CHAPTER 2

REVIEW OF LITERATURE

2.1 INTRODUCTION

The present study is concerned with the Banking services rendered by selected banks in Tamil Nadu and it discusses the awareness of the service utilisers, their satisfaction towards the various banking services provided by the banks, their expectations towards the value added services and ultra modern services in the banking sectors and various problems faced by the service utilisers with the current service. An attempt is made to briefly review the earlier studies made so far, on customer satisfaction, customer perception, customer retention, customer loyalty, customer relationship and customer expectations in various services coupled with banks, the problems faced by the customer and the other parameters covered under the banking services rendered by selected banks are taken into consideration to have greater insight into the banking service.

In the conceptual discussion about banking services, in specific, financial services rendered by banks gained momentum a few decades ago. Since then, many writers, eminent researchers and academicians have examined the concept of various banking services rendered by banks in different dimensions. Especially, from the later part of 1990s and 2000s, many researches have been carried out about the concept of banking services. This indicated the vital part in the banking industry. So, among these, worth
mentioning studies pertaining to banking services and other related issues are presented briefly.

2.2 REVIEWS

Comber (1990) in his article titled, ‘Banks designed by customer’, observed that cash dispensers and automated deposit facilities can take care of the normal business of banks. He further stressed the need for bank staff to be trained to fully understand the products and have a human approach towards the customer so that they can deliver the bank products accounting to the individual’s customer needs.

Perrier et al (1992) in their article titled ‘Relationship markets and commercial banking: A critical analysis’, analysed and evaluated the competitive pressures as well as the search for fee-based incomes, mainly derived from cross-selling, which has forced commercial banks to redefine their marketing strategies and focus on “Relationship marketing”. The analysis identified the major problems raised by the implementation of an effective relationship approach. This critical analysis concluded that relationship banking is a major corporate issue and not the sole responsibility of the front line people.

Vishwanathan (1993) in his article titled, “Banking Ombudsman-A suggested framework”, observed that in banks a number of business grievances arise every day because of the volume of growth in business, number and varieties of transactions and the different types of customers who transact with banks every day. The only way to solve the problem, as suggested by the author is to use banks Ombusdsman as a conciliation medium to solve customer complaints.
Swami & Subrahmanyam (1993) in their article titled, ‘Comparative Performance of Public Sector Banks in India’, attempted to focus on profitability within PSBs in an attempt to set benchmarks such as what has been the impact of financial sector reforms on the structure of the Indian banking system? What are the advantages reaped by some of the new Indian private and foreign banks vis-a-vis PSBs? and Has new competition enhanced the overall efficiency of the banking system or not? An attempt has been made by them, in the context of financial sector reforms, to identify factors which could have led to changes in the position of individual banks in terms of their share in the overall banking industry. They analyzed the share of rural branches, average branch size, trends in banks profitability, share of Priority Sector Advances (PSAs), share of wages in expenditure, provision and contingencies, net non-performance assets in net advances, and spread, and concluded that in many respects, New Private Sector Banks (NPSBs) are much better than PSBs. They are even better than the foreign sector banks.

Rugimbana (1995) in his article titled, ‘Predicting automated teller machine usage: the relative importance of perceptual and demographic factors’, studied the usage of a retail banking service innovation and users and non-users of Automated Teller Machines (ATMs) profiled in terms of demographic and perceptual variables. The main purpose of the study was to discriminate users from non-users, using the demographic variables of respondents and their perceptions of ATM attributes in order to assess the
major determinants of customer satisfaction and future intentions to switch in the retail banking sector. Seventeen items were selected to measure service quality and switching intentions such as service quality dimensions (e.g. getting it right at the first time), service characteristics (e.g. competitive interest rate), service problem, service recovery and product used. It was found that service problem and the banks’ service recovery ability have a major impact for customer satisfaction and intentions to switch.

Aurora & Malhotra (1997) in their article titled, “Customer Satisfaction: A comparative analysis of public and private sector banks”, revealed that the main objectives were to study the factors determining customer satisfaction at different levels and marketing strategies for increasing the level of customer satisfaction. Factor-wise average stores revealed that there was a significant difference between the satisfaction level of public and private sector bank customers and the latter were much more satisfied than their counterparts in public sector banks. The most distinguishing and outstanding factors for the satisfaction of private sector bank customer were staff and service factors. It was further evident that private sector banks need to adopt certain specific market strategies to survive in the present world of competition.

Zineldin (1996) in his research paper titled, "Bank strategic positioning and some determinants of bank selection", studied that banks have
been selected and perceived from the point of view of its customers in relation
to its competitors in that marketplace, reveals that in Sweden, there is no
single leading bank in all financial areas, but there are a number of leaders.
A leader in terms of deposit base, a leader in terms of loans outstanding base,
the largest bank in terms of assets, and a niche leader bank. It shows that
functional quality is a more important factor than traditional marketing
activities. As expected, convenience of location, price and advertising had
minor impact on the selection of bank.

Soal (1998) in his research paper titled “Relationship banking and
management of organizational trust”, analyzed the personal, institutional and
behavioural bases of trust in banking relations, arguing that the banks should
pay attention to intra as well as inter-functional policies for developing trust
and assessing trust worthiness. Trust may be derived from personal
interaction and/or from impersonal, symbolic presentational base. Marketing
strategies can both analyze the trust characteristics of customer as well as
proactively pursue those relational forms of marketing which can generate
long-term competitive advantage. However, the most rational levels of
marketing require a system delivery approach which must itself derive from
internally nurtured forms of trust, based on appropriate personnel policies,
original routines and training.

Ashok & Madan (1999) in their article titled, “Segmented Service
Quality Audit (SSQA) for banks: An empirical analysis”, presented the
empirical evidence that which suggested the value of conducting segmented
service quality audit and further develop an instrument most appropriate to
banking service based on the SERVQUAL model. Their study revealed that
there was a wide variation in perception of service quality across individual
customer segments. To retain long standing customers banks need to devise
appropriate methods to improve the level of communication and information flow.

Margaret & Thompson (2000) in their research article on, “Factors Influencing the Adoption of Internet Banking”, highlighted the framework based on the theory of planned behavior (Ajzen 1985) and the diffusion of innovations theory (Rogers 1983) used to identify the attitudinal, social and perceived behavioural control factors that would influence the adoption of Internet banking. An online questionnaire was designed on the World Wide Web (WWW). Respondents participated through extensive personalized email invitations as well as postings to newsgroups and hyperlinks from selected Web sites. The results revealed that attitudinal and perceived behavioural control factors, rather than social influence, played a significant role in influencing the intention to adopt Internet banking. In particular, perceptions of relative advantage, compatibility, trial ability, and risk toward using the Internet were found to influence intentions to adopt Internet banking services.

Vyas (2000) made a study on “Measurement of customer satisfaction: A study of banking services”. This work attempted at studying empirically the customer satisfaction with services provided by different banks and also analysed the responses of the customer towards the actual time taken by banks to complete the banking transaction. The finding of the study revealed that nationalised banks and co-operative banks need to improve on reducing the overall time taken to complete banking transaction. Comparatively, the private and foreign banks took much less time for completing their transactions. Nationalised and co-operative banks need to increase the use of information technology and CRM to deliver standardized customer specific banking service to its targeted customer.

Groenfeldt (2000) in his research titled, ‘Room to improve. US Banker’, suggested that adding more transaction abilities and better customer
service should help to catch more internet banking customers. The number of customers registered for Internet banking is growing, but some of those registered never use it, and some of those use it and then stop. To be effective, a bank needs to integrate the internet with its marketing, delivery and customer’s service. More recently banks have added services which the customers need, such as the ability to change their address, request a copy of their statement, or order traveller’s checks and foreign currency for next-day delivery. Groenfeldt believed that added functionality enhances internet banking – effective Internet banking is really all about the way the customer thinks.

Brahme (2000) in his article “customer complaints” stated that customer complaints are a universal phenomenon and a service industry like banking is no exception. Handling of complaints should be considered as a core activity and viewed as one of the key functions. He drew a clear distinction between verbal and written complaints and also the way to deal with both of them. The study elaborated on as to why organisations lose customer and stated that 68% of the customers are lost due to the short comings in customer service. A suggestion regarding the complaint handling cell or unit was made and characteristics of a complaint system were enlisted by the author. He has proposed organizing of workshops on complaints handling for the bank staff to develop an awareness and positive approach.

Athanassopoulus et al (2001) in their research report titled, “Behavioural Responses to Customer Satisfaction: An Empirical Study”, examined the impact of customer satisfaction on customer behavioural responses. The sample consisted of 793 individual customers of commercial retail banks of Athens, Greece. Statistical tools such as chi-square test, Bentler’s comparative fit, Root Mean Square of Approximation (RMESA) and confirmatory factor analysis were used for the analysis. The results
showed that there is a direct effect of customer satisfaction on the following behavioural responses of customer:

- Decision to stay with the existing service provider
- Positive world of mouth communications
- Intentions to stay with the existing service providers.

Bhasin (2001) in his article, ‘E-Commerce in Indian Banking’, analyzed the impact of IT on the banking sector. IT has revolutionized various aspects of our life. It has transformed the repetitive and overlapping systems and procedures into simple single key pressing technology, resulting in speed, accuracy and efficiency in conducting business. The computerization of banks has provided a major push for enabling them to enter newer activities. The banking industry has prepared itself and is strongly emerging to play a major supplementary role in nurturing e-commerce applications, which are still in their infancy in India. While a few of the new generation private banks have taken an early initiative in these innovative areas, others are gradually catching up. The author feels that proper security infrastructure should be in place for routing transaction through the public network.

