CHAPTER -2

REVIEW OF LITERATURE
2.1. General

This chapter is focusing on the review of literature related to the studies in the area of customer satisfaction (CS) in general and CS in banking sector in particular. Different studies have concluded the importance of CS for service industry viz-a-viz banks. The online resources have also been cited wherever possible. Indian as well as foreign journals are studied in order to gather literature in the area of service quality, importance of response time of the banks, CS etc.

CS and customer value are important ingredients in the marketer’s formula for success (Sayulu and Sardar, 2006). In the past many companies took their customers for granted because customers often did not have many alternative suppliers or the market was growing so fast that the company did not worry about satisfying its customers fully. Financial sector reforms have resulted in increased competition among the Indian banks. Customer’s awareness and expectations have grown due to openness of economy, advent of information technology and revolution of media etc. Banks are compelled to take care of their customers as a means of achieving competitive advantage. The customer’s choice of banks is determined by quality service in addition to their financial strengths and operational efficiency. CS is a level
of person's state resulting from comparing the performance of a product or services in relation to the person's expectations. Thus, the satisfaction level of customer is a function of the difference between the perceived performance and expectations (Sayulu and Sardar, 2006).

2.2. Literature Review

Parasuraman, et al., (1985) did a study on a conceptual model of service quality and its implications for future research. They made an investigation of quality in four service businesses i.e., retail banking, credit card, securities brokerage, product repair and maintenance and developed a model of service quality. They revealed 10 dimensions i.e. reliability, responsiveness, empathy, assurance, tangibility, security, understanding the customer, communication, courtesy and competence that customers use in forming expectations about the services as well as perceptions of services and pinpointed four key discrepancies (for service providers) that are likely to affect service quality as perceived by customers. These four discrepancies were brought out at gaps (consumer expectation-management perception gap; management perception–service quality specifications gap; service quality specifications–service delivery gap; and service delivery-external communications gap).

After that Zeithaml et al., (1988) did a study on communication and control process in the delivery of service quality. By using the extended model of service quality they intended to identify a reasonable exhaustive set of factors that potentially affected the
magnitude and direction of the four gaps on the marketer's side of a service quality model. Communication and control process are the main factors implemented in an organization to manage employees. The factors like role ambiguity and role conflict were also found affecting the delivery of service quality. They reviewed and integrated with qualitative data from an exploratory study to help in understanding the way organizational process affect service quality. They identified a theoretical construct, which is responsible for each gap.

Service quality as discussed and developed by Parasuraman, et al (1985) and Zeithaml, et al (1988) has been widely accepted as SERVQUAL tool in order to measure the service quality. SERVQUAL is useful to provide evidence of service quality for further service operation improvement (Page and Spreng, 2002). Brown & Swartz (1989) explored patient and providers evaluation of quality using gap analysis. In their second empirical study, they compared patients and physician perceptions of professional competence, professional credibility and communications and found significant difference between physician and patient perception of services. Zeithaml et al., (1996) offered a conceptual model that depicts the behavioral consequences of service quality as intervening variables between service quality and the financial gains or losses from retention or defection. Four multinational companies dealing in the areas of computer manufacturing, Retailing, Automobile insurance and Life insurance are taken into consideration for the empirical study which examines the relationships. The model concerning customers' behavioral intention show strong
evidence of their being influenced by service quality. Parasuraman’s (2000) paper entitled “Superior customer service and marketing Excellence: Two sides of the same success coin” emphasized on broadening the scope of marketing to include CS. The paper demonstrates a judicious blending of conventional marketing and service quality for market success. The research continued for 15 years involving 15 industries in 40 different countries. He came to a conclusion that the global competition continues to heat up in markets around the world and emerging technologies continue to empower customers with more market knowledge and wider choices. As such, regardless of the sector in which a company operates or the nature of its offerings, the quality of its customer service will increasingly become the pivotal determinant of whether it scarcely survives or thrives on a sustained basis. For these reasons it was mandatory to have superior customer service and marketing excellence.

Gani and Bhat (2003) did their study on overall service quality in commercial banks and its dimensions through SERVQUAL Model. SERVQUAL scores on five dimensions of service quality were computed separately for each bank. Tangibility, Reliability, Responsiveness, Assurance and Empathy were identified as overall service quality variables and a comparative study was made of State Bank of India (SBI), Punjab National Bank (PNB), Jammu and Kashmir Bank (JKB), CitiBank (CB) and Standard Chartered Grindlays Bank (SCGB). Service quality of foreign banks was found to be comparatively much better than Indian banks. SERVQUAL scores of
banks reveals that service quality of SCGB customers was followed by CB in foreign banks category whereas in case of the customers of Indian Banks SBI was followed by PNB. They suggested that the Indian Banks require profound investment in tangibility dimensions in order to improve the quality of service to the customers.

