Chapter - II

Review of Literature
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REVIEW OF LITERATURE

2.0 INTRODUCTION

2.1 MODERN BANKING SERVICES

2.2 PROBLEMS AND PROSPECTS OF MODERN BANKING

2.3 CUSTOMER SATISFACTION TOWARDS MODERN BANKING SERVICES

2.4 COMPETITIVE ANALYSIS OF PRIVATE AND PUBLIC SECTOR BANKS
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2.0 INTRODUCTION

The rapid growth of the Indian economy has garnered across the globe and Indian banking sector has emerged as a favourable destination in modern banking sector over the last few years. Modern banking services enable sophisticated development in the application of technological innovation which derives the economy to grow, prosper and transform in synchronies with the changes in the environment both internal and external.

During the period of research, the researcher has visited various institutions to extract information pertaining to the study. The available literature was reviewed in getting an insight into the main objectives and design of the study. An attempt is made in this chapter to make a review of the modern banking services; under the head - “A comparative analysis of modern banking services extended by private and public sector bank in Tirunelveli district”. However for the sake of the convenience, the study has been broadly classified into the following areas.

1. Modern banking services,
2. Problems and prospects of modern banking services,
3. Customer satisfaction towards modern banking services and
4. Comparative analysis of private and public sector banks.
2.1 MODERN BANKING SERVICES

Adham and Khairul Armaliah\textsuperscript{1} (2000) described that all banks must know how to adopt and implement information technology in banking in developed countries. To fill this gap, the adoption and implementation of the electronic delivery system in several locations and foreign banks in Malaysia were examined using the established innovation process model. The study focused on three objectives that are identifying the reasons why the bank adopt electronic banking delivery system and describing the activities performed by the banks.

Rawani, A.M. and Gupta, M.P.\textsuperscript{2} (2002) empirically studied the role of information system in public and private sector banks operating in India. 27 public sector banks, 34 private sector banks and 43 foreign banks were taken as sample. Mean difference and chi-square test were employed to find out the role of information system in the banking sector. It is concluded that information system plays a supportive role in public sector banks and a strategic role in private and foreign sector banks. The future impact of information system does not vary significantly with the banking groups.

Kiran Sahrawat\textsuperscript{3} (2003) analyses the trend in electronic banking in New Zealand. Senior bank managers have been hoping that electronic banking will reduce cost and improve operating efficiency and profitability. A sure and steady reduction in bank operating cost and charges for electronic banking techniques such as EFTPOS, (Electronic Fund Transfer at the Point of Sale) ATM, phone banking has been achieved.
and at the same time, it will reduce the branch and staff members. The article examined the SWOT analysis of electronic banking. The study (1996-2001) indicates that there is a decrease in the number of employees (3.96-2.76) and increase in the number of ATMs (4.2-8.4) with 202 per cent in the value of credit card transaction. There is a shift in mandatory banking to modern banking in New Zealand.

**Costanzo, L.A. et.al** (2003) have analysed a case of telephone banking as a strategy adopted by first and second movers of innovations taking place in UK financial services industry. The study reveals that the successful innovators (First Direct) have adopted the logic of value innovation while the second movers have followed conventional logic. 90 per cent first direct customers are satisfied while in case of other banks, not more than 70 per cent customers are satisfied. The study concludes that differentiation in financial market place is not achieved with the implementation of distribution channels or just technology, but bringing to the market the unprecedented value that helps and supports modern banking practice.

**Bhasin, T.M.** (2003) has stated that it is a well-researched fact that the use of technology in banking is actually reducing the cost per transaction. The need of the hour is that, public sector banks should adopt technology and caution approach in order to fight effectively with the new-generation private sector banks.

**Jadhav, A.S. and Jadhav, R.A.** (2004) has described various channels of e-banking services such as Automatic Teller Machine, Telephone banking (Tele-banking), Mobile banking, Internet banking and its features. The focus is also given on

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e-banking opportunities, challenges and security aspects while performing the banking transactions on the internet. Comparison of public, private, foreign and co-operative banks and barriers to the growth of e-banking in India are also discussed. Finally the paper discusses an overview of the major private sector banks such as ICICI, HDFC, IDBI, UTI and GTB banks which provides e-banking services. Automatic teller machine is becoming a most preferred delivery channel from the common banking services. In order to enhance the reach to the rural population in the remote areas, the banks need to automate the delivery channels in the local language which could eventually lead to shrinking of the number of branches. The banking industry’s security is at a higher risk due to the advent of e-banking.

Phitkariwala, D.K.\(^7\) (2006) has studied the issues related to Cheque Truncation System (CTS) to improve customer services in banks. As the number of cheques issued are continuously rising and the cost of banks and business for producing, issuing and maintaining cheque payment system is ever increasing the cheque transaction system helps to handle this problem very easily. The study suggests that when it will be implemented to the whole country, it is certain to revolutionize the payment mechanism giving a big jump towards the efforts of providing better technology based customer services.

Pepreya, B.K.\(^8\) (2006) suggests that Internet-banking is very useful to prompt payments and provide various facilities to the customers for 24 hours. But some risks related to security are involved as every customer wants a number of facilities anywhere anytime. So the Internet-banking should be cheap, best affordable and secure from the present risks.


Tiwari, R., Buse, S. and Herstatt, C. (2006) examine the installation of mobile banking and mobile financial services provided in Germany and other countries. 50 banks worldwide have been selected, half of them from Germany during May-June 2005. From Indian banks, Bank of Punjab, HDFC, ICICI are dominating, in the mobile financial services to their customers. The study explains different ways or methods to provide mobile services that contain technical part with some case studies. The study concludes that mobile banking applications are gaining popularity amongst banks and suggests mobile banking to take the route of online banking.

Agboola, A.A. (2006) examines electronic payment systems and tele banking services in 36 banks of Nigeria and data is collected through questionnaires from bank workers during 2005. The findings reveal that connectivity via use of Local Area Network (LAN) and Wide Area Network (WAN) has facilitated electronic transfer of funds. 35 banks have fully networked their system to ease communication of account information. The use of Smart Cards, Point of Sales System and Computerized Credit Ratings are not very popular as less than half of the studied banks have fully adopted them. ATM, Electronic Home and Office Banking and Telephone Banking are the least fully adopted technologies due to low level of economic development, supply of power, high cost, fear of fraudulent practices and lack of facilities necessary for their operation. The study concludes that Tele-banking is capable of broadening the customer relationship, retaining customer loyalty and enabling banks to gain commanding height of market share if their problems are taken care of.