Gupta & Shukla (2002) in their article, ‘Learnings from CRM implementation in a bank’, highlighted the learnings from customer relationship management implementation in the banks sector. The important issues examined include original information, the CRM strategy, strategic changes resulting from CRM implementation, implementation priorities for the banks and the factors indicating the performance after CRM implementation. The study was supported by a case study of CRM systems in a major Japanese bank, Bank of Tokyo, Mitsubishi and also a field survey of scenario in the Indian banking sector. The study revealed that CRM is
gradually picking up and is definitely considered as a viable proposition by banks in improving services to their customer. Since there is a resistance to change, while implementing CRM, high commitment is required in those who are implementing it.

Aish et al (2003) in their research report titled, “A Cross-cultural perspective on the role of branding in financial services: The Small Business Market’, focused and compared the bank selection decisions of the small business market across UK and Egypt and the results advocated various similarities and provides evidence to suggest that brand plays a major role in the bank selection decisions of the small businesses at both UK and Egypt. The study rein forces the opinion that technical quality (quality of services itself) is more important than functional quality ( quality of the service provider) decision on the bank selection more specifically both Egyptians and UK small business customers consider financial items (fees, interest rates and credit availability) as the most important factors in bank selection decision.

Mittal et al (2003) in their research report titled, ‘An exploratory study of CRM orientation among bank employees’, aimed at exploring the aspect of CRM orientation among bank employees of both public and private sector banks. The findings of the research highlighted that there is a need for improvement on some of the components of CRM such as customer communication, customer orientation, customer care and handling of complaints in both public and private sector banks. The aged employees in the public and private banks institutions need to improve CRM skills in order to compete with their younger counterparts.

Sureshchandear et al (2003) in their research article entitled, ‘Customer Perceptions of Service Quality in the Banking Sector of a Developing Economy: A Critical Analysis’, investigated the critical factors of customer-perceived service quality in the banks of India. The three groups of
banks in India (Public sector, Private sector and foreign banks) were compared with respect to each of the five factors of service quality (core services, human element, tangibles of service and social responsibility). Data were collected using the ‘personal contact’ approach. A total of 452 customers from 51 different banks were approached, from whom 277 (from 43 banks) valid responses were obtained. The results of confirmatory factor analysis and ANOVA showed that regarding customer perception of service quality, the technological factor (i.e., core service and systematization of the service delivery) contributed more in differentiating the three sectors while the people-oriented factor (i.e., human element of service delivery) contributed less to the discrimination. The results also indicated that foreign banks were performing well, followed by private sector banks and public sector banks.

Gani & Bhat (2003) in their study titled, “service quality in commercial banks”: A comparative study” attempted at studying the service quality in commercial banks with a view to making overall service quality in banks more effective and efficient. The study was conducted in selected states of northern India which include Jammu and Kashmir, Punjab, Haryana and Delhi. The study is restricted to five banks in northern India namely, SBI, Punjab National Bank, Jammu and Kashmir Bank, City Bank and Standard Chartered Grind lays bank. In this study, the main area of questioning and analysis related to customer expectations and perceptions in relation to service quality dimensions. For examining service quality and its dimensions in the banks understudy SERVQUAL model was used. The results of the study revealed that the service quality of foreign banks was comparatively much better than that of Indian banks and suggested heavy investment banks. Indian banks in tangibility dimension to improve the quality of service to customer.
Vargherse & Ganesh (2003) in their study article titled, customer service in banks: An Empirical study “Mainly focused on the ‘speed’ aspect of customer service by assessing customer’s experience with regard to time taken to translate business with public sector bank and old generation private sector banks operating in Thiruvananthapuram district of Kerala. The study revealed that there was no difference between the public and private sector banks in the customer time concern for transacting business in banks.

Singh (2004) in his article “CRM-New Horizons in banking” argues that the truly most desirable assets are not buildings and fixtures but a profitable customers base. He stated that enhanced customer relationship implies taking customer’s service and associated profitability to new heights by increasing interactive banks and client links. It suggested that bank globally must consider them as innovative solution. Providers satisfying customers rather than just products driven or a profit driven distributors. He discussed extensively how advancement in technology has changed the face of banking and has compelled banks in the UK & USA to reconsider their strategies. He also suggested that banks must reassess their strategies and must acquire a mind set in managing customer’s relationship to be successful in the changing markets.

Gautham & Sanjay (2004) in their study titled, ‘customer satisfaction in Nepalese’ Commercial Banks” studied the following aspects of banking:

1. Customer orientation of Nepalese commercial banks
2. The comparative situation of customer satisfaction in four commercial banks
3. Factor which could lead customer toward satisfaction
4. The factor which leads customer toward dissatisfaction
A total of 331 respondents were selected for the purpose of primary survey. Statistical tools such as mean, standard deviation, Person’s correlation, ANOVA, chi-square, and Kruskal-Wallis were used for the analysis. The results showed that customers were more satisfied with the second-generation joint venture banks, though they had less ability to serve poor Nepalese people. Further, these were also found less reliable for future. To be more specific, customers were found satisfied with those banks where customers had to spend less time on waiting, and the employees’ behaviour was good.

Rishi & Saxena (2004) in their article titled ‘Technological innovations in the Indian banking industry’, have given that technological innovations in the banking sector in industrialized countries have been shown to increase productivity of this industry around the world. This article charts out the path of technological innovation in the Indian banking industry’s post-economic liberalisation (1991-2) and identifies initial conditions in terms of competitive environment and regulatory pressures which have been contributed to the diffusion of these innovations. The article highlighted the role of labour unions in public sector banks and their initial opposition to technological adoption. The empirical analysis demonstrates the superior performance of the early adopters of technology (private sector and foreign banks) as measured by productivity, returns on equity, and market share, compared to the late or passive adopters (public sector banks).

Vyas (2004) in his article titled, ‘Measurement of customer satisfaction on IT adoption in banking services’, the study was an empirical study based on descriptive research design to measure customer satisfaction considering the prevalent state of IT adoption among selected branch of nationalized banks, private banks, co-operative bank and foreign banks located at Baroda. The findings of the study revealed that there was an
effective implementation of E-Banking services in the case of private banks
and foreign bank whereas nationalised banks were found to have a lesser
degree of computerization.

Upinder et al (2004) in their research report titled, ‘Service with a
Difference : A comparative analysis of private & Public sector banks’, studied different service quality factors in private & Public sector, both for
the employees as well as for the customers to understand the emerging trend
in competition, service features required by the customers, Quality expectance
and perseverance. The study revealed that the employees have felt that
competence and tangibility are higher in public sector compared to the private
sector and the customers have felt that public sector has higher tangibility and
responsiveness is higher in the private sector.

Bodla (2004) in his article entitled, ‘service quality perception in banks: An Indian perspective’, examined and measured the quality of services
provided by commercial banks in India. Empirical survey was conducted to
determine expectation and perception of the quality of services offered by the
banks. The scope of this study was restricted to Chandigarh, Delhi and
Haryana and the study covered four private sector and four public sector
Banks. The SERVQUAL instrument developed by Parasuraman, Zeithmal
and Berry had been used for the measurement of service quality in selected
banks. The study revealed that actual delivery of services by both private and
public sector banks fell short of expectations of customer on a large majority
of the elements of service quality. Never the less fewer private sectors are
found to have an edge over public sector banks in terms of quality services
being offered to the customer.

Devlin & Gerrard (2005) in his research paper entitled, ‘A study of
Customer Choice Criteria for multiple bank users’, studied the relative
importance of various choice criteria for main and secondary banks. Results
showed that relatively rudimentary factors such as locations, recommendation and relationships were important choice criteria when choosing a right bank though the same criteria which were found to be strongly influential in choosing the secondary bank. Offering an incentive was also significantly more important in prompting the choice of secondary bank. Service exception was found to be significantly more important for main bank as were low fees and over draft charges. Indian financial market is very diverse and the preferences of services change across demographic factors like education, age, sex, salary/earnings level etc.,

Ndubisi & Wah (2005) in their article titled, ‘Factorial and Discriminant Analyses of Underpinnings of Relationship Marketing and Customer Satisfaction’, evaluated the bank-customers relationship and customer satisfaction in Malaysian banking sector. The sample consisted of 220 bank customers and in order to carry out data analysis, factor analysis and step-wise discriminant analyses. The results indicated that the relationship of a customer and bank depended on the bank’s competence, commitment and communication. Banks that show strong commitment to service and those that are competent, trustworthy, communicate efficiently and handle conflicts well would have a better quality relationship with customers, while those that are lacking in these dimensions would create a poor quality relationship with customers.

Roig et al (2006) in their research article titled, ‘Customer Perceived Value in Banking Services’, analyzed dimensionally the concept of customer’s perceived value in the banking sector of Spain. A total of 200 customers were selected for survey. The result of confirmatory factor analysis and linear regression analysis indicated that customers’ perceived value in banking sector composed of six dimensions; functional value of the
establishment. Functional value of the personnel, functional value of the service, functional value of price emotional value and social value.

The Exploratory research offered several propositions on customer perceptions of service quality. There exists four key gaps on the service provider’s side which are likely to affect service quality as perceived by customer the gaps are

1. Not knowing what the customer expects
2. Not selecting the right service designs and standards
3. Not delivering to service standards and
4. Not matching performances to promises

A service quality model to serve as a framework for further empirical research in the same area was also developed.