Bodla (2004) emphasized on the quality of services provided by commercial banks both public and private sector in India. The study covers four private sector banks (ICICI, HDFC, Citibank and ABN AMRO Bank) and four public sector banks (SBI, PNB, Union Bank of India, and Oriented Bank of Commerce). The study tries to capture the gap between perceptions and expectations of the retail customers only as because they constitute the major chunk of the total banking business in India. To measure the service quality in banks the SERVQUAL instrument as developed by Parasuraman et al., (1988) was used. They identified five main dimensions of the service quality i.e. Tangibility, Reliability, Responsiveness, Assurance and Empathy. The study concludes that there exists a significant gap between the expectations and perceptions in relation to quality of service offered by both public and private sector banks in India. They come to a conclusion that the service quality of private sector bank is better than public sector banks on all dimensions except assurance. It was suggested that public sector banks must put emphasis on change management, internal marketing and employee empowerment to ensure the requisite service quality in order to compete with private sector banks and to survive as well.
Saha and Zhao (2005) while analyzing the relationship between online service quality and customer satisfaction in internet banking observed a total of nine service quality dimensions in internet marketing such as efficiency, reliability, responsiveness, fulfillment, privacy, communication, personalization, technology update, logistic/technical equipment. The main purpose of the study was to gain a better understanding between service quality and customer satisfaction in internet banking. In order to strengthen competitiveness in extremely competitive market, given limited organizational resources, it is recommended that internet banking should focus on the main five key dimensions i.e., efficiency, reliability, responsiveness, fulfillment and privacy in order to achieve high level of service quality and CS.

Aileni (2006) did a study on perceived service quality and customer satisfaction on the leading and widely spread public sector banks in India from the five metros Delhi, Mumbai, Calcutta, Chennai and Hyderabad. They used SERVQUAL instruments for measuring the service quality in the banks and identified five determinants i.e., Tangibility, Reliability, Responsiveness, Assurance and Empathy. At the same time it is also identified in the paper that there are five types of gaps i.e. customer expectations and management perceptions, management perceptions and service quality specializations, service quality specializations and service delivery, service delivery and external communications and perceived service. In the service quality model and decide to examine and calculate the range of the gaps. He suggested that the gaps between the services expected and perceived was quite high in almost all the
parameters. It is clearly indicated that if the gaps are high the result is customer dissatisfaction. In order of importance of service quality determinants in a bank Reliability is first followed by Responsiveness, Empathy, Tangibility, and Assurance. It was suggested in the paper that the customers of the bank were not satisfied with the services of the bank. Therefore management should take an immediate action for the improvement of overall service quality of the bank unless the public sector banks will move from bad to worse because a number of foreign banks have been coming out with innovative and better quality services.

Aggarwal and Gupta (2003) did their study on service quality of private sector banks. They tried to develop a multilevel and multidimensional model of service quality in banking sector which could be of effectiveness to the practicing managers. In their paper the technique of factor analysis was used to reduce the original 32 variables into small number of fake variables i.e., Service time, Interaction with the bank staff, Ambience and Infrastructure and the last factor is Services and banking channels. They confined their research on the works of Dabholkar et al., (1996) on multilevel – multidimensional model of service quality which presents service quality as consisting of primary and secondary dimensions. By using qualitative research they identified secondary dimensions, while primary dimensions were extracted from the secondary dimensions by applying factor analysis. This paper tries to assist practicing managers in understanding how their customers assess the quality of service experience and guide them in their attempt to improve customer’s service experience.
With this focused information managers not only can diagnose service failures but also can isolate their origins.

Another study on the same line was done by Sudesh (2007) where an attempt was made to measure the service quality in banks with variations across demographic variables like income, age, education and profession. The study revealed that poor service quality in public sector banks is mainly due to deficiency in tangibility, lack of responsiveness and empathy, but on these five dimensions private sector banks performed better than the public sector banks. Foreign banks were found to be relatively close to the expectations of their customers with regard to the five dimensions of service quality. The study revealed that banks provided better service quality to business class customers in comparison to service class customers. It concluded that the banks should make investment in research in order to understand customer needs and expectations at all stages in the service delivery process so as to determine the key components. They stressed that for better CS, a bank has to conduct frequent training programs in the areas like prompt cash payment and receipts at the counter, efficient passbook and statements service, prompt collection and remittance services, early decisions on credit applications and quick attention to complaints because all these activities have direct impact on customer perception toward service quality. The main focus was given to management of the banks which puts its sincere effort to match the expected service quality to the offered service quality so that commitment and loyalty of the customers can be achieved.
Shaineshe and Mathur (2000) in their paper "Service Quality Measurement: the Case of Railway Freight Services" have identified the attributes which the customers used for evaluating the quality of freight services provided by the railways. Data was collected from 51 customer organizations of 13 different industries (De-oiled cake, Fertilizer, Concrete Sleeper, Coal, Cement, Sugar, Oil, Ordnance Factories, Automobile, Food grain, Limestone, Steel, and General Goods) through interviews with managers of such firms, who had used these services at least once in previous six months. In their research paper they developed a comprehensive instrument, RAILQUAL that can be used by the railways for collecting feedback from customers. This would help them to monitor, control, and improve their service and competitiveness. It can also be used as an evaluation tool for comparing the performance of its zones and divisions.