Srinivas, N.\textsuperscript{11} (2006) produces the information on a phenomenal growth observed today in terms of number of credit cards issued. The phrase “Buy Today and Pay Later” motivated the credit card holders to spend more than that they afford to pay. This has resulted in to vicious problems of defaults in credit card payments. The main objectives are to analyse the socio-economic profile of the factors which has contributed to such defaults. The major findings of the sample units belong to the age group of 36-45 years. 86 percentage of the respondents’ income level are above Rs 1.00-1.50 lakhs. Hence, it is suggested that the banks concerned should redesign the payment structure of credit card defaulters in a flexible and affordable instalments.

Kumbhar, V.M.\textsuperscript{12} (2006) describes the “Alternative banking” is a new face of banking activities. It does include new financial services, products and new methods of banking operations and delivering services. In this modern banking includes automated delivery of new and traditional financial products and services directly to customers through electronic mode. Computerization is a general trend in all sectors, banks also trying Computerization as per the recommendations of Rangarajan Committee (II), the progress in implementation of the directive of the Central Vigilance Commission (CVC) on the need to computerize 70 per cent of the banking business by public sector banks before January 1, 2006. Today 67.7 percentages of public sector bank branches all branches of private sector banks and foreign banks are under core banking solution in India. All these developments in Indian banking states that, the Indian banks are moving towards modern banking by changing the face of traditional banking of Indian economy.


Rajnish Tiwari et al. (2007) examines the mobile banking as business strategy, its impact of mobile technologies on customer behaviour and its implications for banks. Mobile commerce is gaining increased acceptance amongst various sections of the society. Ubiquity, Immediacy, Localization, Instant connectivity, Pro-active functionality, Simple authentication procedure are the features of mobile banking technology. The samples were collected from 452 respondents and Mobile Accounting enjoys high popularity with 64 per cent users are utilising it and 36 per cent of the non-users in Mobile Banking.

Sheel and Biswas (2007) investigated the satisfaction levels of HSBC-ATM cardholders (both staff and non-staff) with respect to various aspects (for instance, promptness of card delivery, the performance of HSBC-ATM, and the service quality of ATM personnel) of using HSBC-ATM and their opinions on various other related issues such as positive and inconvenient features of HSBC-ATM, also recommended to improve the service quality. The findings provide significant results related to use and worth of holding the ATM. Further, the findings helped the ATM section to identify their positive and negative features and the customer recommendation.

Infogile Technologies (2007) describes the survey and market technology enabled mobile banking services that opens up huge markets for financial institutions interested in offering value added services with mobile technology. Banks can offer a wide range of services to their customers such as doing funds transfer while traveling, receiving online updates of stock price or even performing stock trading while being stuck in traffic. Mobile devices, especially smart-phones are the most promising way to

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reach the masses and to create “stickiness” among current customers, due to their ability to provide services anytime, anywhere, with high rate of penetration and potential to grow.

**Verma Guptha and Sharma** (2007) have identified that public sector banks that have initiated the process of technological advancement by computerization of branch operations, meanwhile new generation private banks have well focused business vision, with technology as an integral component. Most of the initiatives regarding technology are aimed at meeting customer expectations by offering multiple options at lower cost.

**Ramani, D.** (2007) studied the impact of e-payment system on Indian banking sector. E-payment was required for handling large volume of business payment and remittances for hassle free, quicker and faster payment remittances at low cost and paperless transactions. The researcher highlighted various steps taken by RBI for the e-payment. It includes RTGS, deferred net settlement system such as electronic clearing services debit and credit, Electronic fund transfer and National electronic fund transfer. The researcher studied that these methods have increased the use of core banking solutions, data warehousing and data mining. E-payment had reduced the chances of fraud, improved customer service by cutting the delay in payment obligation.

**Ramalingam, P.** (2008) studies the usage pattern of credit card holders of SBI, ICICI and ABN banks of Kanchipuram town in Tamil Nadu. The study concludes that higher income group and married persons utilise the cards to the maximum mainly for impulse purchases due to convenience and Citibank cards are more popular because

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of dominance in advertising. The study also reveals that Master and Visa cards are the leading card brands in India and suggest the banks to improve the overall functioning to provide satisfied credit card services.

Premkumar and Esthen Gnanapoo\(^{19}\) (2008) article entitled “E-Banking the essential need of today” found that the current trends are quite comforting for customer, it does pose threats and problems to banks. As it’s that find information technology invading the banking sector, only banks which have used the right technology could come out with success. Banks are required to restructure, re-invent and re-engineer themselves to meet the necessary performance improvement and get the competitive edge due to the introduction of information technology. E-Banking is an important output of information technology which has ushered in an era of transforming the entire functioning of banks. The title in the banks from traditional to modern E-banking service has been welcomed due its advantages, but banks in India are taking time to get rooted. Banks are slow but are going to offer in further more E-banking services to keep pace with the evolving pattern of customers’ demand.

Kileen, A. and Ahmad, S.\(^{20}\) (2008) aim to collect bank employees’ perceptions of the potential benefits and risks associated with electronic banking in Pakistan. The study shows that public bank employees who have professional degrees consider ‘minimizing transaction costs’ and ‘reduction in HR requirements’ as the most and the least important benefits of electronic banking respectively. Private bank employees having masters or bachelor degrees, and less than 10 years of experience, perceive ‘time saving and minimizing inconvenience’ as the major benefits of electronic banking. Branch managers viewed ‘facilitates quick response’ as the most


important benefit of electronic banking. Bankers in all segments consider ‘government access to data’ as the biggest risk associated to electronic banking. The empirical analysis suggests that bankers in Pakistan perceive electronic banking as tool for minimizing inconvenience, reducing transaction costs and saving time.

**Aktan, B. et.al** *(2009)* examined the usage of internet in Turkey to make a basic, due to diligence investigation for the financial institutions, including banking, stock trading, insurance and provision of financial information over the period 2005 and 2008. The findings show that internet usage in Turkey with its young population has continued to grow dramatically in financial services in terms of customers and financial transactions of various natures.

**Dizon, B.** *(2009)* states that while big banks still conduct the bulk of their business in brick and mortar bank branches, the finance sector has been increasingly investing on e-banking facilities to offer 24-hour, queue free services to their regular clients, whether through ATM machines, mobile phones or the internet. E-banking appeal is primarily based on its convenience. Clients nowadays want instant results; they do not want to wait anymore. It is also turned out to be a more efficient way to process transactions, as internet banking does away with most of the paper work those clients has to accomplish.