Koutouvalas & Siomkos (2006) in their study titled, ‘An examination of Relationship Between Service quality Perceptions and Customer Loyalty in Public Private Greek Banks’, examined the following issues relating to customer satisfaction in Greek banks:

1. The factor shaping Greek banks’ customers’ perceptions of service quality
2. Direct influence of perceptions on customer loyalty, customer perceptions and switching intentions among public and private bank customers
A sample of 200 customers was taken for primary survey. The results of regression analysis showed that, there was a direct and positive correlation between perceived service quality and customer loyalty in the case of both private and the public sectors banks, significant relationship was recorded between demographic characteristics and perceived quality of both types of banks. Customers of both the banks were willing to express their complaints to the bank’s employees. Thus, bank employees were the bank agents and were acting as the connecting link between the banks and customers. Customer loyalty was related only to educational level since a higher educational level was related to an increased tendency for information search regarding competitive products/services/providers. Bank’s promotional efforts, aimed at providing relevant information to the public might increase the loyalty level. In such promotional efforts, the service quality and the reputation were the main areas to be emphasized.

Nuri & Balta (2006) in their research report entitled, ‘Consumer satisfaction and loyalty derived from the perceived quality of individual banking services: A field study in Eskisehir from Turkey’, discussed to find out the differences in the quality of the services rendered by the national banks of Turkey as perceived by the bank customers. This paper is an academically held field research conducted in May 2000 in the city of Eskis, ehir Turkey, covering 1340 respondents who are regular bank customers, that is, who carried out banking transactions more than once in a month. These banks are all well-Known, nationwide financial institutions publicly or privately owned and are classified under three main groups depending on their ownership style and their size. Respondents were selected systematically from different age groups, income groups, and occupations reflecting both sexes. A questionnaire form included ten close-end multiple-choice questions (excluding demographic questions) designed for the research purpose.
Floh & Treiblmaier (2006) in their study titled, ‘What Keeps the E-Banking Customer Loyal? A Multigroup Analysis of the Moderating Role of Consumer Characteristics on E-Loyalty in the Financial Service Industry’ examined the Internet as the ideal medium for carrying out banking activities due to its cost savings potential and speed of information transmission. From a technological and cost-driven standpoint it may seem quite logical for banks to shift as many banking activities online as possible. At the same time, the question of how to foster customer loyalty arises when the relationship between the bank and the user becomes a virtual one. This paper investigated the importance of antecedents of online loyalty such as trust, quality of the Web site, quality of the service and overall satisfaction. Rather than investigating which factors drive customers to use online banking instead of offline banking, this paper addressed the problem of how to keep customers online and loyal to a specific supplier. A survey among more than 2,000 customers of an Austrian online bank was conducted and a structural equation modelling approach was used to gain important insights into how customer retention in the online banking business can be ensured. Satisfaction and trust were identified as important antecedents of loyalty.

Srivastava (2007) in his research paper, ‘Customer’s perception on usage of internet banking’, pinpointed that Internet banking is still at infancy stage in the world. This research was carried out to validate the conceptual model of internet banking. The causes were identified and researched through correcting the causative factors so that internet banking can be used by more people. This will help the banking operations to be more cost effective. The research focused on what are the customer’s perceptions about internet banking and what are the drivers that drive consumers. How consumers have accepted internet banking and how to improve the usage rate were the focus of research area in this study. Qualitative exploratory research using a questionnaire was applied. 500 respondents were selected for the study after
initial screening. They were all bank customers. It is well proven thing, which says the surrounding, influences the individual’s behaviour or in India only environment that surrounds the public determines the behaviour and decisions of the individuals.

Manrai & Manirai (2007) in their research article titled, ‘A Filed Study of Customers Switching Behaviour for Bank Services’, investigated the overall dimensions of customer satisfaction with bank services in the US. The sample comprised of 578 respondents and for the measurement of customer’s satisfaction factor analysis technique was used. The study identified four overall dimensions of customer satisfaction. These were personnel related considerations financial considerations and convenience related considerations (ATM and hours). The findings suggested that bank marketers should pay much more attention towards promoting factors like personnel, atmospherics, and convenience than what was done in the past. This would help the banks in differentiating their offerings in customers’ perceptions and thus attracting them form the competitors.

Molina et al (2007) in their research report entitled, ‘Relational Benefits and Customer Satisfaction in Retail Banking’, investigated the impact of relational benefits on customer satisfaction in retail banking in Spain. Based on a theoretical framework regarding the relationship between relational benefits and customer satisfaction, an empirical study using a sample of 204 bank customers was conducted, and the theoretical model was tested. Confirmatory factor analysis was used to test the relational benefits and customer satisfaction. The results showed that trust and confidence in good service rendered by a given bank was the key to a good long-term relationship with the customers. However, special treatment benefits and social benefits were not found to be significant regarding the effect on satisfaction in a retail banking environment.
Veliúafakli (2007) in his research article titled, ‘A research on the basic motivational factors in consumer bank selection: evidence from Northern Cyprus’, revealed that Commercial banks need to identify the criteria on which potential customers determine their bank selection decision in order to plan an appropriate marketing strategy for keeping the present customers and attracting new ones. The study focused on examining the bank selection criteria employed by customers residing in various cities of Northern Cyprus. The findings revealed that the chief factors determining customers’ bank selection are: “Service Quality and Efficiency”, “Bank Image”, “Convenient Location”, “Parking facilities”, “Financial factors” and “Affected opinion”. The findings also showed that it may be necessary to deal with different demographic characteristics of respondents as distinctive segments with different priorities in their bank selection process.

Padachi et al (2008) in their research report entitled, ‘Investigating into the factors that influence the adoption of internet banking in Mauritius’, analysed the factors that influenced the adoption of internet banking for the case of Mauritius, the future IT-hub of Africa. Results based on the analysis of data relating to 200 respondents indicated that the mostly used services are inter account transfer, payment to other personal account, transfer to credit card account and recharging mobile phones among others. Comparing demographic variables of the internet banking users to the non-internet banking users, the analysis also revealed that there is no significant difference between the two groups of users with respect to age group and the education level of the respondents. This is, however, not the case for the mean monthly income. Using factor analysis to identify the factors affecting the adoption of internet banking in Mauritius, it was found that the most significant factor is the ease of use and that other important elements featured reluctance to change, trust and relationship in banker, cost of computers, internet accessibility, and convenience of use and security concerns. Further analysis
using cross tabulations suggested important statistical relationships between awareness, access to Internet facility, length of banking relationship, people working in the banking/finance sector, education level in the category ‘post graduate’ and also income group with the usage of internet banking.

Singhal & Padhmanabhan (2008) in their study titled, ‘A Study on Customer Perception towards Internet Banking: Identifying Major Contributing Factors’ provided the information that internet banking is increasingly becoming popular because of convenience and flexibility. The present paper explored the major factors responsible for internet banking based on the respondent’s perception on various internet applications. It also provided a framework of the factors which were taken to assess the internet banking perception. The survey was created online and link sent to the respondents from India using convenience sampling. Thus, the analysis done with the help of statistical tools clearly indicated the factors responsible for internet banking. Factor analysis results indicated that ‘utility request’, ‘security’, ‘utility transaction’, ‘ticket booking’ and ‘fund transfer’ are major factors.

Rezvanian et al (2008) in their article titled “Efficiency change, technological progress and productivity growth of private, public and foreign banks in India: evidence from the post-liberalization era” used a nonparametric frontier approach to examine the effects of the ownership on the efficiency, efficiency change, technological progress and productivity growth of the Indian banking industry over the period 1998 to 2003. A host of best practice frontiers were constructed related to which the performance of foreign-owned banks, private-owned banks and public-owned banks operating in India was assessed. The results indicated that foreign banks are significantly more efficient when compared to other banks, i.e. the privately-owned and publicly owned-banks. The findings also provided evidence to
indicate that a large number of Indian banks operate below their optimal scale. Specifically, the Indian banking industry can be characterized by the existence of very few large, but inefficient publicly-owned banks along with many small size banks that would be able to improve their cost efficiency by expanding their scale of operations. Therefore, in order to assist the Indian banking system to function more efficiently and be more competitive in the global market place, the Indian policy makers should create policies to encourage the private ownership of banks, facilitate the entry of foreign banks and promote mergers and acquisitions among Indian banks. Such policies will help Indian banks increase their scale of operations and improve their cost efficiency.

Rehman & Ahmed (2008) in their research article titled, ‘An Empirical Analysis of the Determinants of Bank Selection in Pakistan a Customer View’, the study focussed and analysed the major determinants of a bank selection by a customer in the banking industry of Pakistan. It was based on a survey of 358 customers of private, privatized and nationalized banks located in the city of Lahore (Pakistan). The findings of the study revealed that the most important variables influencing customer choice are customer services, convenience, online banking facilities and overall bank environment. The study aimed to bridge the existing gap in local banking literature through identifying the important bank selection determinants and concluded with some policy implications which are expected to have an impact on the marketing efforts of Pakistani banks.

