CHAPTER - II

REVIEW OF LITERATURE

Critical examination of the existing literature helps in developing the broad area and focus of the contemporary research. It also helps to delineate thrust areas and schools of thought drawing attention of researchers. The Review of literature for the present study is divided into four sections:

2.1 Review of existing literature on Customer Satisfaction

2.2 Review of existing literature on Information Technology Enabled Services (ITES) and internet Banking

2.3 Review of existing literature on Service Quality & SERVQUAL (Service Quality Index)

2.1 Review of existing literature on Customer Satisfaction

Richard (1965)\(^1\) reported that customer satisfaction with a product is influenced by efforts expended to acquire the product, and the expectation concerning the product. Specifically, the experiment suggested that satisfaction with the product may be higher when customers expend considerable efforts to obtain the product than when they use only modest effort. This finding was opposed to usual notions of marketing efficiency and customer convenience. The research also suggested that customer satisfaction is lower when the product does not come up to expectations than when the product meets the expectations.

The study by Swan and Combs (1976)\(^2\) was designed to examine the relationship between expectations, performance and satisfaction. The authors tried to look at the expressive and instrumental dimensions of a product, to determine the extent of their influence on consumer satisfaction and dissatisfaction. The study was a modified form of the critical incidents technique in which people discuss specific occurrences that they recall. A semi-structured questionnaire was administered to 60 undergraduate student respondents. The study predicted that satisfactory items

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tend to be associated with expressive outcomes, and dissatisfactory items tend to be associated with instrumental outcomes. The study showed that all outcomes were greater than or equal to expectations for all respondents for the satisfactory item, but the dissatisfactory item did not tend to involve a mixture of favorable and unfavorable outcomes. The study also suggested that the weights consumers attach to the importance of a set of attributes comprising a product are difficult to summarize and measure meaningfully, because such weights may vary in perceived importance depending on the level of product performance. The study suggested that satisfaction and dissatisfaction are linked to qualitatively different kinds of outcomes.

Westbrook (1980) conducted an exploratory study to assess the impact of intrapersonal influences on satisfaction/dissatisfaction, such as affective state and generalized attitudes, and presents empirical results on the relative effects of both types of influence. Westbrook investigated two product categories: automobiles and footwear apparel. The findings reported relationship between satisfaction and the realization of expectations, overall life satisfaction, and consumer discontent. Neither optimism/pessimism nor mood affective measures display significant relationships to automobile satisfaction. Further analyses indicated that both life satisfaction and consumer discontent made significant incremental contributions. The findings of the study supported the proposition that product satisfaction is partly a function of broader affective influences within the consumer, in addition to purchase specific cognitive factors, such as the extent to which product outcomes meet or exceed expectations.

Churchill & Surprenant (1982) investigated whether it is necessary to include disconfirmation as an intervening variable affecting satisfaction or whether the effect of disconfirmation is adequately captured by expectation and perceived performance. Further, they modeled the process for two kinds of products, i.e. durable and nondurable goods. Here they used procedures in which three levels of expectations and three levels of performance were manipulated for each product in a factorial design. The results suggested the effects are different for the two products. The results showed that the durable goods are different in various
aspects. Firstly, neither the disconfirmation experience nor subjects' initial expectations affected subjects' satisfaction with it. Secondly, expectations did go in line with performance to affect disconfirmation. Finally, the direct performance-satisfaction link accounts for most of the variation in satisfaction.

The study done by Fornell and Robinson (1983) brought together the fields of industrial organization and consumer research to find out the variations in consumer satisfaction/dissatisfaction among product categories. A major fraction of these variations were empirically accounted for by distributional and cost/size factors. Telephone interviews in 34 cities generated over 2400 responses with a response rate of 80.3 percent. Consumer cost and distribution breadth were found to be the most powerful constructs in terms of their effect on consumer dissatisfaction. The study did not show any relationship between concentration and consumer dissatisfaction.

Tse and Wilton (1988) extended consumer satisfaction literature theoretically and empirically by: (a) examining the effect of perceived performance, (b) investigating how alternative conceptualizations of comparison standards and disconfirmation capture the satisfaction formation process, and (3) exploring possible multiple comparison processes in satisfaction formation. Their study had provided strong theoretical and empirical support for extending the expectation and disconfirmation model of Customer satisfaction/Dissatisfaction to include direct influences from perceived performance. Results of the study suggested that perceived performance exercise direct significant influence on satisfaction in addition to those influences from expected performance and subjective disconfirmation. Expectation and subjective disconfirmation proved to be the best conceptualizations in capturing satisfaction formation. The results also suggest multiple comparison processes in satisfaction formation.

Observations made by Fornell (1992) on customer satisfaction on basis of 30 industries in Sweden, revealed that satisfaction is lower in industries where supply is homogeneous and demand heterogeneous. The study also revealed that customer satisfaction is higher where homogeneity/heterogeneity are matching.
This was done with the help of Customer Satisfaction Barometer (CSB) to measure customer satisfaction. CSB measures quality of output, as experienced by the buyer. Above findings were found in monopolies as well as in competitive market structures. Industries which had to repeat their business through customer satisfaction only, had high level of satisfaction, whereas reverse was found for industries in which companies have more captive markets.

Anderson & Sullivan (1993)\textsuperscript{8} investigated the antecedents and consequences of customer satisfaction. They developed a model to link explicitly the antecedents and consequences of satisfaction in a utility-oriented framework. They estimated and tested the model against alternative hypotheses from the satisfaction literature. They found that satisfaction is best specified as a function of perceived quality and disconfirmation—the extent to which perceived quality fails to match pre-purchase expectations. They further found that, quality which falls short of expectations has a greater impact on satisfaction and repurchase intentions than quality which exceeds expectations. Moreover, they found that disconfirmation is more likely to occur when quality is easy to evaluate. Finally, in terms of systematic variation across firms, they found the elasticity of repurchase intentions with respect to satisfaction to be lower for firms that provide high satisfaction.