**Ismail, A. et.al** *(2009)* explored the relationships among service quality features, (responsiveness, assurance, and empathy) perceived value and customer satisfaction in the context of Malaysia. The empirical data is drawn from 102 members of an academic staff of a Malaysian public institution of higher learning using a survey

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questionnaire. The results indicate that the interaction between perceived value and responsiveness is not significantly correlated with customer satisfaction, the interaction between perceived value and assurance also does not correlate significantly with customer satisfaction and the interaction between perceived value and empathy correlated significantly with customer satisfaction. Thus the results demonstrate that the perceived value has increased the effect of empathy on customer satisfaction, but it has not increased the effect of responsiveness and assurance on customer satisfaction.

Thulani, D. et.al\textsuperscript{24} (2009) explored the extent of adoption and usage of internet banking (IB) by commercial banks in Zimbabwe. The study concludes that while the majority of the banks in Zimbabwe have adopted internet banking, usage levels have remained relatively low, as not many customers are using this innovation in Zimbabwe. Compatibility with existing legacy systems, cost of implementation and security concerns are the challenges faced by banks in the adoption of Internet Banking. The implications of the study are that banks in Zimbabwe should vigorously promote the usage of IB among customers while Government and the Reserve Bank of Zimbabwe should increase investments targeted at infrastructure development so as to encourage banks and individuals alike to adopt the innovation.

Uppal, R.K. and Jha, N.K.\textsuperscript{25} (2010) studied the extent of Mobile banking in Indian banking industry during 2000-2007. The study concludes that among all e-channels, ATM is the most effective while Mobile banking does not hold a strong position in public and old private sector banks but in new private sector banks and foreign banks. M-banking is good enough with nearly 50 per cent branches providing M-banking services. M-banking customers are also the highest in E-banks. It has


positive impact on net profits and business per employee of these banks. Among all foreign sector banks are on the top position followed by new private sector banks in providing M-banking services and their efficiency is also much higher as compared to other sectors. The study also suggests some strategies to improve m-banking services.

Praian\textsuperscript{26} (2010) has pointed out that the banking industry is one of the core and important area of the nation, which is also the major requirement for the economic development of the nation. The banking industry has to implement lot of technology up gradation to overcome competition and keeping up with the changing times. Now, Indian banking industry looks equal by excellent in technology adaptation compared to other countries.

Vinayaga Moorthy, A. and Senthil Kumar, K.\textsuperscript{27}(2010) in their research entitled “Role of Reach of Internet Banking in India” identified the level of security among customers in using these services, and to find out the popularity of the internet banking service in customers as users and non-users along with reasons. The numbers of internet banking users have increased from 9 per cent in 2003 to 50 per cent in 2010 due to increase in internet services. The top level internet users are China, United States, Japan and India. The major difficulties are technical problems occur sometimes which affect customers badly and the infrastructural costs of providing such services are quite high. The findings shown that the services are mostly used by maximum customers for transactions are online trading, bill payment and shopping. The major suggestion of the study is that the banks should provide the services in different languages.

\textsuperscript{26}Praian (2010), “Indian banking industry”\textsuperscript{6},www.nibmindia.org
\textsuperscript{27}Vinayaga Moorthy, A., Senthil Kumar, K. (2010), “Role of Reach of Internet Banking in India”, Vol. 2(1), Pp 1-14,
Alkibsi Sharaf and Linda Mary (2011) depicted that technology-based banking services are quickly expanding and provide cost reductions per transaction, given increasing labour costs. The purpose of this research study was to determine a set of technology-based banking services quality dimensions and their association with customer satisfaction and behavioural intentions towards technology based banking services in Yemen. The study includes a recommendation that bank leaders must focus on service enjoyment and customization to enhance customers’ experience using technology.

Nishi Sharma (2011) states that introduction of computerized application has bought a new concept of click banking (popularly known as internet banking or electronic banking). Indian banking industry is the backbone of Indian economy and is the second largest spender to the IT which is surely in the line of current needs for improved efficiency and productivity. The application of IT in banking sector provides enormous benefits to the banks as well as its consumers. But the flip side of this changed financial landscape from brick banks to click banks; the traditional banking risks have also been exacerbated. In this reference, the present study painstakingly attempts to bestow the evolution of computerisation of banking sector in India. It analyses some of the recent IT applications and associated risks with such applications.

Shaoyi Liao and Yuan Pu Shao (2012) in their paper broadly defined the provision of banking service in virtual banking. That means virtual banking exists in traditional physical branches are virtual banking exist in the forms of Automatic Teller Machine, Phone banking, Home banking and Internet banking. The people

understanding adoptions and intention of virtual banking by the people can help financial institutions to formulate appropriate marketing strategies for new forms of banking. Theory planned behaviour (TPB) and innovation diffusion were used to study the virtual banking. In this study two hypotheses were tested. The first hypothesis has stated that the attitude towards virtual banking was dependent on the relative advantage, compatibility and ease to use, result demonstrability and perceived risk. The reliable measures on the perceived risk could not be obtained and only the first four construct were tested. The hypothesis was supported but the two factors found were not clear cut. One of them was a combination of ease to use compatibility and result demonstrability whereas the explanation power of this relationship is 0.56. The other results are interestingly useful for the strategic planning of information technology in banking.

**Seranma Devi, R. and Saravana Raj, M.G.**\(^{31}\) (2012) in their article aimed to analyse the role of Information Technology (IT) in the Indian banking Industry. Indian banks are investing heavily in the technologies such as Automated Teller Machine (ATMs), Net banking, Mobile banking, Tele banking, Credit cards, Debit cards, Smart cards, CRM, Data warehousing and the like. It is essential to evaluate the impact of information technology on the performance of Indian banks in terms of extended value added services and customer satisfaction thereby. Foreign banks and Private sector banks which took more IT initiative, were found to be more efficient and more competent force than public sector banks in India. Based on the article, technological innovations have enabled the industry to open up efficient delivery channels. It is said that IT has helped the banking industry to deal with the challenges that the new economy poses. The study examines the views of banking customers on the

implementation of IT in banks. According to the authors, private and foreign banks use more IT-related banking services than public sector banks.