Debnath & Shankkar (2008) in their research titled, ‘Measuring performance of Indian banks: an application Data Envelopment Analysis’ examined that A stable and efficient banking sector is an essential precondition to increase the economic level of a country. This paper tried to model and evaluate the efficiency of 50 Indian banks by using Data Envelop
Analysis (DEA). DEA is capable of handling multiple inputs and outputs and the sources of inefficiency can be analysed and quantified for every evaluated unit. The aim of this paper was to estimate and compare efficiency of the banking sector in India. The analysis was supposed to verify or reject the hypothesis whether the banking sector fulfils its intermediation function sufficiently to compete with the global players. The results were insightful to the financial policy planner as it identified the areas of priority for different banks, which can improve the performance. This paper evaluated the performance of banking sectors in India.

Sensarma (2008) in his research titled, “Deregulation, ownership and profit performance of banks: evidence from India”, has analysed the deregulation, ownership and profit performance of banks with evidence from India and studied the effects of deregulation on the banking industry in an emerging economy using profit-based measures of performance. Using panel data of 83 Indian banks belonging to different ownership groups for the period 1986 to 2005, it was found that profit efficiency and productivity declined following deregulation. While public sector banks performed better than the private banks in the pre-deregulation period, there was no difference in their performances after deregulation. Foreign and new private banks turned out to have the highest levels of profit productivity. The proposed work’s results are in contrast with the findings of previous studies that have found significant improvements in efficiency and productivity of the Indian banks using cost-based measures of performance.

Bhaumik & Pesse (2008) in their research paper titled, ‘Does lending behaviour of banks in emerging economies vary by ownership? Evidence from the Indian banking sector’, studied about the cross-ownership differences in credit market behaviour of banks in emerging economies. Using a portfolio choice model and bank-level data from India for 9 years
(1995-96 to 2003-04), they examined the bank’s behaviour in the context of credit markets of an emerging market economy. Their results indicate that, in India, the data for the domestic banks fit well but cannot explain the behaviour of foreign banks. In general, allocation of assets between risk-free government securities and risky credit is affected by past allocation patterns, stock exchange listing (for private banks), risk averseness of banks, regulations regarding the treatment of NPA, and the ability of banks to recover doubtful credit. It was also evident that banks dealt with the changing levels of systematic risk by altering the ratio of securities to non-securitized credit.

Olatokun & Igbinedin (2009) in their research article titled, ‘The Adoption of Automatic Teller Machines in Nigeria: An Application of the Theory of Diffusion of Innovation’ examined the attributes of the theory of diffusion of innovation empirically, using Automatic Teller Machines (ATMs) as the target innovation. The study was situated in Jos, Plateau state, Nigeria. The population comprised the bank’s customers in Jos who used ATMs. The sampling frame technique was applied, and 14 banks that had deployed ATMs were selected. Cluster sampling was employed to select respondents for the study. Data collection instrument was a structured questionnaire administered to 600 respondents of which 428 were returned giving 71.3% return rate. Principal Factor Analysis and Multiple Regression were the analytical techniques used. The demographic characteristics of the respondents revealed that most of them were students and youths. To increase the diffusion of ATMs, it was recommended that banks should ensure enhanced salience of ATM to customers’ needs, greater compatibility of ATM to customers banking norms and lifestyle, less complex and easy to use system and opportunity for the adopters to experiment with the system before using the ATMs.
Singh & Komal (2009) in their research article entitled ‘Impact of ATM on Customer Satisfaction’ examined the impact of ATM on customer satisfaction. This is a comparative study of three major banks i.e. State Bank of India, ICICI bank and HDFC bank. This paper has been divided into two sections. First section presented the introduction of ATM and a brief history of three Banks compiled through the literature available in the field. It also included the review of the various services provided by the three banks under study. The second section presented the results obtained on the basis of the data collected for the three banks. A sample of 360 respondents equally representing each bank has been taken through a questionnaire. Data was also collected through interview. Then various statistical tools have been used accordingly to compile the result. It was concluded through this paper that material satisfaction level is the highest in SBI, followed by ICICI Bank and the third is HDFC Bank. This is due to the size of the respective bank and number of years of its establishment.

Filip & Anghel (2009) in their article titled ‘Customer Loyalty and its Determinants in a Banking Services Environment’ examined the methodology and the main results of a quantitative study applied on a sample of 1010 respondents, in the Romanian banking industry. The aim of the study was to research the customer level of loyalty towards the Romanian organizations acting in the retail banking sector. The survey results showed that the, Romanian customers remained in relationship with the banks due to the existence of both favourable attitudes or positive motivations (representing 46, 36% of the total retention motivations) and constraint factors or inertia (representing 52,44% of the total retention motivations). At the same time, the results proved that the level of loyalty stated by customers was supported not only by the level of satisfaction, but also by factors like: bank’s attitude towards its own customers, the level of customer trust towards the organization and also by the level of customer commitment. Customer
switching behaviour was determined in 58% of cases by the high level of dissatisfaction towards the banks’ policy of price.

Mylonakis (2009) in his article entitled, ‘Bank satisfaction factors and loyalty: a survey of the Greek bank customers’, pinpointed that the banking system forms one of the most dynamic and rapidly developing sectors of the Greek economy. The scope of the paper was to examine the Greek bank customer’s satisfaction level based on their own banks experiences and perceptions, as well as their buying behaviour and attitudes towards banking products and services offered. The research was carried out on a random sample of 182 bank customers with the use of structured questionnaires. Research showed that the majority of bank customers are satisfied with the bank they cooperate with. Banking institutions have managed to differentiate their investment and savings portfolios by converting it from investment banking to commercial and retail banking. Banks human resources still play a significant role in attracting and maintaining its customers. Banking branches and personal contact with employees played a very important role for prospective customers, despite alternative techniques offered by technology. Banking institutions need to re-examine their customer-approach methods and apply the marketing of relationships to ensure loyalty.

Zacharias et al (2009) in their article entitled, ‘The Influence of Banking Service Customers’ Satisfaction Level on the Perception of Switching Costs and on Behavioural Loyalty’, presented the results of a research aiming to evaluate whether retail banking customers’ satisfaction level has some impact on the perception of switching costs and on customers’ loyalty. Loyalty was measured through behaviours traditionally associated with this construct: intention to repurchase, propensity to recommend service and price sensitivity. The results of the research conducted in May 2007 with
1000 retail banking clients in the cities of Rio de Janeiro and São Paulo showed that the higher the customers’ satisfaction with banking services, the higher the propensity to adopt classical behaviour related to loyalty such as the intention to remain as customers for the next 12 months, to recommend the bank to relatives and friends and to be willing to pay a higher price for the offered services than their bank’s competitors. On the other hand, no significant difference was observed on perceptions of bank switching costs as a result of customers’ satisfaction level. These results provided financial institution managers with a better understanding of the relation between satisfaction and loyalty behaviour on the part of customers. Such understanding is paramount for the banks’ good performance in the long run. Moreover, attention should be drawn to elements which may not be overlooked in service projects and their operations in order to achieve quality excellence perceived by customers. In this study such perception preceded satisfaction.

Haque et al (2009) in their research article entitled, ‘Electronic Transaction of Internet Banking and its Perception of Malaysian online Customers’, investigated the factors determining the Malaysian banking consumers’ perception on e-banking transactions. A research framework was developed to testify the statistical relationships among consumer perceptions on e-banking transaction. Factor analysis was performed to extract and decide on the number of factors underlying the asset of measured variables of interest. Structural Equation Model (SEM) was tested to anticipate the effects of the explanatory variables. This study showed that only protected transaction, have significant impact on consumers’ perception about e-banking security, followed by service quality and regulatory frame work issues. This study offered an insight into e-banking in Malaysia, which has not previously been investigated and at the same time, the significance of statistical test makes this study a potential cornerstone for future research.
Dutta & Dutta (2009) in their article titled ‘Customer expectation and perceptions across the Indian Banking industry and the resultant financial implications,’ studied the expectations and perceptions of the consumers across the three banking sectors in India. It further delineated the factors affecting the quality perception of the customers in the banking sector and tried to corroborate this perception with the financial performance of the Banks. The paper presented the primary data of 263 respondents across the three banking sectors. To explore the customers' perception of service quality, factor analysis was done and factors affecting the Indian customers were highlighted. A study of the financial performance of the banks was also done to see if the perception of service quality had a consequence on the banks bottom line. It was found that in the banking sector it is the foreign banks which are perceived to be offering better quality of services followed by the private and then public banks. It was also found that these perceptions are also reflected in the financial performance of the banks. With the increasing competition amongst banks, the findings can act as a strategic tool to achieve competitive advantage and customer satisfaction. It is also an eye opener for the banks to see the gap between customer expectation and perception regarding the quality of services rendered which should further act as a motivator to enhance reputation and gain customer loyalty. This will in turn give them the elusive competitive edge they are looking for.

Blery et al (2009) in their research article titled, ‘Customer retention in the Greek Banking Industry: Some Survey Evidence’, aimed at identifying the influence of service quality on customer loyalty in the Greek banking sector. Service quality was measured using the SERVQUAL model. Repurchase intention and positive word-of-mouth was used as behavioural components to measure customer loyalty. However, it should be noted that customers stated that repurchase intention does not always ensure their actual repurchase behaviour. Data were collected through a survey research and 120
customers of Greek banks were personally interviewed. The findings showed that there are relationships between service qualities, customers stated repurchase intention and their recommendations to third parties in the Greek banking sector. The SERVQUAL model proved to be a reliable measure for service quality. Consideration was limited to the identified factors, but also several other variables influencing customer loyalty exist. Thus, the intermediate steps between formulating a service quality level and influencing customers to remain loyal need sturdier theoretical underpinning and significant empirical support.