Hauser et al. (1994)\textsuperscript{9} offered explanations ‘how to’ and ‘when’ providing incentives to employees on customer satisfaction is profitable and offer several recommendations. The systems developed by researchers uses customer reaction to supervise how employees apportion effort between the short and long terms. They have derived an optimal reward system for establishing an equilibrium in which the firm can maximize profits, employees can maximize their effectiveness, and customers can purchase commodities based on initial reputations, employee efforts and price. The formal model derived by the researchers show how the reliance placed on customer satisfaction in an incentive scheme should depend upon the precision with which customer satisfaction is measured and the extent to which employees focuses on it. Researchers gave some recommendations to improve current practice: measure customers; measure satisfaction with competitors' products; disaggregate

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satisfaction to reflect better the performance of employee groups; and, when different customer segments have different switching costs or they vary in the precision with which their satisfaction can be measured, then measure the segments separately and assign different weights in the incentive plan.

Chu & Desai (1995)\textsuperscript{10} took into consideration two broad categories of incentives by which a manufacturer can motivate its retailers to provide high customer satisfaction: a) manufacturer assistance that reduces the retailer's cost of providing customer satisfaction (CS assistance): and b) customer satisfaction index (CSI) bonus. They reported that if a retailer has a long-term orientation, CS assistance was found to be holding more effective coordination mechanism that induces the retailer to expend more effort at customer satisfaction. However if the retailer has a short-term orientation, CSI bonus was found more effective coordination mechanism. Researchers also reported that a long-term oriented retailer is more valuable to a manufacturer than a short-term oriented one. Finally they showed that the use of CS incentives results in greater profits for both the manufacturer and the retailer.

Johnson et al. (1995)\textsuperscript{11} developed and tested alternative models of market-level expectations, perceived product performance and customer satisfaction. Market performance expectations are argued to be largely rational in nature, yet adaptive to changing market conditions. Customer satisfaction is conceptualized as a cumulative construct that is affected by market expectations and performance perceptions in any given period and is affected by past satisfaction from period to period. An empirical study that supports adaptive market expectations and stable market satisfaction using data from the Swedish Customer Satisfaction Barometer has also been reported.

The study done by Muffatto & Panizzolo (1995)\textsuperscript{12} aimed at developing a framework for customer satisfaction and to provide a detailed description of the relationship structure between the different elements of the organizational structure. This study was divided into two sections which, respectively, dealt with key evidences drawn from the literature, which are relevant for developing a
customer satisfaction framework; and an integrated framework for the analysis of the organizational processes that lead to the achievement of customer satisfaction. Authors have presented a framework for the analysis of the organizational processes related to customer satisfaction. Starting from the consideration that customer satisfaction is an inter-functional concept, this framework seeks to integrate all aspects into one model. This means using an integrative and holistic approach which optimizes the interaction of primary processes and activities. The framework proposed aimed to identify the fundamental processes required for obtaining customer satisfaction. However, the emphasis laid on each process largely depends on the attributes of the individual company. Results of these studies show that the implementation of a customer satisfaction plan is a major problem even for firms with a good reputation in quality management.

Johnson et al. (1996) discussed the nature and purpose of ACSI (American Customer Satisfaction Index) and explained the theory underlying the ACSI model, the nation-wide survey methodology used to collect the data, and the econometric approach employed to estimate the indices. They have illustrated the use of ACSI in conducting benchmarking studies, both cross-sectionally and over time. They estimated the model for the seven major economic sectors for which data were collected. Highlights of the findings included that a) customization is more important than reliability in determining customer satisfaction, b) customer expectations play a greater role in sectors in which variance in production and consumption is relatively low, and c) customer satisfaction is more quality-driven than value- or price-driven.

Bolton (1998) investigated about relationship marketing with its focus on maximizing customer lifetime value. Bolton tried to develop and estimate a dynamic model of the duration of provider-customer relationship that focuses on the role of customer satisfaction. This article developed a model of the duration of the customer's relationship with an organization that delivers a continuously provided service, such as utilities, financial services, and telecommunications. The results of the study indicated that customer satisfaction ratings extracted prior to any decision to cancel or stay loyal to the
provider are positively related to the duration of the relationship. The strength of the relationship between duration times and satisfaction levels depends on the length of customers' prior experience with the organization. The article suggested that service organizations should be proactive and learn from customers before they defect by understanding their current satisfaction levels. The importance of the link between customer satisfaction and retention has been established. The relationship between satisfaction and duration times was reported to be very complex and difficult to detect without advanced statistical techniques.

Smith et al. (1999) presented a model of customer satisfaction with service encounters involving failure and recovery. Customers often react strongly to service failures, so it is critical that an organization's recovery efforts be equally strong and effective. In this article, the authors have developed a model of customer satisfaction with service failure/recovery encounters based on an exchange framework that integrates concepts from both the consumer satisfaction and social justice literature and prospect theory. The researchers executed the research in the context of two different service settings, restaurants and hotels. The results showed that customers prefer to receive recovery resources that are in line with the type of failure they experience in amounts that correspond with the magnitude of the failure that occurs. The research provided managers with useful guidelines for establishing the proper fit between a service failure and the recovery effort.

Meuter et al. (2000) discussed about the Self-Service Technologies (SSTs). SSTs are increasingly changing the way customers interact with firms to create service outcomes. They were of the view that much emphasis is required to be given to customer interactions with technology-based self-service delivery options. In this research, the researchers described the results of a critical incident study based on more than 800 incidents involving SSTs solicited from customers through a Web-based survey. The authors categorized these incidents to distinguish the sources of satisfaction and dissatisfaction with SSTs. The authors provided a discussion of the resulting critical incident categories and their
relationship to customer attributions, complaining behavior, word of mouth, and repeat a purchase intention, which is followed by implications for top executives and researchers.