Krishnaveni and Prabha (2004) did their study on measuring service quality in banking sector with special reference to Motor and Pump Industry. Their study is concentrated on corporate customers. They have identified 6 dimensions such as competence, convenience, customer oriented-ness, promptness of service, modernization and communication. There are some of the expectations of Motor and Pump Industry from the bankers as reduced banking charges, lesser procedural formalities, Internet banking, delivering the services at right time, quicker decision making and disbursal of credit, personalized attention, friendly behavior of
employees, convenient location, and understanding specific needs. By using these variables they came into conclusion that the corporate customers expect monetary concession in the form of reduced interest rates, demand draft, TT charges etc. which means the bank charges play a dominant role in maintaining and attracting customers and secondly they give more emphasis on customer relationship activities of personalized attention, better communication etc.

Seth et al., (2008) did their study in order to develop a valid and reliable instrument for assessing customer perceived service quality incorporating both service delivery as well as technical quality aspects for cellular mobile service. They revealed a seven dimensional service quality instrument which is empirically tested for un-dimensionality, reliability and construct validity using confirmatory factor analysis. The study indicated that among the various dimensions, responsiveness is the best predictor followed by reliability, customer perceived network quality, assurance, convenience, empathy and tangibility. They emphasized that the availability of this instrument would stimulate further research focusing on service quality and its impact on competitiveness for cellular mobile organization as well as telecom players.

The application of Kanos Model was proposed by Noriaki Kano (1984), a Japanese professor to establish the extent to which a given set of functions and features of a product satisfies customers’ wants and needs. This model also helps us to understand
the factor which brings customers satisfaction and dissatisfaction in a bank. Bhattacharyya and Rahman (2002) in their paper they have studied ten different components as given by Parasuraman et al. (1985) in banking sector. They studied Kano’s views that people expect that a product should meet three kinds of needs like basic needs, performance needs and excitement needs. The basic needs are those needs which should be essential unless a product is ineffective. By using the Kano’s model it is very easy to understand what makes customer satisfaction and dissatisfaction. For these they selected a branch of a nationalized bank, which operated from the campus of the IIT Roorkee, a town of moderate size in Uttaranchal state of India. The voice of customer (customers’ expectation) is considered as one of the most important determinant and the banks need to respond to these expectations positively and Kano’s model was found to be more convenient and simple to study the customers.

Cronin and Taylor (1992) focused on measuring service quality as reexamination and extension. Their objective was to examine the relationships between service quality, customer satisfaction and purchase intentions. They identified four service firms for their study i.e. bank, pest control, dry cleaning and fast food. They suggested that the current conceptualization and operationalization of service quality is inadequate. They developed and tested a performance based alternatives to the SERVQUAL measure. Ting (2004) focused on service quality and satisfaction judgments of customers in banking institutions throughout Malaysia. The study attempted to determine the
relationship between service quality and satisfaction, where service quality is the independent variable and satisfaction is the dependent variable. On top of this, the inclusion of ownership as a moderator has also been studied. Findings show that service quality is the antecedent of satisfaction. The findings also support a curvilinear relationship for the variables under study. The results also show that bank-ownership moderates the relationship between service quality and satisfaction. In recent studies on satisfaction judgments, it has been suggested that the relationship should be in a non-linear form.

Varghese and Ganesh (2003) did their study on transaction time where comparison is made between public sector banks and private sector banks operating in Kerela. The main theme in this study was on the time taken to withdraw cash, deposit cash, get local cheque credited to the account, get outstation cheque credited to the account, open a new fixed deposit account, get a new cheque book, purchase a bank draft, encash a bank draft, receipt of money through TT/MT, updating pass book, get access to locker, etc. They suggested that it is imperative that both the public and private sector banks should put in place the exact kind of arrangement to cut down service time and deliver immediate services to the customer in order to offer better CS.

Another study on the same line by Moreau and Usunier (1999) emphasized that time is a key dimension of service activities as concerns opening hours, service schedules and duration, or waiting for service performance. In their research, they tried to relate
the actual duration of waiting and consumers’ “time styles” to the way they experience waiting, especially in terms of passive and active impatience. These variables are linked to waiting acceptability and to satisfaction with the service. Significant relationships have appeared, especially a direct link between actual waiting time and waiting acceptability, whereas time styles (mostly economic time orientation) influence perceived time pressure and active impatience but not waiting acceptability.

