfactions, as Bedi (2005) has got the results about the connection between quality and satisfaction of customer in few banks in city of Chandigarh and has technically denoted that the desired quality in service towards customers has a good and higher impact on satisfaction of customer.

Their study also shows that due to the behavior of employee and infrastructure the customers of publically owned banks were not much satisfied, while customers of privately and outside India banks were not much satisfied with great charges, approachability and interaction.

Cheque clearing and deposits are most common services used by customers, the charges levied by the bank on these services are higher in private and foreign banks then in nationalized banks.

They have also guided that training on internal & external management of stress and direct people contacts should be used to the employees of nationalized banks or public banks and nationalized banks need to improve their infrastructure and ambience to compete with private and foreign banks in India.