Simester et al. (2000)\(^{17}\) presented how quality improvement programs can help enhance customer satisfaction. Foreign firms use sophisticated, state-of-the-art technology and methods to design and implement customer satisfaction improvement programs in the United States and Spain. Quasi experimental analysis done by the researchers reveal results that highlights a) implementation issues (empowerment), b) a construct of residual satisfaction not captured by customer needs, and c) the managerial need for combining nonequivalent controls and nonequivalent dependent variables.

Yeung and Ennew (2000)\(^{18}\) supported the central principle of marketing theory i.e. there exist some link between customer satisfaction and business performance, but evaluating the existence, nature and strength of this relationship at the level of the firm has proved to be problematic. Data for the analysis has been taken from the American Consumer Satisfaction Index (ACSI) and a proprietary financial database, Standard and Poors' CompuStat. The aim of the paper was to evaluate empirically the direct relationship between customer satisfaction and a range of measures of financial performance. In order to provide more evidence on the predictive power of customer satisfaction measures, the pooled regression models for operating income, net income (loss) and retained earning on the ACSI were re-examined including the sales/assets as an independent variable. Customer satisfaction does appear to have a significant impact on share price which is in sharp contrast to the returns model. While, other financial variables are the main influence on share price, the contribution of customer satisfaction is significant. All the internal measures show a positive effect although, of the two external measures, share price does appear to be influenced by customer satisfaction but market return does not. In general, the results suggest that satisfaction does have a positive financial impact but the direct effects are generally small.
Mittal & Kamakura (2001)\textsuperscript{19} presented a conceptual model for relating satisfaction ratings and repurchase behavior. A model was developed that was based on the premise that ratings observed in a typical customer satisfaction survey are error-prone measures of the customer's true satisfaction, and they may vary systematically on the basis of consumer characteristics. The model was applied to a large-scale study of 100,040 automotive customers. Results of the study revealed that consumers with different characteristics have different thresholds such that, at the same level of rated satisfaction, repurchase rates are systematically different among different customer groups. The study also revealed that the nature and extent of response bias in satisfaction ratings varies by customer characteristics. Further, the study showed that, the functional form relating rated satisfaction to repurchase intention is different from the one relating it to repurchase behavior.

Ofir & Simson (2001)\textsuperscript{20} reported that customers' evaluations of quality and satisfaction are critical inputs in the development of marketing strategies. Given the increasingly common practice of asking for such evaluations, buyers of products and services often know in advance that they subsequently will be asked to provide their evaluations. In a series of field and laboratory studies, the researchers demonstrated that expecting to evaluate leads to less favorable quality and satisfaction evaluations; and reduces customers' willingness to purchase and recommend the evaluated services. The researchers examined three possible explanations for this systematic bias, which are referred to as negativity enhancement, role expectation, and vigilant processing.

Thomas (2001)\textsuperscript{21} investigated the acquisition and retention processes. Researcher was of the view that customer management decisions are frequently based only on an analysis of acquired customers. Analysis of the study revealed that customer management decisions can be biased and misleading. The researcher presented a modeling approach that estimated the length of a customer's lifetime and adjusted for this bias. It was reported that the financial impact of not accounting for the effect of acquisition on customer retention can be made understandable by using this model.
Vyas' (2001) study focused on finding the consumers' awareness regarding the use of plastic money and to find out the satisfaction level with the plastic money. The research came up with the results that some of the measures like a) reducing annual fees, b) increasing number of merchants, c) educating employees, d) government involvement, (e) installation of more ATMs, can help increase the customer satisfaction.

Gemini & Young (2002) opined that only a few number of companies are providing quality products and services to their customers. Companies are trying to reach their customers with a number of services and providing them maximum satisfaction. Companies are providing an insight to how to derive maximum satisfaction and build better and long lasting relations with their customer. He also provided, based on his research, that what are the expected budgets of IT expenditure to support CRM initiatives.

Das and Samanta (2005) were of the view that customer satisfaction as the key element for success in business is a major concern for any industry. In this paper researchers aim to develop an index to measure the level of customer satisfaction for each project in order to increase the number of repeat clients. Researchers proposed a customer satisfaction index using principal component analysis for a software solution company. This index was used as an input to the marketing division to identify their potential customers with high absolute value of CSI.

Gopalakrishnan (2005) found how technology is extensively being used for providing services to customers in banking Industry. Use of plastic Money, i.e. Debit/Credit cards etc., internet banking, phone banking has increased exorbitantly. Due to the increased use of technology customer expectations have also increased. Research reported that it has now become very difficult to retain a customer, which is more important than building up the customer. A critical evaluation of the ombudsman scheme launched by RBI for redressal of customer problems was also undertaken.

Matzler et al. (2005) studied the relationship between customer satisfaction and shareholder value theoretically as well as empirically. The results of this study
showed that there is a positive association between customer satisfaction and shareholder value. Secondly, the study revealed that, this relationship is not affected by the instability of financial markets. Thirdly, the study showed that there is a time lag of three quarters between customer satisfaction and the strongest impact on shareholder value. Finally, the study revealed the fact that there exists an optimal level of customer satisfaction, and if it is exceeded value will be destroyed.

Gilbert (2006) identified measures that can be used across industries for purposes of assessing customer service effectiveness. The research was done within USA using six industries identified by the characteristics of customer satisfaction ratings of 10,835 respondents. Industries chosen were: banking and finance, retail, government, grocery stores, hospitality/sports, and restaurants. Gilbert found that banking and finance and hospitality/sports entertainment were rated highest by their patrons whereas those dealing with government, general retail and moderately priced fast food restaurants received lower service satisfaction ratings. Differences were also found among respondent characteristics (i.e. age, gender, education and ethnicity/race). The study could have been done by selecting sample on systematic random sampling technique for enhancing the generalizability of the findings.