Ritu Singh\textsuperscript{32} (2012) explains that Indian banking is one sector which has undergone rapid change and transformation. Hence, today banks is completely different from what banks yesterday. Similarly, banks tomorrow will be completely different from banks today. One technology that has and will always be consistent in transforming the face of the Indian Banking System from yester years to what it is today definitely happens to be the information and communication technologies.

Manoranjan Dash et.al\textsuperscript{33} (2012) state that the coming out of internet has large attention to bring 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 emergence of the internet has had significance on the diffusion of internet banking. Internet banking has gained increasing popularity in recent years. Because of increased competition, banks are adopting the new technologies and tools to remain competitive to meet up the emerging requirements of consumers. This paper presents a bird’s eye view on internet banking in the Indian banking context and the current trends. The objective of the study is to determine those factors that influence the formation of attitude towards internet

banking and their relation to the use of internet banking services. Factor analysis is used for identifying consumers’ perception about internet banking in Odisha.

Mohammed Siddik, M.\textsuperscript{34} (2012) reveals that in banking industry, E-services are revolutionizing the way business is conducted in banking after the introduction of the automated teller machine 1980. The study analyses the frequency of the usage of ATM’s are more than 8 times in a month. It is also found that the respondents were quite comfortable to utilize the electronic device for the transactions frequently.

Rajasekar, S. and Venkateshwaran\textsuperscript{35} (2013) in their paper pointed out that the Information technology has become mainstream for many organizations. In recent years, the role of IT has been changing and in some cases it is very radical rather than being seen merely as a utility, the function is increasingly expected to come up with innovative business improvements. The trend in modernisation in product and services are electronic fund transfers, Auto Sweep Facility, Smart Cards, ATM, Debit card etc. Meanwhile some problems are also faced by the elimination of manual records with the introduction of electronic funds transfers and ATMs raise the important question of IT security. This includes issues related to the confidentiality of information, prevention of data corruption and cyber-crime.

2.2 PROBLEMS AND PROSPECTS OF MODERN BANKING

Robin Kaushal\textsuperscript{36} (2003) describe in his article entitled “Impact of E-banking on operational performance and service quality of banking sector in India” that technology is the key to move towards providing integrated banking services to


customers. Indian banks have been late starter in the adoption of technology for automation of processes and the integrated banking services. ICT came into picture in the year 1980 in banking industry through the Rangarajan Committee recommendations. The main objectives are to make comparative analysis of operational performance and service quality of public and private sector banks. Kendall’s coefficient of concordance, chi-square, Mann-Whitney test, cross tabulation are used, the major findings are on-site ATM are 3,205 in 2004-2005 which has increased to 8,320 in 2007-2008.

Goi Chai Lee\(^3\) (2005) studies the status of E-banking in Malaysia especially the challenges and opportunities. The study concludes that Malaysia still has not reached a critical mass to ensure sustained momentum, which can only be achieved if the nervousness of trading via Internet is overcome. Technologies are already here, it is the desire and willingness that needs to be converted into action. Malaysian banks will have to develop appropriate E-banking strategies to successfully compete both in the local and global market place. Proper understanding and planning is required to deploy the strategy or service effectively and safely.

Rao, N.V.M., Singh, P. and Maheshwari, N.\(^3\) (2005) studied E-Business models and real-life experiments that have been circling around the e-business models in some selected banks chosen from public sector and private sector banks. The study concludes that most of the banks offering Internet banking facility in India has high overall scores indicating high quality of their websites at all the functional and interactivity levels. ICICI Bank, State Bank of India and Bank of India now have


mobile ATMs or vans that go along a particular route in a city and are stationed at strategic locations for a few hours every day. Almost all the internet banks have privacy statements and about half of these have a security statement. The model suggests that the performance of the banking sector has improved considerably. It is believed that a mathematical approach proposed in this paper will find extensive application in other sectors of the economy.

Garg and Jham\textsuperscript{39} (2006) investigate the factors that influence Indian customers to adopt ATMs by using factor analysis and focused on the influence of demographic and psychological variables of 296 customers of six selected banks such as SBI, PNB, ICICI, HDFC, ABN and IDBI. It is examined that most of the respondents are below the age of 35 years and the users with lesser experience face more problems in comparison to other and they look for reliability of information. There are problems of dim vision of screen and they use ATMs maximum for withdrawals and rarely for deposits.

Robbins, E.\textsuperscript{40} (2006) tried to evaluate whether the adoption of e-banking by the banks have affected the importance of bank location. The study looked into the state of consumer adoption of e-banking products and growth of e-banking products since 1995. The study also has investigated whether consumer choice had changed as a result of increased e-banking use and how banks had responded. The study also questioned why location was still important today. The author focused that e-banking was not a perfect substitute of physical presence of banks in the market. Consumers want the convenience of e-banking products but only of those banks which fall close to their


place. So, the location of a bank branch and electronic banking were complementary to each other.

**Khan, M.D.S.** (2007) examines the service quality of education sector and internet banking by employing SERVQUAL. The data is collected through questionnaire from students, alumni, parents and recruiters of technical institutions for education quality and from internet banking customers for internet banking quality. The study employs factor analysis to differentiate the dimensions of service quality into different factors and concludes that all type customers are more concerned with academic factor to improve the education service quality while in case of internet banking customers are satisfied with reliability of services but not very much satisfied with user friendliness dimensions. The results indicate that privacy/security and fulfilment do not contribute significantly towards the overall service quality and the males and females differ in their views towards service quality dimensions. The study also suggests some measures to improve service quality.

**Uppal, R.K. and Kaur, R.** (2007) concludes that Indian banking industry has undergone radical changes due to liberalization and globalization measures undertaken since 1991. A highly satisfied and delighted customer is a very vital non-financial asset for the banks in the emerging IT era. This study is based on the responses of 768 customers of public sector banks, Indian private sector banks and foreign banks operating in Amritsar District of Punjab in month of September 2007. Time is major factor which affects the quality and reputation of banks. E-banks provide quick services and that is why they are becoming more popular. Hence, it is very essential that all

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banking sectors should place the right kind of systems to further cut down on service time and render instantaneous services to the customers.