Khan (2010) in his article ‘An Empirical Study of Automated Teller Machine Service Quality and Customer Satisfaction in Pakistani Banks’ stated the significant dimensions of ATM (automated teller machine) service quality and its effect on customer satisfaction. Questionnaire was used to collect the data from a convenience sample of 500 customers of multinational and national banks. Regression results indicated that convenience, efficient operation, security and privacy, reliability and responsiveness are significant dimensions of ATM service quality and that ATM service quality positively and significantly contributed towards customer satisfaction. The study has made a significant contribution to the quality management literature because few empirical studies are available dealing with this aspect of the banking sector in Pakistan.

Kheng et al (2010) in their research article entitled ‘The Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia’ stated the emergence of new forms of banking channels such as Internet banking, Automated Teller Machines (ATM), Mobile banking and also how maturing financial market and global competition have forced bankers to explore the importance of customer loyalty. The underlying model of SERVQUAL (Parasuraman et al 1988) with five dimensions was used by this
research to evaluate the impact of service quality on customer loyalty among bank customers in Penang, Malaysia with customer satisfaction mediating these variables. There were a total of 238 responses received at the end of data collection process. The service quality dimensions that play a significant role in this equation are reliability, empathy, and assurance. The findings indicated that the overall respondents evaluated the bank positively, but still there is room for improvement.

Afsar et al (2010) in their research paper entitled, ‘Determinants of customer loyalty in the banking sector: The case of Pakistan’ discussed the concept of customer loyalty which has received much consideration and attention from both academics and practitioners in different industries. Banking industry is no exception as it has high interaction with the customers and so managers must understand the factors which influence the loyalty of the customers towards their respective banks. It is always costly to attract new customers, so the managers always try to find ways to retain their current customers and concentrate on different factors which enhances the customer loyalty among the customers of the organizations. This research attempts to find the factors of customer loyalty and their relationships with the banking industry in one of the developing countries, which is Pakistan. In order to do this, a questionnaire was designed and validated, then based on the data gained from the 316 respondents' answers to the designed questionnaire, analysis was done and the results and the relations among the factors were explained. Perceived quality, satisfaction, trust, switching cost and commitment are the factors which influence the loyalty of the customers.

Oyeniyi & Abiodun (2010) in their research report entitled, ‘Switching Cost and Customers Loyalty in the Mobile Phone Market: The Nigerian Experience’ revealed that the Internet is the ideal medium for carrying out banking activities due to its cost savings potential and speed of
information transmission. From a technological and cost-driven standpoint it may seem quite logical for banks to shift as many banking activities online as possible. At the same time, the question of how to foster customer loyalty arises when the relationship between the bank and the user becomes a virtual one. This paper investigates the importance of antecedents of online loyalty such as trust, quality of the Web site, quality of the service and overall satisfaction. A survey among more than 2,000 customers of an Austrian online bank was conducted and a structural equation modelling approach was used to gain important insights into how customer retention in the online banking business can be ensured. Satisfaction and trust were identified as important antecedents of loyalty.

Titko & Lace (2010) in their research on ‘Customer Satisfaction And Loyalty In Latvian Retail Banking’, offered insights on the modern competitive environment banks create the value generally using the relational capital. Thus, customer satisfaction and loyalty are the main components of bank success in a market. The purpose of the paper was to elicit the criteria that customers use to evaluate their banks. To achieve this goal, the customers of Latvian commercial banks were surveyed. The authors used their developed questionnaire that was aimed at evaluating the level of satisfaction and loyalty of bank clients, as well as to predict their future actions towards the bank. 102 Questionnaires were mailed to randomly selected bank customers. As a theoretical basis they used Balanced Scorecard approach, RATER model, concept of Service profit chain, concept of customer perceived value and the results of previous surveys in the area of service quality measurement. The obtained results allowed distilling of the most important factors of bank attractiveness for retail customers, determining the factors affecting customers’ decision about suspending the relationships with the bank and completing the developed performance measurement system for a bank branch with some additional metrics.
Hoq & Amin (2010) in their article, ‘The role of customer satisfaction to enhance customer loyalty’, examined the role of customer satisfaction in enhancing customer loyalty for Muslim and non-Muslim customers, and the effects of customer loyalty on customer’s behavioural decisions in the Malaysian Islamic banking industry. In this study, the respondents were the customers (Muslim and non-Muslim customers) visiting the banks’ counters and have an account with the Islamic banks. A total of 660 questionnaires were distributed and 440 were returned. Multiple groups data analysis was employed to test the significant differences between Muslim and non-Muslim customers. The result showed that customer satisfaction is the most important drive to enhance customer loyalty for non-Muslim than the Muslim customers. This result implied that higher customer satisfaction led to a lower customer intention to switch banks.

Khattak & Rehman (2010) in their study titled, ‘Customer satisfaction and awareness of Islamic banking system in Pakistan’, analysed how the concept of Islamic banking is not new. Islamic banking is very easily getting recognition in the financial market. The conventional banking industry is a well established rival for the Islamic Banking Industry (IBI). Now for this competition, IBI must consider their customer's approach, satisfaction and awareness level towards it. This study analyzed the customer's satisfaction and awareness level towards the IBI. It further investigated the relationship between different demographic variables and the satisfaction and awareness of customers. A sample of 156 respondents from different cities of Pakistan was selected. For the analysis, the Kruskal-Wallis one-way ANOVA was adopted to check the relationship between demographic variables and satisfaction and awareness. The respondents expressed their satisfaction to some of the services and expressed dissatisfaction with a few. The study showed that most of the customers are not aware of the different Islamic banking products such as Ijara financing, Murabaha financing. It meant that
Islamic banking industry have to give consideration to provide awareness to their customers. They have to arrange certain seminars to inform the IBS customers about different products and services.

Nupur (2010) in his research report entitled, ‘E-Banking and Customers’ Satisfaction in Bangladesh: An Analysis’, offered tips on E-banking which can provide speedier, faster and reliable services to the customers for which they are relatively happy. E-banking services not only can create new competitive advantages but also can improve their relationships with customers. The purpose of this research is to understand the impact of variables of e-banking on customer satisfaction in Bangladesh. Five service quality dimensions namely reliability, responsiveness, assurance, empathy and tangibles have been established based on the SERVAQUAL model and the literature review. These variables have been tested in e-banking to explore the relationship between service quality and the customer satisfaction. The data were gathered through survey interview by a structured questionnaire with 250 customers. The study showed that these factors are the core service quality dimensions for customer satisfaction in e-banking. The study also explored that reliability, responsiveness and assurance have more contribution to satisfy the customers of e-banking in Bangladesh.

Dixit & Saroj (2010) in their article, ‘Acceptance of E-Banking among Adult Customers: An Empirical Investigation in India’, presented their opinion that Internet banking is a form of self service technology. The numbers of Internet users have increased dramatically, but most of them are reluctant to provide sensitive personal information to websites because they do not trust e-commerce security. This paper investigated the factors which are affecting the acceptance of e-banking services among adult customers and also indicated the levels of concern regarding security and privacy issues in the Indian context. Primary data was collected from 200 respondents, above
the age of 35, through a structured questionnaire. Statistical analysis and descriptive statistics was used to explain demographic profile of respondents and also Factor and Regression analyses were used to know the trend of internet usage and factors affecting e-banking services among the adult customers in India. The finding depicted many factors like security & privacy, trust, innovativeness, familiarity, awareness level increase in the acceptance of e-banking services among the Indian customers. The finding showed that in spite of their security and privacy concern, adult customers are willing to adopt online banking if banks provide them necessary guidance.

Hazlina et al (2011) in their research paper entitled ‘Service Quality Analysis: An Application on online banking and ATM facilities’ Tried to identify the effects of services offered by the Malaysian banks through online media and ATMs on customer satisfaction. 500 students from different universities in Malaysia including University of Malaya, University Kebangsan Malaysia, University Putra Malaysia, Multimedia University Malaysia and Limkokwing University were chosen as a sample frame of the study. Two analyses were employed to fully reflect the effect of online and ATM services on their satisfaction level. The first one was service quality model which compared the difference between satisfaction and expectation level in order to find out which dimensions need to be improved. Second analysis was Two-Way ANOVA analysis which tried to identify the relationship between demographic factors and the study’s outcome. Finally, the study determined which factors have the highest effect and which factors have the least effect on customer satisfaction level.

Adeoti (2011) in his research paper entitled, ‘Automated Teller Machine (ATM) Frauds in Nigeria: The Way Out’ stated that the problem of ATM frauds is global in nature and its consequences on bank patronage should be of concern to the stakeholders in banks. This paper investigated the
dimensions of ATM frauds in Nigeria and offered solutions which will mitigate the ATM frauds in the Nigerian banking system. The paper employed both primary and secondary data to investigate the ATM frauds in the Nigerian banks. The chi-square statistical technique was used to analyze the data and test the hypothesis raised. The paper concluded that both bank customers and bankers have a joint role to play in stopping the perpetrators of ATM frauds in the banks. Card jamming, shoulder surfing and Stolen ATM cards constitute 65.2% of ATM frauds in Nigeria.