Hsu et al (2006) were of the opinion that customer knowledge was becoming one of the most important economic assets of a firm. Companies were able to optimize their resource utilization by knowing that what the customers actually value about the company’s products or services, which can lead them to continuous improvement. This study extended researches already accomplished in the field of customer satisfaction by showing how a customer satisfaction study can help answer questions, such as why customers are satisfied or dissatisfied, whether the company’s complaint handling is effective and how to improve customers’ satisfaction. Researchers surveyed more than 500 customers served by a commercial banking organization in Taiwan. Apart from this, researchers verified that there are differences in satisfaction levels among different genders. They further separated sample to compare the specific causal links between the

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two gender samples and were able to draw broader inference from the results. Partial Least Squares (PLS) was used to test the theoretical model. PLS made possible the construction of a strategic management map and provided with latent variable scores that could be utilized to report CSI scores.

**Ali & Coskun (2007)** 29 developed and tested a customer satisfaction index model for Turkish mobile phone sector (TMPS). The results of the study revealed that the general applicability of a structural equation model (SEM) depends on the reliability and validity of the modeling results. The results of this study provided very important information for the managers in formulating competitive marketing strategies. The findings showed how resources of the firm can be optimally allocated to improve satisfaction and loyalty. Independent and uniform measurement characteristics of the studied model provide a useful tool for tracking performance and systematic benchmarking over time. It also provides information about the weaknesses and strengths of the company from the eyes of its customers.

**Goutam et al. (2007)** 30 aimed at identifying the drivers that influence the customer satisfaction in a business-to-business context. Researchers identified three drivers of customer satisfaction. These were: a) reliability, b) product-related information, and c) commercial aspects. The importance of the last two drivers differed depending on the buyer's/user's primary functional area. For respondents from purchasing and management, commercial aspects were found to be more important than product-related information. For participants from engineering, maintenance, and production, product-related information was found to be more important than commercial aspects. The reliability driver emerged as the most important regardless of the functional association of respondents. Thus researchers could find out the main drivers depending upon the main functional purpose.

**Jamali (2007)** 31 presented satisfaction survey in the context of a public private partnership (PPP) in the Lebanese postal sector, highlighting traditionally overlooked linkages between PPPs, quality management and customer satisfaction. Findings of the study revealed a good level of satisfaction with the quality of services received through the PPPs, but mixed results were obtained.
concerning the impact of consumer characteristics on satisfaction ratings. The findings showed that age, residence and occupation correlate with satisfaction with Liban post. No systematic variation in satisfaction ratings on the basis of socio-economic/demographic characteristics was detected in this study.

Jose et al. (2007)\textsuperscript{32} tried to find out that whether South Florida's heterogeneous retail banking customers have differing perceptions of the importance of service quality dimensions and also to ascertain whether various ethnic groups report different levels of customer satisfaction with their retail banks. Researchers found that reliability and responsiveness are having the greatest impact on customers’ satisfaction levels. The results of the study offered significant implications for retail banks which are trying to improve customer satisfaction and also striving for better retention rates, using customer-oriented processes and training programs within an increasingly diverse marketplace.

Al-Hawari et al. (2009)\textsuperscript{33} highlighted the significance of service quality factors on customer retention. Researchers have proposed a conceptual model of the relationship between service quality factors. Findings of the study revealed that traditional service quality factors have positive influence on customer retention. On the contrary automated service quality like internet and ATM in general showed no positive significant influence on customer retention.

Trasorras et al. (2009)\textsuperscript{34} assessed customers' perceived value of professional services and analyzed its influence on satisfaction, loyalty and retention. Findings of the study revealed that there exist a significant relationship between service and customer retention, quality and customer retention, image and customer retention, price and customer retention, and value and customer retention. Also, a significant relationship was observed between value and satisfaction on customer retention; between value and loyalty's effect on customer retention; and among value, satisfaction and loyalty on customer retention. The study suggested that service, quality, image and price – are each directly related to customer retention and therefore should be used as an important strategy to retain customers.
2.2 Review of existing literature on Information Technology Enabled Services (ITES) & Internet Banking

Rathnam et al. (1995)\textsuperscript{35} tried to develop a framework for the Design of Information Technology and Facilitate Coordination in Customer Support Teams. To address the managerial challenge of designing Information Technology (IT) to facilitate coordination in customer support teams, this paper develops a framework identifying the drivers of coordination gaps in customer support teams. Measures for the characteristics of problem resolution processes, the characteristics of IT that assist in the management of coordination gaps, and coordination gaps were developed. Results from a field study administered to around 400 respondents from 41 different customer support teams in Apple, Dell, Hewlett-Packard, IBM, Seton Hospital, and Southwestern Bell, suggested that coordination gaps arise from a lack of fit between the characteristics of problem resolution processes used and the characteristics of IT used. The results of the study also indicated that processes with differing characteristics require different kinds of IT.

Christine (1996)\textsuperscript{36} opined that information technology (IT) is becoming a valuable resource in the organisations to improve the customer service quality. IT is becoming a key tool in achieving the competitiveness by automation of clerical functions, enhancement of operational efficiency and facilitation of information generation. IT can help provide good customer relationship. The research revealed five categories in evolutionary development and adoption of information technology as: a) Non-Players (not currently utilising IT), b) CdS (use of IT in customer service distribution system) c) CtS (use of IT for transactions and data related to sales and accounting), d) CrS (use of IT in relationship customer service) & e) CsS (use of IT as a strategic function).