Raja, J. et.al\textsuperscript{43} (2008) evaluated the impact of e-payment system on the business opportunities. They identified that due to the growth of internet users, various electronic payment mechanisms had been developed to cater the diversity of applicants. The researchers classified the e-payments into three main groups, namely, cash like systems, check like systems, and hybrid systems which were further classified into credit cards, debit cards and electronic cheques. They identified three main issues related to e-payment that were security issues, low interest among businessmen, and heavy reliance on traditional payment methods. They also analysed that there were technical and cultural problems which hinder the path of e-payments. However, to make e-payments more effective, security threats should be reduced and people should be realized that traditional payment methods were more time consuming than electronic payment methods. They should also be realized that plastic card payments were more convenient, easier and more secure than cash or cheques.

Thomas Ogoro Ombati et.al\textsuperscript{44} (2010) analysed the technology and service quality in the banking industry. The research was carried across sectional survey design on e-banking in Kenya. The sample in this study consists of 120 respondents. The data collected was analysed by the use of frequency, percentage, mean score and correlation analysis. The findings revealed that, secure services as the most important dimension followed by convenient location of ATM, efficiency (need not to wait) ability to set up accounts to make customers to perform the transactions immediately.


Rajani, A. and Jadhav\textsuperscript{45} (2010) explained that problems and prospects of bank computerization in selected co-operative banks at Pune. The scope of the research is limited only to the co-operative banks in Pune city. From Pune city 18 co-operative banks have been selected for the purpose of this study. Therefore this study focuses on technological development in co-operative banks.

John Enni\textsuperscript{46} (2012) stated that the past few years in retail banking have undoubtedly been challenging. The economic crisis put the industry and the organizations within it under intense pressure and there are few signs of that pressure abating. Alongside economic pressures, the industry faced the constant threat of criminals looking to take advantage of gaps in security defences to steal from both banks and their customers.

Mohini S. Samudra and Milind Phadtare\textsuperscript{47} (2012) depict that, in the 1990s, the banking sector in India saw greater emphasis being placed on technology and innovation. Banks began to use technology to provide better quality services to their customers and at greater speed. Technological advancement allowed them to offer services like Internet banking and mobile banking, making it convenient for customers to interface with their banks from geographically diverse places. The present paper attempts to study the adoption of mobile banking in Pune city. This has been considered as it offers a wide array of constructs, thereby enabling a structured study of the adoption. The paper identifies various factors facilitating the adoption of mobile banking using exploratory factor analysis.

Komi Agbesi (2013) paper assessed how Information and Communication Technology adoption should be organized and managed to enhance the service innovation practices of the firm; and evaluate how service innovation practices improve the competitive advantages of a firm. The quantitative sampling technique was used to administer fifty questionnaires to a sample size of fifty respondents from the Headquarters of Unique Trust Bank. Data collected were analysed and interpreted using both descriptive and analytical approach. The paper analyses both theoretically and empirically how Information and Communication Technology related spending can affect bank profits via competition in financial services that are offered by the banks. The paper utilizes a Hoteling model to examine the differential effects of the Information Communication Technology (ICT) in moderating the relationship between costs and revenue. The results from both methods indicated significant productivity improvement after the adoption of ICT. It concludes that, the implementation of modern technology increase the profitability of the firms and hence, increases productivity.

2.3 CUSTOMER SATISFACTION TOWARDS MODERN BANKING SERVICES

Wan, W.N. et.al (2005) studied the customers’ adoption of banking channels in Hong Kong. They covered four major banking channels namely ATM, Branch Banking, Telephone Banking and Internet Banking. The study segmented the customers on demographic variables and psychological beliefs about the positive attributes processed by the channels. The psychological factors were ease of use, transaction security, transaction accuracy, speediness, convenience and time utility,

Shah, M.H. and Siddiqui, F.A.\textsuperscript{50} (2006) analyses the relationship between service quality and customer satisfaction in internet banking and five service quality dimensions selected. A qualitative research approach is used to get a better understanding of this issue. A small quantitative survey has been also conducted to support the results obtained from the qualitative study. Nine service quality dimensions i.e. efficiency, reliability, responsiveness, fulfilment, privacy, communication, personalization, technology update and logistic/technical support are identified in this study. The quality performance of all the nine dimensions is shown to have a strong impact on customer satisfaction.

Islam et.al\textsuperscript{51} (2006) examined the satisfaction level of ATM card holders of a leading bank (HBSC) in Bangladesh. The study found significant relationship of ATM service quality with customers’ satisfaction. The study identified that location, personnel response, quality of currency notes, promptness of card delivery and performance of ATM were positively and significantly related to customer’ satisfaction. The security, frequent breakdown of machine, and insufficient number of ATM were major contributors of customers’ dissatisfaction.

Akter, M.S. and Ghosh, S.K\textsuperscript{52} (2006) examine the gap between expectations and perceptions of customers in Dhaka city of Bangladesh regarding banking services with a special focus on SERVQUAL model, The study concludes that in four


dimensions like reliability, empathy, tangibility, assurance, the gap between perceptions and expectations is significant except responsiveness where it is insignificant which means banks do not extend that level of services which will satisfy the customers’ expectations. The study also suggests some recommendations to minimize this gap.

**Kukkudi, J. and Deene, S.** (2006) study the impact of ATMs on customer satisfaction with special reference to SBH in Gulbarga district with sample size of 100 respondents. It concludes that ATMs are used mostly by the age group of 25 – 35 years comprising more male members. 79 per cent uses ATMs weekly where 85 per cent are aware about the restrictions concerning ATMs usage and the numbers of ATMs are sufficient to meet current needs. It suggests popularizing ATMs among the maximum customers.

**Parisa Alagheband** (2006) provides the theoretical aspect of electronic banking services of Iranian customers. Electronic banking services have changed the nature of financial services delivered to customers by providing these services, banks can get notable cost savings, reduce their branch networks and downsize the number of their service staff. But since the customers do not adopt and use these services, banks cannot make profit from these new services. Recently, a number of Iranian banks have started to offer electronic banking services to their customers. But still electronic banking is an unknown concept from customer point of view. The major findings are 54 per cent of the customers have no knowledge of the technology services. The best result to create awareness to all banking customers in online or offline services.

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Rajnish Tiwari and Stephan Buse\textsuperscript{55} (2006) exhibit the Mobile Banking, availment of bank related financial services via mobile devices, builds a cornerstone of Mobile Commerce. An empirical survey of customer acceptance conducted within the frame of our research clearly reveals a major growing interest in Mobile Banking. However, since the degree of interest and the willingness to pay vary for individual services, it seems to be necessary to design specific services taking the needs and wishes of relevant target groups into consideration. This paper examines the opportunities for banks to generate revenues by offering value-added, innovative mobile financial services while retaining and even extending their base of technology-savvy customers.