The study bridges two research streams (waiting and time styles) to deepen the understanding of waiting psychology and to provide additional insights as concerns the time component of service quality evaluation. Based on a sample of 320 customers waiting for their buses, they evidenced that time styles significantly influence the way customers experience their wait. Time styles actually influence the state of mind with which customers start waiting for the service, and this in turn has an impact on the way they experience waiting. However, in the next step of the chain, actual waiting time predominates in shaping customers’ opinions about their waiting and their satisfaction with the service.

Kshirsagar (1976) emphasized that a bank should have as many of its small size branches as possible in order to fulfill better the customer’s needs and expectations and focus on customer centeredness by giving few suggestions like timely and complete advice to customers on financial matters, regular execution of standing
instructions, timely receipts of updated passbooks and statements, proper calculation of interest, etc.

Rao & Pathak (1990) commented through their work that banker–customer relationship is a contractual relationship but in actual practice, no written contract is made when a customer opens an account. They concluded that result is wide spread ignorance among customers of their bank right and duties with regard to their accounts.

Bhatt (1991) in his paper indicated the relevance of application of marketing to Indian banking and market research activities undertaken by Indian banks and concluded that marketing functions involve market research, product development, pricing of the services and developing marketing orientation and customer consciousness through training.

Sharma (1995) reviewed marketing effectiveness in American banks and worked out that it is the critical evaluation of organizational marketing mix from customer’s perspective, i.e. it measures the degree of managerial success in reading the market, distinguishing the business opportunities, choosing the best market segments and offering them superior goods or services at reasonable prices. He finally maintained that each controllable variable plays a vital contribution in the overall operational efficiency of a bank.
Wujin and Desai (1995) realized that keeping a customer is less costly than attracting a new customer. An important way to retain present customer is to provide a high level of CS. As a result, ways to provide CS are gaining increasing attention. They considered the problem of motivating retailers to provide high levels of CS. Retailers’ efforts on CS were found to be especially important in situations where the manufacturers have limited direct contact with its customers. In such situations, retailers often represent the whole corporation in front of the customers. For these reasons they emphasized two broad categories of incentives by which a manufacturer can motivate its retailers to provide high CS.

Fornell et al., (1996) did their study on American Customer Satisfaction Index (ACSI) This paper focused on the nature and purpose of ACSI and explained the theory underlying the ACSI Model. While analyzing CS it observed that CS is greater for goods than for services and in turn greater for services than for government agencies as well as found caused concern about CS in the United States which is declining because of decreasing satisfaction with services. They estimated the model for seven major sectors of economy like manufacturing (nondurable), manufacturing (durable), transportation/communication, retail service, insurance/finance, public administration/government. They concluded that for policy makers ACSI has the potential to be a useful tool for evaluating and enhancing the health of the nation’s economy both in terms of national competitiveness and the welfare of its citizens. For
managers and investors, ACSI provided an important measure of the firm's past and current performance as well as future financial health. Higher CS should increase loyalty, reduce price elasticity, insulate current market shares from competitors, lower transaction costs, reduce failure costs and the cost of attracting new customers and help to build a firm's reputation in the market place (Anderson, Fornell and Lehman, 1994).

Moorman and Rust (1999) did their study on a view that though a firm's market orientation is undeniably important, the marketing function plays a key role in managing several important connections between the customer and critical firm elements, including connecting customer to the products, service quality and financial accountability. They collected data from managers across six business functions viz., marketing, human resources, R&D, operations, accounting and finance and two time period with respect to marketing role, market orientation, the value of the marketing function, and perceived firm's performance. The results showed that the marketing is best viewed as a function that manages connection between the organization and the customers. The primary connection may be viewed as the customer-products, the customer-service delivery, and the customer-financial accountability connections. The extent to which the marketing function manages these connections contributes to financial performance, customer relationship performance, and new products performance, beyond the impact of an organization's wide marketing orientation and lastly they focused on the marketing function which can improve its contribution to
the firm by expanding its scope beyond the traditional customer-products connection to include more emphasis on service delivery and financial accountability. For service firms, the value of the marketing function was also found to be related positively to marketing ability to connect the customer to service delivery.

Spreng et al., (1996) proposed a new model of the satisfaction formation process that builds on the disconfirmation paradigm by specifying a more comprehensive model that includes two standards in a single model and specifically incorporates the impact of marketing communication. They came to conclusion that the result provide strong support for the hypotheses and can help clarify the roles of desires, expectations and performance in the satisfaction formation process. Specifically the findings indicate that expectations congruency and desires congruency mediate the impact of expectations, desires and performance on attribute, information and overall satisfaction. Attribute satisfaction and information mediate the impact of expectation congruency and desires congruency on overall satisfaction. The direct effect of performance on overall satisfaction observed in previous research is completely mediated by the model constructs.