Terrence and Gordon (1996)\textsuperscript{37} pointed out that customer satisfaction and retention are critical for retail banks, and investigates the major determinants of customer satisfaction and future intentions in the retail bank sector. Researchers tried to investigate the role of service quality, service features, service problems and situational factors on customer satisfaction and future intentions with their
main financial institution. The research identified the determinants which include service quality dimensions (e.g. getting it right the first time), service features (e.g. competitive interest rates), service problems, service recovery and products used. Findings suggested that service problems and the bank's service recovery ability had a major impact on customer satisfaction and intentions to switch.

Filotto et al. (1997) analyzed both payment services and sales, based on a wide survey of over 1,500 Italian customers. In case of payment services, attributes of services of human contact prove to be overstated when customer satisfaction is observed. Technology was found to be extremely important in helping bank branch officers decide which new services to offer to which customers, or how to provide customized services. In both sections customers' clusters were identified according to the importance of different service attributes. The study revealed that technology oriented unsatisfied customers were found to belong to most segments.

Krishnan et al. (1999) studied the key drivers of customer satisfaction for financial services. The data was collected from customers of a leading financial services company and a full Bayesian analysis has been done upon it. Their approach was to explicitly accommodate missing data and enable quantitative evaluation of the impact of the drivers of satisfaction across the customer under survey. Results of the study showed that satisfaction with product offerings was the primary driver of overall customer satisfaction. The quality of customer service with respect to different financial services like: financial statements and services provided through different channels of delivery, mainly information technology enabled call centers and traditional branch offices, were also found to be important in determining overall satisfaction. The results of the analysis also indicated that the impact of these service delivery factors may differ significantly depending upon the different customer segments. Further, they have discussed how specific quality features for designing and delivering financial services can be leveraged to enhance satisfaction with product offerings and service delivery. Their approach and results can have significant implications for managing customer satisfaction in the financial services industry.
Mehta (1999) presented a 20 point agenda to the ministry of Information & Technology, which for making India an IT superpower. Some of the requirements were mentioned, like non-interference of Government, a National Internet Backbone, PC Penetration, Income tax Incentives, implementation of e-governance projects, computerization of government offices etc. It was further added in the study that it is the software and dotcom driven InfoTech industry that can be source of suitable competitive advantage for India.

Basu & Srinivas (2001) highlighted that most of the web hosting companies are moving a step ahead to internet data centre as it ensures safety and integrity of the data to cabling system and specialized flooring. They suggested that the company can place its server at a data centre. Moreover, the bandwidth can be increased as and when the company desires, inducing the companies make best use of the technology.

Riel et al. (2001) discussed the growing importance of e-services, which can be accessed through internet or cellular phone. They observed a clear need to develop a better understanding of how consumers evaluate e-services and develop e-loyalty. The Researchers did an empirical study of an internet portal about service quality, customer satisfaction and loyalty. Data was collected by means of an online survey. The researchers measured the impact of customer satisfaction with three service components on value perception. Customers’ overall satisfaction was influenced by their satisfaction with the core (main) service, supplementary (additional) services and the user interface. The results showed a strong positive effect of overall satisfaction on the intention to continue using the portal. An important finding came out, that the supplementary services have predominant effect of satisfaction on value perception, but no significant direct effects were found of satisfaction with the user interface on value perception.

Ahmed and Kamal (2002) tried to understand the antecedents to and outcomes of customer satisfaction. Through a survey, the researchers studied the impact of service quality dimensions and customer expertise on satisfaction. A sample of 167 respondents, out of 200 chosen, took part in this study from the Abu Dhabi
Commercial bank (ADCB). Findings indicated that both core and relational dimensions of service quality appear to be linked to customer satisfaction. Findings also indicated that expertise is negatively related to satisfaction. Researches have identified service quality, expectations, disconfirmation, performance, desires, affect and equity as important antecedents of customer satisfaction.

Bradley and Stewart (2002)\textsuperscript{44} undertook an empirical research that investigate the factors driving and inhibiting internet banking. The main component of the research was a Delphi study of expert opinion. This paper gave a brief overview of the academic literature on the diffusion of innovation and internet banking. The study focussed on the future and the factors that would be instrumental in future bank adoption of the internet. The conduct and findings of the Delphi study revealed that internet banking will become an extremely important distribution channel in the future, with the drivers overcoming the inhibitors in influencing the rate.

Feinberg and Kadam (2002)\textsuperscript{45} opined that businesses today are moving online, not as a matter of choice, but as a matter of necessity. More and more use of the internet as a channel for commerce and information presents an opportunity for many business to use the internet as a tool for customer relationship management (CRM)/(e-CRM). This study attempted to find out the relationships between e-CRM and customer satisfaction. This was done by determining the presence of e-CRM features on retail Web sites. This paper also tried to determine if the amount of e-CRM is related to customer satisfaction or which, if any, of the various features of e-CRM are related to customer satisfaction. The results of the study showed that retailers differ in the presence of the 42 (Forty Two) different e-CRM features; that there is a positive relationship between e-CRM on a Web site and customer satisfaction with the Web site; and that not all e-CRM attributes are equal – some are related to satisfaction and some are not. The research also showed that there was no relationship between the level of e-CRM on a retail web site and sales and profit.
Mahanta (2002) reported that IT-enabled Services (ITES) sector in India is witnessing a tremendous growth. As this sector is generating great revenues which were expected to be around Rs. 100,000 crore by end of financial year 2008. After looking at this exorbitant growth several companies are opening their arms for ITES. He also provided data for number of employees that were employed due this application of ITES in various companies.