Mishra, J.K. and Jain, M.\textsuperscript{56} (2007) studies various dimensions of customer satisfaction in nationalized and private sector banks. Two stage factor analyses are computed to arrive at the dimensions of customer satisfaction. The study analyses ten factors and five dimensions of customer satisfaction for nationalized and private sector banks respectively. The study concludes that satisfaction of the customers is an invaluable asset for the modern organizations, providing unmatched competitive edge; it helps in building long term relationship as well as brand equity. The best approach to customer retention is to deliver high level of customer satisfaction that result in strong customer loyalty.

Rajesh Kumar Srivastava\textsuperscript{57} (2007) describes 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. Research is focused on the customer’s perceptions about internet banking and the drivers that drive consumers. Qualitative exploratory research using questionnaire was applied. 500 respondents were selected for study after initial screening. They were all bank customers. The studies revealed that education, gender and income play an important role in usage of internet banking.

**Doungratana Sattabusaya**\(^{58}\) (2007) made a research with the main objective to identify the key factors that determine success and move intention of Internet banking users toward their actual behaviour. The research setting was in Bangkok, Thailand. The research design was based on positivistic paradigm with a triangulation approach in the process of collecting and analysing data. The data was collected through 1,200 survey questionnaires and 9 semi-structured interviews of top managers and senior consultants of the participated banks who involved with Internet banking projects. Statistical analysis included descriptive statistics, \(R^2\), t-test, F-test, Confirmatory Factor Analysis (CFA), and the Structural Equation Modelling (SEM) techniques.

**Kesseven Padachi et.al\(^{59}\) (2007) have studied the development and the increasing progress that is being experienced in the Information and Communication Technology that has brought about a lot of changes in almost all facets of life. This paper examines the customers’ choice of banks that is influenced by the quality of e–banking services provided. In this study stratified sampling was used; the survey

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instrument was developed questionnaire comprising open ended and Likert type of questions. The instrument contained 36 items and was administered to about 400 respondents, while 360 completed and returned their questionnaire. The statistical techniques used for the analysis were the chi-square and correlation which recommends that various measures should be put in place to ensure more security such as installation of encrypted software, verification system of customer’s identification cards, frequent change of password, examining test questions and using mixed password such as the use of alphanumeric amongst others.

**Uppal, R.K.** (2008) described that in the post-LPG (Liberalization Privatization and Globalization) era and Information Technology era, transformation in Indian banks is taking place with different parameters and the curves of banking services are dynamically altering the face of banking, as banks are stepping towards e-banking from traditional banking. The paper empirically analyses the quality of e-banking services in the changing environment. With different statistical tools such as weighted average method and ranking. The paper concludes that most of the customers of e-banks are satisfied with the different e-channels and their services, but the lack of awareness is a major obstacle in the spread of e-banking services. The paper also suggests some measures to make e-banking services more effective in the future.

**Divya Singhal and Padhmanabhan, V.** (2008) investigate the internet banking. The analysis is done with the help of statistical tools clearly indicating the factors responsible for internet banking. Factor analysis results indicate that utility request, security, utility transaction, ticket booking and fund transfer are major factors.

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Out of total respondents more than 50 per cent agreed that internet banking is convenient and flexible ways of banking and it also have various transaction related benefits.

**Abdul-Aziz Abdul Razaq Hashim et.al (2008)** investigates the customer perception in Qatar. Online banking, which was introduced in 1980's, has come a long way since then, though it was only in the mid 1990's that internet banking caught on and emerged in the developing countries. The researchers have found that a significant number of customers are either not aware of the IB services or do not trust the IB as a channel to conduct their banking transactions. The main disadvantages are found that lack of knowledge could be one of the factors for having a low rate of IB usage and it requires the government to support the bank industry in achieving this objective because security is an issue that concerns the whole society.

**Murali, R. et.al (2008)** evaluate consumer perceptions on quality of e-services and Internet banking adoption in Malaysia. The data is collected from 150 retail banking customers of the Klang Valley area. Results show that Internet banking users and non-users have different expectations towards e-service quality preferences. Not all of the dimensions are preferable by the respondents. The study also discusses implications and recommendations to improve Internet banking service quality in Malaysia.

**Riquelme et.al (2009)** examines the impact of customer service and online internet banking service attributes on overall satisfaction of bank customers in Kuwait.

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185 customers have selected as the sample size through questionnaire. The cross tabulations and regression and discriminate analysis are used to analyse the technique. The major findings are 84.4 per cent of the customers were found to be very satisfied from online services but were still using multiple channels to conduct transactions. Both customers and online service attributes were found to have significant impact on customer satisfaction. Customers less satisfied with the way the complaint was handled were found to be female, less educated and use ATMs in less frequency than customers that were satisfied with the complaint handling procedure.

Azouzi Dhekra$^{65}$ (2009) aims to check if the current and prompt technological revolution altering the whole world has crucial impacts on the Tunisian banking sector. On the basis of empirical analysis, the study concludes that panoply of factors is affecting the customers’ attitude toward e-banking. For instance; age, gender and educational qualifications seem to be important and they split up the group into electronic banking adopters and traditional banking defenders and so, they have significant influence on the customers’ adoption of E-banking. It also shows that despite the presidential incentives and in spite of being fully aware of the E-banking benefits, numerous respondents are still using the conventional banking. Fear of loss because of transactions errors or hackers plays a significant role in an alienating Tunisian customer from online banking. Finally, the study highlights the limitations and suggests some research perspectives.

Kamble, S.S., Sawhney Shweta and Bansal Ritika$^{66}$ (2009) aimed to identify online service quality dimensions that facilitate the customer satisfaction for the e-

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travel and e-mart online retail. Further, they evaluate how well these dimensions are perceived by the customers so as to provide an objective measure of service performance. Ten e-service quality dimensions are identified and the extent to which current online retailers provide online service attributes are analysed to be low or moderate on most of the dimensions for both the e-travel and e-mart service providers. The model tested for the relationship between the service quality dimensions and customer satisfaction is also found to be correlated at a low level.

Nyangosi et.al\(^{67}\) (2009) collected customers’ opinions regarding the importance of E-banking and adoption levels of different e-banking technologies in India and Kenya. The study highlighted the trends of e-banking indicators in both countries. The overall result indicates that customers in both countries have developed a positive and they give much importance to them.