Lohani & Shukla (2011) in their article titled ‘Comparative Study of Customer Perception towards Services provided by Public Sector Bank and Private Sector Bank’ Stated that the advent of liberalization policy and RBI’s easy norms have encouraged several private and foreign banks to enter in the Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer base and market share. In the competitive market, every customer demands better services. Like other industries, even banking sector is striving hard to become increasingly customer-centric in order to survive and grow. Service quality, customer satisfaction, customer retention, customer loyalty, customer delight are the major challenges in gripping the Indian banking sector. In this paper, the customer perception towards services provided by Bank of Baroda and ICICI bank of Lucknow region has been discussed. The total sample size of the study was 200 consisting 100 from Bank of Baroda and 100 from ICICI bank. The attributes like Internet banking, ATM service, timing, attitude of staff, etc. of both the banks have been compared. The study revealed that ICICI bank is providing better services to its customers compared to the Bank of Baroda.

Umasankar et al (2011) in their article ‘CRM in Banks: A Comparative Study of Public and Private Sectors in India’, highlighted how the banking industry of India is now running in a dynamic challenge
concerning both customer base and performance. Today, many banks are rushing to become more customer focused. The data for the study was collected through a structured questionnaire from 337 bank customers in the state of Orissa of India. Initially 600 samples were planned covering 300 customers each of both private and public sector banks. Because of the small number of branches of private banks and their urban concentration, unwillingness of the customers to provide data, time and budgetary constraints restricted the sample size to 337, out of which 242 were from public banks and 95 from private banks. Ultimately, data from 157 bankers were collected, which was analysed in the subsequent sections. The data was processed through SPSS and analysis was made by drawing cross-tables, calculating percentage, and by applying factor analysis and ‘t’ test was applied to test the significance of the results wherever it was considered to be necessary. As regards to the expectations and perceptions of the customers regarding service quality with respect to four different types of services, it was observed that customers of the public sector bank experiences more satisfaction compared to the private bank’s customers.

Sasikala (2011) in her article titled ‘A Study On Customer Relationship Management in Banks with Particular Reference to Chennai’, stated that today customer’s buying decisions are not based simply on the quality of the product but with the relationship they have with the company. Banking industry has gone through many changes like Privatisation to nationalisation and back to privatisation with international players on the one hand accepting deposits and giving advances to expanding services to a wide variety of products. Customer Relationship Management is about creating the feel of comfort in this high tech environment. This paper focused on the role of Customer Relationship Management in the banking sector and the need for CRM to increase customer value and CRM in banks with special reference to Bank of India.
Sangle (2011) in her article titled ‘Consumer's expectations from mobile CRM services: a banking context’ highlighted the need for developing an understanding of the primary concerns of a customer when they use mobile banking services and identify factors that can be used for making better mobile customer relationship management (mobile CRM) services in banking. The paper empirically explored the underlying factors by the application of exploratory factor analysis. The study sample consisted of 272 respondents, with a usable response rate of 68 per cent. Based on the findings, banks should focus on the increasing the value perceptions of the customers by considering easy design of the services, service context and compatibility of the services offered. The service cost reduction and risk mitigation strategies also need attention.

Wong (2011) in his research entitled, ‘The Influence of Customer Satisfaction and Switching Costs on Customer Retention: Retail Internet Banking Services’ focussed on the objective of developing a research model that examined direct effects of customer satisfaction and Switching costs on customer retention as well as the moderating effect of switching costs on the relationship between customer satisfaction and customer retention on basic and advanced retail internet banking users in Hong Kong. An online questionnaire was employed as the means of data collection. This study confirms the significant positive effects of customer satisfaction and switching costs on customer retention in both segments of basic and advanced retail Internet banking users. It is interesting to note that switching costs played a significant moderating effect on customer satisfaction-retention link only for the basic Internet banking users. For advanced Internet banking users, the moderating effect of switching costs does not significantly affect the satisfaction-retention link.
Chuang & Hu (2011) in their research paper entitled, ‘An Empirical Study of Customers’ Perception of E-Banking Service Based on Time Usage’ investigated that Banks have invested heavily in developing online competence in the hope of attracting customers to the new and cheaper service channel. This research has attempted to investigate customers’ perception of different time usage of banking website services. This study adopted a convenient sampling strategy and chose the Northern Taiwan Residents to be subjects. It stated that the utilitarian functions (transaction technicalities factor, decision-making convenience factor and interactive interrogation factor) are the essential website services for most online banking customers. The results showed online banking services need to intensify the core functions and design these utilitarian features as effectively as possible to satisfy all the online banking customers’ need. On the other hand, providing better service on exploration and specialty information factor is more successful to keep and attract the long-time usage online banking customers.

Santhiyavalli (2011) in the article, ‘Customer’s perception of service quality of State Bank of India - A Factor Analysis’ pointed out that the Customer service is an integral part of any organization. It is necessary to identify the key success factors in terms of customer satisfaction so as to survive in intense competition and increase the market share. Today, the concept of core banking has made ‘Any where and any time’ banking a reality. In this scenario the present study was conducted to evaluate the service quality of State Bank of India by identifying the major factors responsible for customer satisfaction. To support the objective of the study, SERVQUAL technique based on the model developed by Parasuraman et al (1988) was adopted. 250 filled questionnaires were received from the Customers. The factor analysis clearly indicated that among five dimensions ‘Reliability’, ‘Responsiveness’, ‘Empathy’ and ‘Tangibility’
are the major factors responsible for customer satisfaction which stood at 90 percent regarding the services provided by the State Bank of India.

Shabbir et al (2011) in their article titled, ‘Customers’ perceptions towards adoption of e-banking in Pakistan’, offered insights into Electronic distribution channels providing alternatives for faster delivery of banking services to a wider scope of customers. This study aimed at understanding customers’ perception towards the potential benefits and risks associated with electronic banking in Pakistan. The outcomes would help the policy makers to develop effective strategies for future outlook of electronic banking in a country. Primary sources were used to collect the data which were analysed via frequency and mean score analysis. The results suggested that banks’ customers in Pakistan perceived electronic banking as a tool for minimising inconvenience, minimising risk of carrying cash and time saving. Customers further believed that electronic banking increased chances of government access to public data, increased chances of fraud and data losses. The results concluded that various customer segments do not differ in opinions towards benefits and risks associated with e-banking.

Ganesh & Nandagopal (2011) in their research report entitled, ‘Determining the Gap Between Customer Expectation and Perception in Retail Banking’, offered tips to the banks they have to look much beyond just providing a multi-channel services platform for their customers. The banking industry is highly competitive, with banks not only competing among each other; but also with non-banks and other financial institutions. Service quality has received much attention because of its obvious relationship with costs, financial performance, customer satisfaction and customer retention. The study was conducted to measure the service gap between the perceived and expected services provided by the retail banks in the top five cities of Tamil Nadu using a structured questionnaire following convenience sampling.
The study confirmed that there is a significant gap between the customers' expected service and perceived service level in retail banking across all service providers. A customer is not just money in the cash register. He is a human being with feelings and deserves to be treated with respect. Any business without a focus on customer satisfaction is at the mercy of the market. Without loyal customers, eventually a competitor will satisfy those desires and the customer retention rate will decrease.

Saraswathi (2011) in her research entitled, ‘Perception of Customers on the Performance of the Private Banks - A Study with Servqual’, revealed that banking industry is facing challenges due to intense competition, changing market, risk and uncertainty, environment, and demanding customers. Customer service is one of the core parts of the banking industry. There is a need to identify the attributes of the service quality perceived by the customers of banks. This paper examined the effectiveness of the SERVQUAL’s five dimensions in the banking sector and measured the service quality perceived by the customers. A survey was conducted among the customers of private banks. A convenience sample of 111 respondents was taken for data collection. For analysis, mean, standard deviation, item to total correlation, correlation matrix and reliability were calculated. The findings revealed that dimensions ‘Tangibles’ and ‘Assurance’ were the dimensions perceived high by the customers while the dimension ‘reliability’ is perceived low compared to other dimensions.

Ananth et al (2011) in their study titled, ‘Service Quality Gap Analysis in Private Sector Banks A Customers Perspective’, evaluated the customer perceptions of service quality in selected private sector banks. Data was collected from 200 customers of Private Sector Banks using structured questionnaire. Gap analysis and Multi regression were used for analysis of data. The result showed that the dimension of service quality such as Empathy
and Accessibility has more gap, as the customer expectations are high to their perceived service. The result also indicated that Empathy-Reliability-Assurance positively influences the service quality. The study implied that bank should reduce the service gap to deliver superior quality of service to retain the existing customers as well as to attract new customers.

Roberts & Lombard (2011) in their research entitled, ‘Customer retention through customer relationship management: The exploration of two-way communication and conflict handling’, Stated that Organisations such as banks and short-term insurance organisations become more aware of the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers, retain the existing ones and maximise their lifetime value. The primary objective of this study is to investigate the influence of selected independent variables, two-way communication and conflict handling on intentional customer loyalty via CRM as the intervening variable at a South African short-term insurance organisation. Primary data were gathered using a questionnaire, with items referring to CRM, customer loyalty, two-way communication and conflict handling. The sample consisted of 254 customers in four major centres in South Africa. The data were factor-analysed. One independent variable, conflict handling exerted a statistically significant positive influence on the intervening variable (CRM), while two-way communication exerted a statistically significant negative influence on the intervening variable (CRM). The intervening variable (CRM) positively influenced the dependent variable (Customer Loyalty).