In this paper Nielsen (2002) pointed out some of his views about internet banking. Internet banking has now become such a well-established fact in the most developed countries that it is possible to map its actual role in customer relations. Inspired by the resource-based view of the firm and based on studies in the banking industry in Denmark, Finland, Norway, and Sweden, this paper traced important antecedents of internet banking adoption and analyzed its impact on relationship-marketing performance. In this paper the researcher used a structural equation modeling. The findings of the research offered some support for the view that the more advanced internet applications adopted and the more attractive the web site, the more the banks are able to keep profitable customers, in other words, better internet banking taking over traditional banking by serving customers in a better way. However, the results questioned whether it pays to be a first-mover and organizational factors related to market orientation and customer-relationship management seem to have a much stronger impact on customer-related performance.

Pasa & Sherman (2002) reported that banks in Asia are providing more and more internet services, although they are not as developed and advanced as US and Europe. Internet banking has emerged with several issues of security but at the same time has opened gateways for great opportunities. They provided with the data of kinds of services that are being availed by the customers.

Bradley and Stewart (2003) reported a Delphi study of the internet momentum in banking. Informed by diffusion of innovation theory, the study was sought to differentiate the key issues and to explore the future of internet banking. The study was done with the help of semi-structured, convergent, in-depth interviews and
successive stages of a Delphi study. The results of the study showed that internet banking is a very important issue in retail banking. Researchers reported that the internet will contribute as part of a multi-channel (bricks and clicks) strategy, rather than as a stand-alone (clicks only) strategy. The were of the view that developing functionality of internet banking may enable some banks to achieve competitive advantage through delivering higher perceived customer value.

Chawdhry (2003)\textsuperscript{50} pointed out that without expertise in hardware, the industry has no driving force nor can it enter the high value-added areas of the technology. With the help of official data he has highlighted that India has distorted tariff structure, poor infrastructure and a high cost of finance which has resulted in low foreign investment in Indian hardware industry whereas, China which is India’s main competitor, grants a total income tax exemption.

Fisk et al. (2003)\textsuperscript{51} presented the results of a qualitative study of a Portuguese bank regarding customer use of internet banking integrated in a multi-channel offering that includes high street branches, telephone banking, and automatic teller machines. The results showed that performance evaluation is a key factor influencing channel use. Customers tend to use the different service delivery systems in a complementary way, taking into account their assessment of the advantages and disadvantages of each one. Customer characteristics, and the type of financial operation, were also identified as important factors influencing this process. These results indicated that, in a multi-channel context, customer satisfaction with internet services depends not only on the performance of this channel in isolation, but also on how it contributes to satisfaction with the overall service offering.

Gerrard & Cunningham (2003)\textsuperscript{52} opined that internet banking is that form of self-service technology which costs millions of dollars, but has been made available by the leading retail bankers. This was done to find out the main characteristics which influence the rate of adoption of internet banking, and eight such characteristics were found. The results of the study showed that adopters of internet banking perceive the service to be more convenient, less complex, more
compatible to them and more suited to those who are computer proficient. The study also revealed that adopters were also more financially innovative.

Through this research Joseph and Stone (2003)\textsuperscript{53} tried to find out the impact of technology on service delivery in the banking sector. Increasing usage of customer friendly technology e.g. ATMs, phone-banking, internet banking, as a means of delivering traditional banking services has become commonplace in recent years as a way of maintaining customer loyalty and increasing market share. The research was undertaken by interviewing various customer segments of the banks using new technology for banking services. The researcher investigated some of the various roles technology plays in the US banking sector and how technology in general impacts the delivery of banking service. The authors developed a grid that might prove useful to bank managers when making decisions concerning the priority of implementation of service-oriented technology. Key strategic implications were highlighted to include ways banks can improve the level of technology-based service they provide to their customers.

Lin (2003)\textsuperscript{54} examined electronic commerce (e-commerce) in the context of the relationship between firms and their customers and the implications for organisational accountability. The technology of e-commerce determines what can be offered to customers, but only customers determine which of those technologies will be accepted. The author argued that providing the highest customer delivered value by e-commerce can be viewed as making a real contribution to customers, i.e. shopping through the internet will be accepted by customers. Lin viewed that Customer satisfaction is of critical importance when measuring perceived customer delivered value that is offered by e-commerce. Three main scales which play a significant role in influencing customer satisfaction were identified as customer need, customer value and customer cost.

Mark & Barry (2003)\textsuperscript{55} examined the perception of bankers regarding the use of internet as a relationship marketing tool. Banking sector is now entering into a new phase which consists of financially literate customers in a competitive market, leading to reduction of cost. As customers increasingly interact with banks through
remote technological channels the implications for the bank-customer relationships were reported to be important. This international research study explored the perceptions of senior bankers in the UK, Sweden and the USA with regard to the use of the internet as a relationship marketing tool. Researchers found that there was unanimous agreement that the internet had a key role to play in relationship management but there was far less agreement about the rates of customer adoption and the extent to which this could or should be influenced by bank strategies.

Mattila & Pento (2003) analyzed mature customers’ internet banking behavior in Finland. Internet banking was found to be the third popular mode of payment among mature customers. Researchers found that income and education level of the customers had a significant effect on the adoption of the internet as a banking channel. It was found that over 30% of wealthy and well-educated mature males use internet banking as their primary mode of making payments. Researchers found two factors that were the major hindrance in the development of internet banking as difficulty in using computers combined with the lack of personal service in e-banking. Mature customers also felt that internet banking was more unsecured than bank customers in general.

Mukherjee & Nath (2003) analysed the role of trust and interactions in retail banking with its customers on various dimensions of online banking. They specifically emphasized on the bank-to-customer exchanges taking place through the technological interface. Researchers empirically tested & developed a structural equation model. Findings of the study revealed that shared value is most critical to developing trust as well as relationship commitment. Secondly, communication showed a moderate influence on trust, while opportunistic behaviour showed a significant negative effect. The study gave an insight into how trust is developed and sustained over different levels of customer relationship in online banking. The researchers were of the view that future commitment of the customers to online banking depends on perceived trust.
Akinci et al. (2004) conducted a study to develop an understanding of consumers' attitudes and adoption of internet banking among sophisticated consumers. A demographic, attitudinal, and behavioral characteristic of internet banking users and non-users were examined. The findings of the study revealed that there exists a significant difference between the demographic profiles and attitudes of users and non-users. Researchers attempted to describe the internet banking phenomenon. Results of the findings have several implications that may be considered by banking institutions and their managers.