Hua, G.\(^{68}\) (2009) investigates the online banking acceptance in China by conducting an experiment to investigate how users’ perception about online banking is affected by the perceived ease of use of website and the privacy policy provided by the online banking website. The 110 undergraduate students in Chinese University are involved in the investigation. The study finds that both perceived ease of use and privacy policy have a significant impact on user’s adoption of online banking. The study also investigates relative importance of perceived ease of use, privacy and security. Perceived ease of use is of less importance than privacy and security. Security is the most important factor influencing user’s adoption. The study also discusses the implications of these results and limitations of e–banking.


Syed Abdul Mannan\(^69\) (2010) examines that technology in Indian banks and customers' perception. The study is based on primary data, which is collected through the issue of questionnaire to the bank customers. 22 per cent banks are selected from both private and public sector bank in Maharashtra. The major findings are almost 92 per cent of the respondents have agreed that electronic banking is more convenient and suitable in present life; on the other hand 7.9 per cent of the respondents have disagreed on reason of less education.

Muhammad Asif Khan\(^70\)(2010) study investigates 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 indicate 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 contributes toward customer satisfaction. The study makes a significant contribution to the quality management literature because few empirical studies are available dealing with this aspect of the banking sector in Pakistan.

Manish Tanwar et.al\(^71\) (2011) have studied to explore bank employees’ perception toward adoption of Information Technology to satisfy both sophisticated customers (who demand flexibility of interactions with no time and location constraint, security of information, privacy and convenience) as well as the organization’s own needs (including more sophisticated services with more profit, security of networks,

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hardware and bank application, cost containment or reduction and customer loyalty) when implementing e-banking technologies. The study was conducted in four private sector banks of India from Bikaner to Jaipur regions of Rajasthan. Descriptive research methodology was used to accomplish the study using random convenience sampling technique. A questionnaire was developed based on five parameters remedy, Relative advantage, Complexity, Potential risk, Strategic advantage by decision-making process and Innovation and development to ascertain the perception of the employees. The data was collected from 180 bank employees (Executive, Manager, Officer) through structured questionnaire method out of which 129 employees replied to the questionnaire. Simple frequency percentage was adopted as the statistical measure and hypothesis testing was analysed using chi-square. The result reveals that all the banks are using Information technology as a strategic weapon to remain competitive against other. In conclusion, the study revealed that Information Technology has tremendously improved growth and performance of the banks. Information Technology has led to increase customer satisfaction, improved operational efficiency, reduced transaction time, gives the bank a competitive edge reduced the running cost and ushered in swift response in service delivery.

SanthiyaValli, G. (2011) conducted a study to evaluate the service quality of State Bank of India by identifying the major factors responsible for customer satisfaction. The major limitation of the study was based on the perception of customers of only five branches of State Bank of India in Coimbatore district. The study concentrates only on qualitative aspects. Non-probability convenience sampling technique was applied in the selection of bank customers.

Dharmalingam, S. and Kannan, K.V. (2011) made an analytical study based mainly on the primary data collected through a scientifically developed questionnaire. The questionnaire have been personally administered on a sample size of 240, chosen on a convenient basis from three Private Banks, i.e. ICICI, AXIS and HDFC Bank. The Gap analysis shows that Product variety is having more gaps between customer expectation and perception on of service quality. Banks have to understand the changing needs of customers, their aspirations and expectations to create value. Banks should have a strong customer relationship management system that would indicate the worth of the customer and able to understand his needs.

Sharaf Alkibri and Mary Linda (2011) highlighted that, technology-based banking services are quickly expanding and provide cost reductions per transaction, given increasing labour costs. The purpose of this quantitative correlational descriptive research study was to determine if a set of technology-based banking service quality dimensions had an association with customer satisfaction and behavioural intentions towards technology based banking services in Yemen. The study includes a recommendation that bank leaders focus on service enjoyment and customization to enhance customers’ experience using technology.

Bindiya Tater et.al (2011) research paper explores the perception of Indian customers towards the use of technologies with respect to such factors as convenience, privacy, security, ease of use, real time accessibility, and accurate record of varied transaction that enable customer’s adoption of Banking Technology. Other factors such

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as slow transfer speed, technical failure, frauds and awareness among customers that make hindrance in adoption are also tested. All the banks are using information technology as a strategic vehicle to stay competitive against other players. There is no significant difference between adoption rates of banking technologies by the customers of different private banks.

Himani Sharma\(^\text{76}(2011)\) conducted an empirical study with the banker’s perspective on E-banking. The objectives of the study are to study bankers’ perspectives on E-banking activities impact and promotional measures used by banks to promote E-banking. 192 of the bankers are taken as the sample respondents. The major finding on the impact of e-banking is 73.96 per cent of the bankers respondent that print media is used by the banks to a large extent for the purpose.

Dhanabhakyam, M. et.al\(^\text{77}(2011)\) explored the service quality of internet banking operation in Coimbatore from customers’ perspective. It has observed that customers are satisfied with the reliability of the services provided by the banks but are not very much satisfied with the ‘user friendliness’ dimension. A seven dimension model using regression analysis is developed for measuring the overall outcome of service quality of internet banking. The result indicates that the two dimensions, viz. privacy and security and ‘fulfilment’ are not contributing significantly towards the overall service quality. This is an implication that the customer feel that bankers fail in providing the services on these two dimensions satisfactorily.

Prema, C.\(^\text{78}(2011)\) made a study on consumers’ adoption and perceived characteristics of internet banking. The following characteristics are included

voluntariness, perceived usefulness, convenience, compatibility, easy to use, visibility, trial ability, security, privacy, risk and reliability in the perceived attributes.

Jajoo Rupa Dwarkadas\(^79\) (2011) indicates that the consumer perspective towards credit card. The demand for credit cards is growing over time. The number was around 11 million, while debit cards were at more than 20 million in 2009. The distribution has increased with local banks becoming more aggressive. The sample size is 200 from Nanded city in Maharashtra. The comparative analysis is done in order to determine perceptions of credit card services provided by SBI and ICICI bank. 59 per cent were males and 41 per cent were females. It shows that majority of credit card users were male.

Rahmath Safeena et.al\(^80\) (2011) determined the factors influencing the consumer’s adoption of internet banking in India. The study investigates the influence of perceived usefulness, perceived ease of use and perceived risk on use of IB. It is an essential part of a bank’s strategy formulation process in an emerging economy like India. Survey based questionnaire design with empirical test was carried out. The results have supported the hypothesis. The statistical tools such as correlation matrix, chi-squared and factor analysis were used. The Internet users are generally low with majority of them between 20 and 30 years age group.