Deepak & Vikrant (2011) in their research article entitled, ‘A Comparative Study of Customer Friendly Services of Selected Private & Public Sector Bank in India : A Case Study Of ICICI Bank Vs SBI’, reviewed and compared the private and public sector banks and suggested that customer orientation of the banking sector has significantly increased in the recent
times. A noteworthy aspect of the private sector banks is their ability to command a proportionately higher share of net profit even though they have a lower share in terms of customer deposits. In comparison, the public sector banks’ share of total net profit is 70% and the share of deposit is 77%. These figures indicated lower profitability in terms of comparison of proportion of profits to deposits of private sector Indian banks. Private sector banks are oriented toward niche banking, unlike the public sector banks, which meet the mass banking requirements. The strategies adopted by the private sector banks are more in line with those of the foreign banks, where emphasis is laid on establishing superior benchmarks of efficiency, focusing on niche customers, providing impressive customer service and bringing about operating efficiencies by using high-end technology. The study is an attempt to evaluate and compare the customer perception about retail banking service offered by the state Bank of India which represents public sector banks and ICICI bank which represents the biggest private sector banks in India. The sample size of 300 is divided equally as 150 from SBI and 150 from ICICI. Each representative bank has been evaluated on 18 parameters. The 18 parameters identified for this study have been identified in terms of the above mentioned dimensions - customers focus and orientation, competence, tangibles and convenience. Safety of Investments, Goodwill and Reputation of the Bank, & Timings of the bank. Thus these may be the KRAs for both of the banks.

Mishra & Tandon (2011) in their research report entitled, ‘A Customer Centric Approach towards Retail Banking Services’, stated “We don’t want satisfied customers…we want delighted customers.” It is the new marketing mantra today. The same applies to the banking sector as well. Retail banking refers to provision of banking services to individuals and small business where the financial institutions are dealing with large number of low value transactions. The concept is not new to banks but is now viewed as an
important and attractive market segment that offers opportunities for growth and profits. The Retail Banking environment today is changing fast. The changing customer demographics demands to create a differentiated application based on scalable technology, improved service and banking convenience. Higher penetration of technology and increase in global literacy levels has set up the expectations of the customer higher than never before. The study undertaken is an attempt to understand and analyze the customers’ perception on the Retail Banking services offered by namely five Private sector banks situated in Delhi and to study the major factors influencing their choice of banks and its products. This study reiterates the results from the previous studies that service quality of retail banking is a critical factor to customer satisfaction and these various dimensions of service quality are an integral component of customer retention strategy implemented by the banks as a part of their retail marketing programmes.

Singh & Khurana (2011) in their article titled, ‘Analysis Of Service Quality Gap and Customers satisfaction in Private Banks’, pointed out that in the ever increasing intense competition, providing service quality is vital for banks to compete. The objectives of this research paper are to investigate the level of service quality of private banks from the customers’ perspective and assessing their satisfaction of services Private Banks provide. Hisar district was selected by random sampling technique. A survey questionnaire, based on widely accepted SERVQUAL model, consisting of 22 items Measuring customers’ understanding, service standards, service performance, communications and service quality was administered. A descriptive statistics analysis was used to analyze the data collected. The results indicated that the quality of services private banks provide was below the customers’ expectations.
Sulieman et al (2011) in their research report entitled, ‘Banking Service Quality Provided by Commercial Banks and Customer Satisfaction’, examined the impact of the constructs of service quality and customer satisfaction in commercial banks operating in Jordan. The study used qualitative methodology. A face to face survey was conducted to test the hypothesis. Thirteen banks were chosen randomly in Jordan with their customers acting as respondents to survey, and the sample included 453 customers of Jordanian commercial banks. The study found that the order of importance of the dimensions of service quality tested here is: Assurance; Reliability; tangibles; Empathy; and pensiveness. Customer’s satisfactions are mostly influenced by the service quality. Customers indicated high satisfaction with the five dimensions of service quality. This finding reinforced the need for banks’ managers to place an emphasis on the underlying dimensions of service quality, especially on Assurance, and should start with improving service quality in order to raise customer satisfaction. Managers should be aware that, among the various dimensions of service quality, assurance was especially significant in fostering satisfaction for the customers of Jordanian commercial banks. It is apparent that focusing on delivering high quality services, and improve service quality effectively is critical for customer satisfaction.

Mohsan et al (2011) in their research article entitled, ‘Impact of Customer Satisfaction on Customer Loyalty and Intentions to Switch: Evidence from Banking Sector of Pakistan’, investigated that top performing financial institutions always look into the needs and demands of their customers in order to survive and compete successfully in today’s dynamic corporate environment. That is the reason why organizational researchers from all around the globe have continuously emphasized on the importance of customer satisfaction, loyalty and retention. The current research study attempts to find the impact of customer satisfaction on customer loyalty and
intentions to Switch. The data were collected from 120 customers visiting the banks counters and had an account with banks serving in Pakistan. The collected data then analyzed using the Microsoft Excel and SPSS 16. The results of the study revealed that customer satisfaction was positively correlated with customer loyalty and negatively correlated with customer intentions to switch. Some recommendations for future research were also made.

Ghost & Gnanadhas (2011) in their article titled, ‘Impact Of Service Quality In Commercial Banks On The Customers Satisfaction: An Empirical Study’, analysed that Quality in service is very important especially for the growth and development of service sector business enterprise. Undoubtedly owing to the belief that delivery of high service quality is a must for attaining customer’s satisfaction and a number of other desirable behavioural outcomes, recent years have incensed a flurry of research exploring interrelationship between service quality, satisfaction and behavioural outcomes. The objective of the present study was to identify the customer's perception on service quality factors in commercial banks and the customers satisfaction towards the banks ;to analyse the impact of perception on service quality factors in commercial banks among the different group of customers based on their demographics. The applied sampling technique was purposive sampling. The present study concluded that there is a close link between the customer's perception on the service quality factors and the customer satisfaction. But the impacts of service quality factor on customer satisfaction among the customer were not unique. It depended upon the demographic profile of the customers.

Kumbhar (2011) in his article titled, ‘Factors Affecting The Customer Satisfaction in E-Banking: Some Evidences form Indian Banks’, examined and evaluated major factors (i.e. service quality, brand perception
and perceived value) affecting the customers’ satisfaction in e-banking service settings. This study also evaluated the influence of service quality on brand perception, perceived value and satisfaction in e-banking. The data were collected from the customers (N=200) of public and private sector banks in the Satara city of Maharashtra. The respondents were selected using judgmental sampling method, because, banks were not providing customers’ name and information due to legal restrictions. The results indicated that, Perceived Value, Brand Perception, Cost Effectiveness, Easy to Use, Convenience, Problem Handling, Security/Assurance and Responsiveness are important factors in customers satisfaction in e-banking it explains 48.30 per cent of variance. Contact Facilities, System Availability, Fulfilment, Efficiency and Compensation are comparatively less important because these dimensions explain 21.70 per cent of variance in customers’ satisfaction. Security/Assurance, Responsiveness, Easy to Use, Cost Effectiveness and Compensation are predictors of brand perception in e-banking and Fulfilment, Efficiency, Security/Assurance, Responsiveness, Convenience, Cost Effectiveness, Problem Handling and Compensation are predictors of perceived value in e-banking.

Abedniya et al (2011) in their research article entitled, ‘Investigating the Relationship between Customers’ Perceived Service Quality and Satisfaction: Islamic Bank in Malaysia’, investigated the direct impact of perceived service quality on customer satisfaction in the context of Islamic banking system in Malaysia. The work of Islamic bank drives from Islamic principal and Shariath which differentiates it with the conventional banks. Nowadays, Islamic bank has strong competition with the conventional banks because they are faced with different customer expectation to receive high quality services that they serve.
Therefore, Islamic banks must think about how they can improve their service to satisfy their customers compared with the conventional banks. In this study they have used CARTER instrument for measuring perceive service quality and customer satisfaction. In addition, this study indicated the gap between customer expectation and perception concerning service quality dimension base on CARTER instrument. By measuring this gap the level of customers’ perceive service quality can be found and compared with customer satisfaction level.

Umarani & Panchanatham (2011) in their research article entitled, ‘Most preferred Business Banking Product of HDFC Bank in Trichy City’ revealed that the business customers selected the banks on the basis of interest rate provided to them, Overdraft facilities provided, Different types of collateral securities used for hypothecation, depended upon the bank’s performance towards loan documentation. It would be suggested to add some additional factors like customer’s loyalty and behavioural intentions of the stake holders. More simplified documentation procedures. cross selling of various products like equity shares, mutual fund, LIC policies, relief bonds and fixed deposits can be increased among the stake holders and by their loan procedure through collateral security can be made more simplified. In the changing and speedy environment HDFC bank must identify and update the expectations of the stake holders and can try to satisfy their maximum needs. The observation and findings of the study have helped to give useful recommendations to the bank and to improve strategies and build competencies over their competitors.

Ukenna & Monanu (2012) in their research article titled, ‘Analysis of the Influence of Gender on the Choice of Bank in Southeast Nigeria’ empirically identified and ranked the important factors considered by southeast male and female bank customers in the selection of banks in
Nigeria. A sample size of 368 bank customers was drawn from Enugu and Onitsha, major commercial cities in southeast Nigeria. Major findings of this study were the six principal factors: a feeling of security, speedy and efficient service, financial benefit, convenient location, availability of ATM, marketing promotion and people influence. Statistical differences between the two genders were found for four factors. This study recommended that banks operating in the southeast should treat male and female genders as distinct market segments when crafting marketing strategies aimed at attracting them and emphasis should be on those factors which the potential bank customer considers the most important.