Anderson et al., (1997) observed that there is widespread belief that firms should pursue superior on both CS and productivity, it may be more difficult to pursue both simultaneously when it is important to customize market offerings to better meet customer needs. They suggested that this may be particularly true for industries in
which service by personnel’s play an important role. As service has come to dominate
the world’s developed economies the trade-off required greater understanding. While
the empirical study considers difference between goods and services, it is important to
recognize the role of the dual nature of the quality i.e. standardization and
customerization in determining whether there will be trade-off in any given industry.
The analytical portion of the study suggested that CS and productivity are less likely
to be compatible when CS is relatively more depended on customerisation as opposed
to standardization and when it is difficult to provide high level of both
customerization and standardization simultaneously. If such trade-off are driven by
difference in the importance of customerization and standardization future research
may wish to overcome the coarse categorization of the procedure of the current study
and find direct measures of customerization and standardization quality to test the
analytical framework implication.

Donthu and Yoo (1998) did their study on culture influences on Service Quality
Expectations. They emphasized that service quality has been conceptualized as the
difference perceived service performance and expected service level. They used the
Hofstede dimensions of culture operationalised at the individual level and the
dimensions of service quality from the SERVQUAL Scale. They developed and tested
hypotheses related dimensions of culture with overall service expectations and
dimensions of those expectations. From the result they came to conclusion that
consumers low on power distances have high overall service quality expectation and
expect responsive and reliable service, individualize consumers have high overall service quality expectation and expect empathy and assurance from the service provider. Consumers high on uncertainty avoidance and short term oriented consumers have high overall service quality expectation.

Krishnan et al., (1999) reviewed the drivers of CS for financial services by using a Bayesian analysis based on data collected from customers of a leading financial services company. The quality of customer service with respect to financial statements and services provided through different channels of delivery, such as information technology enables call centers and traditional branch offices are also important factors in determining overall satisfaction. However they emphasized that the impact of these service delivery factors may differ substantially across customer segments. Once the customer segments are identified, firms can target the appropriate factors such as products offerings and automated delivery to enhance overall satisfaction. They concluded that due to the dynamic changes in the financial service industry, achieving high levels of CS may be more like a moving targets. Hence it is important for firms to continually access customer segments and identify the drivers of satisfaction so as to retain their profitable customers.

Smith et al., (1999) focused that customers often react strongly to service failure, so it is critical that an organization recovery effort be equally strong and effective. In their paper they developed a model of CS with service failure/recovery encounter based on
an exchange framework that integrates concepts from both the CS and social justice. They executed the research in the context of two different service industries i.e., restaurant and hotels. They came to the conclusion to provide organization with guidelines for developing service recovery procedures that improve customer service and enhance customer relationship. These guidelines can be used to implement service delivery system that include provision for appropriate recovery effort, allocate recovery resource to maximize returns of satisfaction and train employees to recognize failure and reduce their effects on customers.

Mattila (1999) examined the impact of culture on customer evaluations of complex services. The paper evaluated the trade-offs that Western and Asian customers were willing to make between personalized service and pleasant physical environment in the context of luxury hotels. It was found that customers with a Western culture background might be more likely to rely on tangible cues than their Asian counterparts and that the hedonic dimension of the consumption experience might be more important for western consumers than for Asians.

Banwet and Dutta (1999) used SERVQUAL Scale for measuring customer’s perceptions of restaurant service quality. SERVQUAL appears to be a consistent and reliable scale to measure of service quality in a restaurant. The scale exhibits reliable and valid measures of customers’ expectations of restaurant service and their
perceptions of restaurant. The results identify areas for improving the quality of service. The perceived service performance generally matches idealized expectation. Clean, reliable and responsive service is what customer expects from the restaurant. The results also indicate the customers perceptions that they are not provided with timely attention. These are the areas that the restaurant should improve in order to build a customer focused attitude toward service delivery.

Boshoff (1999) focused on the constant poor service delivery having a harmful impact on the survival and growth prospects of service firms. If service failure occurs, the literature contends, there are tactics and strategies service firms can employ to return customers to a state of satisfaction. However, no attempt has yet been made to assess how satisfied customers are after service firms have tried to recover from service failures. They identified at first the dimensions of transaction-specific service recovery satisfaction by analyzing consumer expectations and, second to develop a validated measuring instrument to measure satisfaction with transaction-specific service recovery based on those dimensions. The evidence of validity (convergent, discriminate, and nomological) and reliability reported here confirms the construct validity of the 17-item RECOVSAT instrument to measure satisfaction with transaction-specific service recovery. In the conclusion of this exploratory study, all responses were classified under 13 potential attributes: time, atonement, apology, fair fix, empathy, accepted responsibility, kept promises/reliability, feedback, empowerment, access/approachability, tangibles, staff attitude and explanation.
Knowles et al., (1999) examined the impact of customers' mood (positive or negative) and various conditions of service excellence (positive, neutral, negative, or mixed) on recall, evaluation, and behavioral intentions regarding a service provider. They emphasized that mood plays a less significant role than the nature of the service encounter itself when it comes to individuals' cognitive, affective, and cognitive responses. Furthermore, it appears that encounters containing positive aspects have the potential to overcome a negative mood state that customers may bring to a service interaction. They recommended that service managers should pay close attention to service quality; realize that performing well on some dimensions of the service encounter may overcome poor performance on others; work to create more neutral rather than positive mood-evoking conditions in their customers; and actively promote the positive aspects of service encounters to their customers. Finally, regardless of customers' mood or the nature of the service encounter, they suggested that service organizations would benefit from promotional efforts designed to emphasize those dimensions of service delivery on which the organization consistently performs well to enhance customers' recall of them.