Aashish Shashikant Jani\(^81\) (2012) examined the customer perception on the use of E-technology in the retail banking sector. The objectives are to identify factors affecting customer preference for the use of technology in retail banking. To compare


the customer perception in terms of different technology provided by public and private sector banks. The scope of the study is specific to Bhavnagar, a popular city and district of Gujarat. The study includes the different factors affecting consumer perception and modern technology provided by banks.

Harsha Vardhan Reddy, D.V. and Ramana, D.V. (2013) analysed that the customer satisfaction is a significant subject for most marketers. It becomes imperative for service providers to meet or exceed the target customers’ satisfaction with quality of services expected by them. The service quality has been regarded as the key factor in order to succeed and have endurance in banking industry, especially when there has been continuously growing pressure from other institutions working in the same industry and demanding customer requirements. In this paper, the authors have highlighted the important key factors and made several interbank comparisons. Some important characteristics were listed out by which customer’s satisfaction was observed on rating basis. Further, these were prioritized according to the factors identified. To meet the objective of the paper, multivariate statistical techniques were applied and results were explored in new dimensions. The study outlines that the private sector banks provide higher customer satisfaction when compared to the nationalized and public sector banks and in turn there are combinations where a set of nationalized and public sector banks will meet the satisfaction levels of the customers.

2.4 COMPERATIVE ANALYSIS OF PRIVATE AND PUBLIC SECTOR BANKS

Al-Hawari, M. et.al (2005) developed a comprehensive model of banking automated service quality taking into consideration the unique attributes of various

delivery channels including ATM, Internet Banking, Telephone Banking and other dimensions tested for unidimensionally, reliability and validity using confirmatory factor analysis. They compiled a list of major dimensions of ATM service quality based on previous studies. The dimensions include secure locations, user – friendliness of the ATM system, convenient location and function of ATM. These dimensions were also tested by conducting an empirical study.

Mohamad Rizal Abdul Hamid et al. (2007) made a comparative analysis of internet banking in Malaysia and Thailand. The study analyses the availability of the internet banking basic services and the features of the banking services. Further the research concentrates the problems facing the institutions in both the countries. The data were collected from 9 local banks and 4 foreign banks in Thailand and Malaysia. Finally, the empirical study concluded that the government should step-in enforcing laws on protecting consumer rights. The government, as the statutory body should provide guidelines for internet banking services and monitoring over banks operation to ensure their operation are legitimate.

Ritu Sehgal and Sonia Chawla (2011) highlighted that the Indian banking sector is developing at an astounding rate. As per Pratima Rajan, an analyst in Client’s banking group, “Indian banking industry assets are expected to reach US $ 1 trillion by 2010”. On the other side, development of technology is uplifting the functioning and services of banking sector. With the development and adoption of technology in banking sector, banking customers are also expecting more day by day. Therefore, the

service providers are becoming further customer centric in their approach of providing services in order to provide customer satisfaction. The paper presents the analysis of 225 Internet banking customers of three sectors of banks that is public sector, private sector and foreign sector banks of Jalandhar City. In case of public sector bank, State Bank of India (SBI), for private sector bank, Industrial Credit and Investment Corporation of India (ICICI) bank and for foreign sector bank, Standard Chartered banks (SCB) have been taken for study. The percentage, frequency analysis and chi-square tests have been applied for analysis to explore the results of the survey. The major findings are 72 per cent of the respondents of SBI, 76.6 per cent respondents of ICICI bank and 80 per cent respondents of SCB are satisfied with Internet banking of their respective banks. There is no significant relation between occupation and choice of bank of customers of SBI, ICICI bank and SCB. The Null hypothesis has been accepted. The study reveals that majority of the respondents of all the three sectors of banks are satisfied with Internet banking of their respective banks.

Puja Khatri and Yukti Ahuja (2011) study compared the public and private sector banks in terms of customer satisfaction and the variables of service quality. Hypotheses are framed that there is significant difference between respondents’ of public and private sector banks as regards different variables of quality. The total numbers of respondents surveyed were 122 and judgmental sampling technique was used in Delhi. Analysis of the information has been done by using the statistical package SPSS. Different tools like Mean, Standard deviation and T-test have been used. Most of the respondents are satisfied in private sector banks.

Poonam Sawant, Tandale and Kulkarni, R.V. (2012) conducted a review on information communication technology and service quality in banking industry. This study reviewed researches carried out in the area of e-banking in terms of customer’s perception towards e-services, technology, service quality, privacy and security. Information and Communication Technology (ICT) is important in e-banking to improve the performance and efficiency of banking transactions and to bring new quality to services as it re-organizes knowledge and effectively incorporates intelligent access to and use of the data in e-banking. The purpose of this study is to offer insights into the e-banking adoption and its implications for e-banking growth in public and private sector banks in India.

Robert Raja Singh (2014) thesis highlights that the challenge of each bank is to work towards ensuring that customers prefer its products and services to those of other competing banks. The key to develop and nurture a close relationship with customers is the appreciation of their needs and preferences and fulfilment of their requirements. Employment of Information Technology to appropriately analyse and understand the needs of existing customers better, to ensure that customers get their benefits and to explore the possibility of cross-selling products to gain a competitive advantage is the other issue drawing their attention. Thus, in this current competitive scenario, both private and public sector banks are to survive on competition, succeed and make profit. There is hardly any other option but to identify customers’ needs and benefits and find ways and means to serve their needs and provide them with benefits. Thus bankers are bound to attract customers by providing them a spectrum of services

like, online banking, ATM banking and Tele banking. Banks can enhance customer service by leveraging on technology, maintaining efficient service delivery standards and business process. Further, it is observed that some banks lose their good clients to competitors due to a variety of reasons. In Kanyakumari District, with the increased number of both private and public sector banks, the problem increases. Banks in this district find it very difficult in getting new customers as well as in retaining the existing customers. All these lead to the undertaking of the present study.

The review of literature relating to Modern banking services, Problems and prospects of modern banking services, Customer satisfaction towards modern banking services, Comparative analysis of private and public sector banks help the researcher to understand various studies conducted in this field. The reviews collected from various sources paved the way to identify the research gap and to make researcher to consider the directions given by various authors.