Ogbuji et al (2012) in their research article titled, ‘Analysis of the Negative Effects of the ATM as a Channel for Delivering Banking Services in Nigeria’ proposed that the ATM system of delivering banking services not only contributed for the increasing rate of bank frauds but equally lured the Nigerians into profligate expenditure. Using a sample of 600 respondents conveniently selected from the two states of the federation (Lagos and Anambra), and analyzing the hypotheses formulated with chi-square, it was found that results were consistent with the propositions made. Against these backdrops, it was recommended that banks should strive to increase their security layers to subvert the tricks of web scammers, limit the amount which customers may be allowed to withdraw at a time and provide electronic alerts to customers’ phone for all transactions carried out on their bank accounts through ATMs, cooperate instead of competing in stemming the ATM fraud menace and educate customers on the need to safeguard their PINs.

Kocoglu (2012) in his article titled ‘Customer Relationship Management And Customer Loyalty; A Survey In The Sector Of Banking’, stated that the centre of marketing activities today is the customer satisfaction. For the banks to be successful in the intensively competitive environment,
they are bound to attach importance to customer satisfaction. The purpose of the study was to reveal the relationship between the banks customer relationship management and the customer loyalty. The study has been conducted on a sample group of 350 staff employed in all the branches in Denizli of T.C. Ziraat Bankasi, the leading public bank of the banking Sector. It has been concluded in the study that customer relationship management affects customer loyalty in the banking sector.

Yao & Khong (2012) in their research article titled ‘Customer Relationship Management: Is It Still Relevant to Commercial Banks in Taiwan?’ stated that the Customer Relationship Management (CRM) in a bank entails important phases such as integrating the communication tools to meet the needs of customers, treating each customer as individuals, and making the customer relationship an imposing and perpetual experience. The aim of this research is to determine the effectiveness of CRM implementation on customer satisfaction and perceived business performance. In this study, the commercial banks are elements in the sampling frame. In each element, the headquarters of these elements are the sampling units. There were totally 42 commercial banks based on the data in the 2009 Financial Statistics Abstract of Taiwan. Of these 42 commercial banks in Taiwan, the general managers were the potential respondents of the survey in this study. Findings revealed that CRM implementation is positively associated with customer satisfaction and perceived business performance.

Zulkifli & Tahir (2012) in their research article entitled ‘Influence of Demographic Factors on Customers’ Perceptions towards CRM Practices among Banks’ discussed that the banks have their own way of managing their relationships with the customers. The aim of this paper was to examine the relationship between the customers’ perceptions on CRM practices and demographic factors (gender, age, education level, employment, and online
banking usage). Data was gathered through survey method using a set of structured questionnaire distributed to bank customers. A total of 93 respondents participated in this study. Using Pearson chi-square test, generally the results suggested that there was no significant difference in means between customers’ perceptions on CRM practices based on gender, age, education level, employment, and online banking usage.

Mirabi et al (2012) in their research on, ‘Designing a Model for Explaining Customer Loyalty towards Banking Services in Iran’ examined the importance of customers in banking industry. This article tried to develop a model for customer loyalty in banking service in Guilan provinces through the effects of environmental quality, service quality and customer satisfactions variables. The research used Pollack, Barbara and Thomas Cater's model for bank customers. The methodology of this research was descriptive-analytical in nature. The target population of this research was bank customers in Guilan and the data was gathered through questioners. For the analysis of data structural equation and all of the hypotheses were approved. According to the results of the research hypotheses, bank managers can increase their loyalty of their customers with right and update strategic planning, and efficient and effective use of these elements towards Bank Services, and strengthen their competitive position in this way in the markets and achieve more continuous profits.

Dash et al (2012) in their research report entitled, ‘Consumers’ Perception about Internet Banking: The Case of Odisha’ shed light on the outcomes of Internets large attention to have brought a most important change in the retail and financial sectors by enabling consumers to make purchases and carry out financial transactions over the Internet. The ever-increasing volatility in the global environment, competition, co-operation, change as well as changing consumer preferences have forced the retail bank to adopt new
strategies to attract and retain customers. The internet provides a channel or platform linking consumers and banks. Now the banks are using electronic delivery channels such as internet, telephone and mobile. The objective of the study was to determine those factors which influence the formation of attitude towards internet banking and their relation to the use of internet banking services. For the study Odisha was divided into different zones i.e. east, west, north and south. The total sample size was 100. The statements covered various attributes of internet banking and the responses given by the respondents were based on their perceptions about some attributes of the internet banking. Banks feel that customers lack the necessary confidence in internet banking so they have to use customer centric techno-innovative approach in building customer loyalty towards the adoption of internet banking.

Jain et al (2012) in their research article entitled, ‘Customer Perception on Service Quality in Banking Sector: With Special Reference to Indian Private Banks in Moradabad Region’ revealed that to enhance reputation and gain customer loyalty, a study on the performance of the banks is done to see if the perception of service quality has an effect on the banks. It has been observed that in the banking sector it is the HDFC bank which is perceived to be offering better quality of services followed by the other private banks. With the increasing competition amongst banks, the findings can act as a strategic tool to achieve competitive advantage and customer satisfaction. It is also an eye-opener for the banks to see the gap between customer expectation and perception regarding the quality of services rendered which should further act as a motivation which results in the increasing reputation and to achieve customer loyalty. The questionnaire was administered to the customer’s sample size of 100 respondents. The present study is an attempt in the direction, where quality perceptions of the four
leading banks have been compared to reach at logical conclusions. The study indicates that the responsiveness is a most critical factor.

Ghazizadeh et al (2012) in their research on, ‘Assessing of Bank Customers Retention and Loyalty: A Case Study of State-owned Banks in Tehran’, examined that Customer retention and loyalty is one of important factors regarding the banking strategy in today’s increasingly competitive market. These include employee performance, willingness to solve problems, friendliness, and level of service quality, communication skills, and selling skills. Furthermore, customer defection can be reduced through adjustments in a bank’s rates, policies and branch locations. This paper assessed the effects of several retentions and loyalty constructs that influence consumers’ decisions to continue their relation with banks or change their banks in Tehran. These constructs were rated by customers as having strong effects on loyalty to their banks. Results suggested that the most important constructs were customer satisfaction, followed by corporate image and changing barriers.

Sehrish & Asghar (2012) in their article entitled, ‘An empirical analysis of Customer satisfaction on adoption of internet Banking in Pakistan’ analyzed the customer satisfaction on adoption of online banking in Pakistan. The major difference lies in the convenience offered by online banking particularly when it comes to making payments, obtaining updated information of the account, or integration of account statements. A 36 item questionnaire grouped in 9 variables was developed on the basis of literature review to examine the customer satisfaction on adopting the internet banking in Pakistan. Data was collected from six banks i.e. Habib Bank LTD, Bank Alfalah, United Bank Limited (UBL), Askari bank, First Women Bank, and National Bank of twin cities of Pakistan. Eight variables i.e. technology, ease to use, web designs, security, speed, information content, interaction with
banking, quick response were studied as reason for adoption of internet banking and customer satisfaction was measured in terms of cost, access, customer experience and time against the adaption behaviour. A descriptive analysis of variables along with regression and correlation was conducted for data analysis and to conclude results. The overall study proved that in Pakistan (particularly in twin cities), customers are satisfied on adopting the internet banking and felt comfortable with the processing of their day to day business through the online banking facility.

Majhi (2012) in his research article, ‘An Investigation on Customer Attitude and Perception towards Internet Banking: A Case Study’, identified factors responsible for customers’ attitudes and perceptions towards the emerging internet banking sector. A sample of 156 customers was personally surveyed using a structured questionnaire in various cities of Andhra Pradesh. The data was analyzed using descriptive analysis like chi-square test; cross tabulations, t-test and factor analysis, and the proposed hypotheses were tested. Further the effects of psychometric factors were analyzed and the results were compared with those obtained without psychometric input. Extensive analysis of the data revealed that factors such as customer relationship management, word of mouth and the attitudes of the customers played important roles in increasing the productivity with respect to internet banking. Hypothesis tests also demonstrated that significant difference exists in the usage of mobile banking and SMS banking with reference to demographic factors. The quality of the service also influences the customers to choose internet banking as a better alternative.

2.3 CONCLUSION

Measuring banking services and its quality attracted many researchers, academicians and practitioners throughout the world, concentrating continuous research and contributing adequate rejuvenating
measures in the field of financial services in general and in particular to banking sectors. It was learnt from the reviews of literature that majority of studies were conducted in the developed and developing nations such as UK, Nepalese, Pakistan, Nigeria, etc.

Moreover, the studies focused towards the need of customer satisfaction and selecting of banks based on the modern services and latest banking technology for this purpose internet web sources were analysed.

In this rapid changing scenario, it is essential for the banks to fulfil the needs and expectations of each and every customer. In order to satisfy all the customers the banks has to provide Customized services which will in turn builds customer loyalty and customer satisfaction.

The present study is therefore focused on studying the banking services rendered by selected banks in Tamil Nadu. The present study aims at studying the present level of awareness, customer relationship, customer retention, customer loyalty, customer expectation and the level of customer satisfaction against the services rendered by the banks and other infrastructure facility. The study also identifies the major problems faced by the banks and the customer in the study area.

The study also suggests better ways and means for providing worldwide latest banking technology to be provided by the banking sector in all districts.