Durkin (2004) investigated the mutuality of benefit for both bank and customer through the adoption of self-service technologies (SSTs), of which e-banking is an illustration. The paper reported that internet banking focuses on the extent to which a number of retail-bank customers can be clustered according to an adapted decision-making framework. Findings of the study revealed that there is match between the clusters identified and the a priori classification of decision styles. It was observed that high levels of internet use at work have a positive influence e-banking registration.

Jenny and Adrienne (2004) discussed the importance of providing coherent and "seamless" access to information resources in an increasingly digital environment, in ways that meet customer needs and expectations. The researchers tried to find out what kind of the access that can be provided to the users and what tools and skills can be used to successfully deliver the said access.

Zhu et al. (2004) reported that a number of bank composition and operations variables behaved statistically independent between size variables (assets, number of employees, and number of branches) and WAN access. The study also indicated that return on assets and network system variables are independent. Therefore, networks systems have not had a direct impact on the bottom line.

Eriksson et al. (2005) studied the acceptance of internet banking in Estonia, which is an emerging east European economy. The study established an acceptance model and applied it to bank customers in Estonia. The results of the study suggested that internet bank use increases insofar as customers perceive it as useful. Perceived ease
of use of the internet banking does not directly increase the use of internet banking, but it does lead to greater perceived usefulness. Moreover, a well-designed and easy to use internet bank may not be used if it is not perceived as useful. Researchers concluded that the perceived usefulness of internet banking is, for banks, a key construct for promoting customer use. The researchers were of the view that models of technology acceptance should be re-formulated to focus more on the key role of the perceived usefulness of the service embedded in the technology. Researchers speculated that such acceptance model can be applied to internet banking in all sorts of countries.

Flavián et al. (2005) evaluated the relationship between corporate image and consumer trust in the context of financial services distribution. Researchers analyzed the moderating effect of relationship duration on the influence of the corporate image on trust. The study evaluated how the relationship of image-trust manifests itself in the distribution of financial services by means of traditional channels as well as in distribution via the internet. Findings of the study revealed that there is no significant difference in the intensity of the effect of the image on trust in terms of the relationship duration. But, a significant difference was found in the financial services distribution over the internet. Researchers found that there exist a greater level of risk due to two fundamental factors; firstly, the particular characteristics of the services, and secondly, the nature of financial service.

Joseph et al. (2005) discovered the underlying areas of dissatisfaction associated with the banking experience in the UK. The study explored the ranking of importance of selected technology on consumer perception of service delivery performance. Researchers formed an importance-performance grid which demonstrated two factors and their underlying attributes which fall into the “Keep up the good work” quadrant and the other two factors fall into the “Low priority” quadrant. The grid gives a clear picture of the factors that are critical for resource allocation. The study suggested the service providers to consider the changing needs and wants of customers' in the financial sector. The study provided evidence for the development and use of the I-P grid for preliminary identification and assessment of customer measures of service quality.
Lee et al. (2005) demonstrated the appropriateness of segmenting the ‘non-adopter’, ‘persistent non-adopters’ and ‘prospective adopters’ of internet technology and the adoption process of internet banking. The study identified the differences between adopters and non-adopters of the internet technology. Researchers have also tried to find out how non-adopters will become a means of identifying the consumer segments likely to be profitable in the future. The study revealed that there exist meaningful differences between prospective adopters and persistent non-adopters. It has been suggested in the study that, prospective adopters and persistent non-adopters, should not be lumped together in the diffusion of internet banking, also; before consumers can fully adopt internet banking, they should be proficient in the use of computers and web browsers. The researchers successfully explored the heterogeneous nature of the non-adopter category in the diffusion of internet banking.

Lu et al. (2005) assessed the extent of use of internet banking in Chinese domestic banks. The study has been done keeping in mind the use of internet banking as a strategic response to the entrance of the WTO. Researchers developed a model which depicted a path diagram to test the impact of various external and internal factors that were considered to have an impact on Chinese domestic banks. Findings of the study revealed that the increasingly competitive conditions in the banking sector resulting from China’s accession into the WTO have a significant effect on Chinese domestic banks’ internet banking investment decisions. The study also revealed that study finds that IT maturity has no significant correlation with the increase in internet banking investment. Findings of the study are beneficial to the organizations for improving their use of IT as a strategic weapon, especially for the banking industry.

Prasad & Lavanya (2005) reported that in the dynamic business environment technology is playing a great role in the success of Banks. It has provided great opportunities in satisfying their customers. With the advent of technology, banks are coming up with better and innovative products. Research and development (R & D) has also got support because of this. They observed that with technology in banks
they can render services like speedy transactions, 24 X 7 availability, multi-channel banking, anywhere banking, internet & phone banking and others.

Ryan and Valverde (2005) observed that e-consumers complaining consistently that the internet is incredibly slow. In an exploratory study on the time taken by web page to download on the computer screen, they reported significant ‘download delay’. The research was intended to extend the narrow conceptualisation of the phenomenon of download delay to a more user-based perspective of waiting on the internet. The study was based on a qualitative research methodology. The research methods included seven groups involving 126 internet users over 17 days and 92 participants who maintained personal diaries of waiting on the internet over a nine-week period. Subsequently, 14 distinct types of internet waiting situations were identified by the researchers based on the analysis of a more than 1000 waiting situations. The study presented a broader conceptualisation of waiting on the internet from an e-consumer perspective. This paper presented 13 new types of waiting situations on the internet.