Mercedes et al., (2005) did their study on the recent changes that have occurred in the Spanish university teaching environment, such as growing competition, which have caused these courses to become an important differentiating element of what is offered by each university. Therefore, they proposed to explore deeper into the
relationship existing between satisfaction and the intent to recommend the courses taken by the attendees. The research developed in the paper endeavors to be a first approximation of the factors that determine the satisfaction of the people who attend the summer courses offered by a Spanish public university. The information is based on the analysis of a self-administered survey given to the students of the 2003 summer session after completing the course. The results obtained show that the teaching staff, enrolment and course organization are the elements that have an impact on student satisfaction, and they show that this satisfaction is what, to a large extent, explains the intent to recommend the courses. In addition to these three elements, and in order to increase the satisfaction levels of students, it is necessary to know the objectives that the student’s have. This paper determines the elements that are potentially capable of generating satisfaction and the subsequent effect of the satisfaction on recommendations for the university (summer courses) has been analyzed. The exploratory analysis that has been performed shows that there are three elements that affect the satisfaction levels of students and which can be controlled by a university. These elements are the teaching staff, enrolment and organization. The first element, the teaching staff, is logically the most important. Thus, those aspects related to the characteristics that a good professor should have are those that determine, to a large extent, the satisfaction with the course taken. The teaching method used, the level at which the subjects are treated, their content, the capacity of the professor to put him/herself in the student’s place, elements directly associated with teaching, etc., are
the elements that mainly determine satisfaction. This satisfaction is moreover increased through aspects related to enrolment and course organization.

A comparative analysis of public and private sector banks was done from customer satisfaction perspective by Arora and Malhotra (2000). They suggested to the bank management to formulate suitable marketing strategy to lure customer towards them and hence customer based. Ananthakrishnan (2004) highlighted that today the customer's expectations have begun to change in terms of quality and service due to liberalization and the entry of international players and private sector banks taking wings in the country. With the arrival of computers and ATMs the gap between the customers and the bank personnel is widening day by day. He concludes that proper orientation, greeting the customer with smile, knowledge about the products of the banks both deposit and loan, helping tendency, listening to the customers, keeping the branch clean are the basis of the customer service so as to remain innovative, to ensure CS and to keep abreast of market development.

Mc Collough et al., (2000) did their study on Empirical Investigation of Customer Satisfaction after Service Failure and Recovery. They addressed the nature and determinants of customer satisfaction following service failure and recovery. Two studies using scenario-based experiments reveal the impact of failure expectations, recovery expectations, recovery performance, and justice on customers' post recovery satisfaction. CS was found to be lower after service failure and recovery (even given
high-recovery performance) than in the case of error-free service. The research shows that in general, companies charge better in the eyes of customers by avoiding service failure than by responding to failure with superior recovery.

Malthouse et al., (2004) emphasized on CS models for assessing the relationship of overall satisfaction with a product or service and satisfaction with specific aspects of the product or service for organizations having multiple units or subunits. These units could be stores, markets, dealers, divisions, and so on. The authors suggest a method for studying whether the drivers of overall satisfaction vary across such units. For cases where the drivers do vary across subunits, they show how additional variables can be included in a model to account for the variation.

Wirtz and Chung Lee (2003), state that CS is an antecedent of repurchase intent, word of mouth, customer loyalty, and ultimately long term profitability of a firm. Therefore, it is essential for firms to effectively manage CS. Consumers evaluate their consumption experiences by comparing the perceived product performance with their expectations. This disconfirmation-of-expectations model is the most widely used satisfaction model across virtually all product categories. It performs well in competitive markets with reasonably knowledgeable customers who are able to match their needs and wants with what they expect from the chosen product.
Mattila et al., (2003) examined whether men and women respond differently to positive and negative affects. They emphasized that to minimize dissatisfaction, keeping up smile and cheerful appearances are particularly important when the customer is a male. For women, the lack of a smile from a service provider makes an otherwise good service encounter into a service failure. Conversely, men tend to focus on the service outcome, and consequently, they are less sensitive to negative affective display in a typical encounter. However, men seem to be highly annoyed in double failure situations (i.e., inefficient service with negative affective display).

Hansemann and Albinsson (2004) did their research to explore how the employees of the company experience the concepts of CS and retention. They classified the term Satisfaction into three perspectives i.e. definition of the concept, how to recognize when a customer is satisfied and how to enhance satisfaction. CS and retention are critical for retail banks as they have direct impact on profit. CS has been deemed directly to affect customer retention and companies market shares (Rust and Zahorik, 1993). Service quality, service features and customer complaint handling determine CS in banks. Service offerings such as extended hours of operation and competitive interest rates also play a vital role in determining satisfaction. They emphasized that it is not enough for managers to define the concept and establish goals for the employees or even to evaluate the goals nor is it enough for managers to guide employees on how to satisfy and retain the customer but they also need to evaluate and understand the employees’ perception of the concept.
Parikh (2006) reports upon the application of Debholkar, Thorpe and Rentz (1996) retail service quality scale in measuring the gap between the customer’s expectations and their perceptions about the service quality of retail stores in India and tests its reliability and validity. The result indicated that the gap scores did not merge into the proposed five dimensions of the scale (i.e., physical aspect, reliability, personal interaction, problem solving, and policy). Therefore, the scale may not be applicable in the Indian retail sector context without necessary restructuring. An analysis of the gap scores indicated that the highest perceived service gap lies in the policies of the retail stores, particularly parking facilities provided by them. Apart from this all other statements also show a negative gap implying the need for considerable improvements in retail service quality. In order to compete successfully in the global marketplace retail stores in India will have to improve the quality of their services significantly.

Parikh (2005) emphasized that the success of organized retailing in India mainly depends on delivery of services through quality improvements. In service organization, customer’s perceived service quality is considered one of the key determinants of business performance. The paper deals with the application of Dabholkar et al., (1996) retail service quality instruments in measuring the gap between the customer expectations and their perceptions about the quality of retail stores in India. They used five dimensions namely Physical Aspects, Reliability, Personal Interaction, Problem Solving, Policy. They indicated that the reliability of
retail stores is perceived to be the most important dimension among all the dimensions. Further the analysis shows that highest perceived service gap lies in the policies of the retail stores particularly parking facilities provided by them. Apart from these, all other statements show a significant negative gap implying the need for considerable improvement in retail service quality. As organized retailing develops in India retail stores in India will have to make significant improvements in the quality of their service in order to enable themselves to compete successfully in the global market place. It is therefore very important for them to know how customers evaluate service quality and what they can do to measure and improve service quality.

Parasuraman et al., (2005) developed a multiple-item scale (E-S-QUAL) for measuring the service quality delivered by Web sites on which customers shop online. Two stages of empirical data collection revealed that two different scales were necessary for capturing electronic service quality. The basic E-S-QUAL scale developed in the research is a 22-item scale of four dimensions: efficiency, fulfillment, system availability, and privacy. The second scale, E-RecS-QUAL, is salient only to customers who had non routine encounters with the sites and contains 11 items in three dimensions: responsiveness, compensation, and contact. First, efficiency and fulfillment are the most critical and equally important facets of Web site service quality. Of the four E-S-QUAL dimensions, customers’ assessments of a website on these two dimensions have the strongest influence not only on overall quality perceptions but also on perceived value and loyalty intentions. Second, the
system availability facet of the websites is also a critical contributor to customers’ perceptions of overall quality, value and loyalty intentions. The four perceptual attributes that constitute system availability suggest that companies may not have full control over performance on this dimension; the equipment at the customer’s end (e.g., type of computer and Internet connection) is also likely to affect performance on this dimension. Third, although privacy is the least critical of the four E-S-QUAL dimensions, the regression results show that the factor representing this dimension still has a significant influence on customers’ global evaluations of websites. Fourth, the three recovery-service dimensions (responsiveness, compensation, and contact) and the perceptual attributes they contain imply service aspects that mirror aspects of traditional service quality (e.g., ready access to company personnel, concern for solving customers’ problems). Therefore, although online companies might be able to deliver superior e-service during routine transactions with little or no human contact-in fact, none of the four basic E-S-QUAL dimensions and their corresponding attributes call for personal service-excelling in recovery service might require the human touch.

Kaul (2007) reviewed the Retail Service Quality Scale (RSQS) developed in the US. The paper discusses its applicability in India. RSQS has five dimensions namely Physical Aspects, Reliability, Personal Interaction, Problem solving and Policy which are believed to capture distinct though correlated aspects of retail service and six subdimensions also called the first order factors are labeled as Appearance, Convenience,
Promise, Doing-it-right, Inspiring, Confidence and Courteousness. Helpfulness has been found appropriate in a variety of settings—across different countries such as South Africa and Singapore and across a variety of store types such as super markets, department stores and hyper stores. The dimensions and sub dimensions provide strategic focus areas for retailers, enabling them to improve certain aspects of store service where performance is relatively poor.

Sharma and Kaur (2004) reviewed strategy for CS in rural banks through a case study of Shivalik Kshetriya Gramin Bank situated in the state of Punjab. They measured CS level with regard to six Ps of bank marketing mix i.e. product, price, place, promotion, people and process from customers’ perspective. The concept of CS in rural banking covers all basic rural banking services and procedural matters viz, deposit and loan scheme, supportive service, interest rates, branch location, employees efficiency and behavior, promotional tools and documentary formalities etc. They concluded that RRB’s can improve their market position if they remain alert and vigilant about their performance as per the parameter and dimensions of CS.

Bennett and Sharyn (2004) reviewed that CS is an important issue for marketing managers, particularly those in services industries. However, it appears that achieving CS is often the end goal, as evidenced by the emphasis on CS surveys. They proposed that due to the assumption that satisfied customers are loyal customers and thus high levels of satisfaction will lead to increased sales. As a result of this assumption, CS is often used as proxy for loyalty and other outcomes. They empirically demonstrated
that satisfaction is not the same as attitudinal loyalty and that there are instances where satisfaction does not result in loyalty. A business sample was selected due to the relevance of satisfaction and attitudes in settings of high risk where a high level of decision making is involved. A sample of 267 businesses was surveyed on their satisfaction and attitudinal loyalty levels towards an advertising service. The results indicated that satisfaction and loyalty in a business services setting are different constructs, and that, while the relationship is positive, high levels of satisfaction do not always yield high levels of loyalty. This study confirmed previous research that satisfaction and attitudinal loyalty are highly associated with a positive relationship. In particular this research has tested this notion in a B2B (Business to Business) context whereas previous research has been in a B2C (Business to Customer) context. Thus, if customers experience high levels of satisfaction they are likely to be predisposed attitudinally to the service brand and intend to repurchase. However, the results also indicate that satisfaction and attitudinal loyalty are not the same constructs. So, while satisfaction levels can anticipate particularly attitudinal loyalty levels, they cannot precisely predict them. It is thus prudent for managers not to rely exclusively on satisfaction scores to predict actual purchase rather; they should also collect attitudinal loyalty levels as well.

Vanniarajan and Vikkraman (2006) focused on the link between CS and organizational performance in three groups of banks namely, associates of SBI, nationalized bank, private sector banks. The empirical data on the quality of various
services offered by the banks, their CS and its business performance were identified in
the service quality factors of banks as empathy, assurance, reliability, tangibility and
responsiveness. The study reveals that there was a significant difference among the
customers belonging to three groups of banks especially in the attitude on few service
qualities namely assurance and responsiveness. The scope of increase in net profit of
the associates of SBI and nationalized banks are higher than in the private sector
banks though they provide better delivery of service quality to customer. In order to
increase the net profit of the bank it was recommended to increase CS by providing
more appropriate service quality to the targeted customers. The study concludes that
the suitable strategy to increase the profit among the bank is creating, maintaining and
enhancing appropriate service quality to the customers.

Ahmed (2008) focused on customer satisfaction in public sector banks in the Barak
Valley. He suggests that public sector banks in the districts need to adopt certain
specific marketing strategies in order to survive in the resent globalised environment
and in the world of competition.

2.3. Conclusion

Over the past few decades there has been a considerable research on CS in different
fields which has been undertaken time to time in India as well as outside. The works
on CS has included the customers belonging to out patient Health Care Service
(Aileni, 2003), Indian domestic Airline sector (Sarkar and Baisya, 2005), Railqual and Passenger satisfaction (Vanniarajan and Stephen, 2008), Cellular Mobile Telephony in India (Seth et al., 2008), Restaurant (Banwet and Datta, 1999), LIC Policies (Sayulu and Sardar, 2006), Medical Services (Brown and Swartz, 1989), Public Transportation (Agarwal, 2008), Retail stores in India (Parikh, 2004), Railway Freight Services (Shainesh and Mathur, 2000) etc. The models developed in 1984 (Keno Model) and later by Parasuraman, et al., (1985) have been widely followed by different researchers in order to study the satisfaction of the customers. Further specific models have also been developed as discussed above in this chapter in order to cater to the specific industry or service.

The literature as surveyed here touches upon various aspects of CS both in India and abroad and the journal of marketing and journal of service research were thoroughly surveyed on the papers on the theme of this work. Many researchers have done work on the customers of banks in different part of the country; however there was nothing on the bank customers in Meghalaya and further none of the works surveyed included time factor and service quality together. The present work attempts to look into this aspect as discussed in the next few chapters.
REFERENCES


67


72