Calabrese and Remshard (2006) suggested the guidelines for developing a knowledge management system for improving business performance. The eight step guidelines to a hypothetical internet bank, they have suggested creations of a knowledge collaborative environment and integrated repository to improve the effectiveness of the bank’s customer response team function. The research showed that correlating changes in business processes to take advantage of benefits from a collaborative knowledge sharing environment can be enhanced using a systems approach to tie the knowledge facets to the enterprise’s purpose for being. Researchers suggested that clearly defined processes that assist in getting improved results with subsequent positive performance recognition for the employee will lead to more readily acceptance of changes in their work habits. Researchers suggested that managers will more readily embrace KM if a clear “cause and effect” trail leads to overall improved effectiveness fostering the enterprise’s growth, stability and positive image.
Garg (2006) proposed 50 points for monitoring computerised bank-branches which can prove to be a key to success for bank-branches. The suggestions were classified under 50 points under various categories like - Infrastructure and placement of computers, Customization and parameter setting in software, HR issues, Maintenance of hardware and software, Data security, Inventory management, Network management, System security and General administration.

Gerrard et al. (2006) conducted a qualitative study to find out the reasons for consumers not using internet banking. A survey on 127 respondents revealed that there can be eight factors explaining why consumers are not using internet banking. These factors were: perceptions about risk; the need; lacking knowledge; inertia; inaccessibility; human touch; pricing and IT fatigue. The study was based on the consumers who do not use internet banking at all. The study provided a comprehensive understanding of why certain consumers are not internet banking users. The findings offered bankers a framework encouraging non-users to convert to internet banking. This study was qualitative in nature, thus it needs to be tested in a quantitative way through the development of scale items for factors.

Jacoby (2006) reported how competitive advantage can be achieved through IT (Information Technology). The Paper described how various service providers support their business by providing IT enabled services to their customers. This also helps the company achieve higher profit margins. A gap between planned and unplanned service calls on daily basis i.e. Sunday to Saturday had been reported by the researcher.

James et al (2006) examined the link between satisfaction and various recovery strategies through means of an empirical study of service recovery in US retail banking. Survey on 310 bank customers of various demographics revealed levels of satisfaction, types of recovery strategies as well as survey of and service recovery employees. Statistical techniques like Frequencies, Chi-square analysis and Correspondence analysis were used to analyze the data. The findings of the report showed no significant difference in recovery strategies or satisfaction by customer age, gender, or tenure with bank. However, the degree of customer
satisfaction was strongly influenced by the type of recovery strategy used by the
bank. The results also indicated that recovery efforts are best directed toward
empathic listening and fixing the problem rather than apologizing. This study of
service recovery in US retail banking provided useful information on the link
between satisfaction and various recovery strategies.

Kassim & Abdulla (2006) investigated the trust-relationship commitment model
in an internet banking setting by adding attraction as a new factor. They took a
sample of 276 bank customers and tested whether the attraction is related to belief
in and use of the internet banking or not? The results of the study showed that
both trust and attraction have significant positive impact on relationship
commitment with attraction having a strong positive effect, with communication
representing the most important determinant of attraction and having a significant
positive relationship with both trust and attraction. The study suggested that the
internet banking authorities should employ training and promotion approaches to
develop customers' beliefs. Thus, the study highlighted the need for bankers to
realize the relationship between trust and attraction.

Mäenpää (2006) conducted an exploratory study based on interviews, previous
internet banking studies and relating literature on internet banking services (IBS),
consumers availing the services and the potential development possibilities of the
services in the challenging operational environment. Seven dimensions of IBS
ranging from very practical to more hedonic were identified and explored.
Findings of the study revealed that three of the consumer clusters do not value
service dimensions containing experiential features, whereas the fourth cluster,
comprising mainly of youngsters, perceived those service dimensions very
appealing. Mäenpää suggested two alternative approaches to develop and design
internet banking services i.e., to concentrate on core function of IBS and design the
services in question to be as simple and unhindered as possible.

Ndubisi & Sinti (2006) examined the determinant structure of customers'
attitude system's characteristics on adoption of internet banking. The study was
based on data collected through online questionnaires. Findings of the study
revealed that the attitudinal factors play a significant role in internet banking adoption. Secondly, utilitarian orientation of the website rather than hedonic orientation has significant influence on adoption. The study identified four attitudinal factors that have strong influences on adoption namely, importance to banking needs, compatibility, complexity, and trialability. Researchers have suggested that the banking organisations should provide services and features that add value to customers.

Ponte et al. (2006) analyzed the web pages of the principal European financial entities, for assessing the degree to which they are rendering services by internet. A linear regression analysis was used to analyse the relationship between size and degree of web transparency in the financial entities. The findings of the study revealed that the web pages present a significant proportion of the information that will shortly be required. The study is a systematised analysis, to give a preview of the situation of generalised.

Rowley (2006) tried to gather conceptual perspectives on the role and nature of e-service, and the e-service experience through this paper. Rowley defined e-services and e-service experience with the help of innate features of technological support to services. He explored following differentiators to the service experience: firstly, e-service encounters, elements and episodes; and secondly, e-service's role in the total multi-channel experience. The findings of the study revealed that it is necessary to go beyond studies of e-service quality dimensions. The study also showed that inbuilt features of e-service delivery and the factors that differentiate one service experience from another should also be considered. The paper evaluated the factors that have an impact on the nature of the e-service experience. The study further showed that a clear articulation is required to manage e-service experience.

Centurion Bank of Punjab (2007) (CBoP) has been the leader in two-wheeler loans and Commercial Vehicles loans. To achieve the growth objective CBoP tried to find effective ways to cross-sell and up-sell to new and existing customers, improve campaign response rate, derive customers' future expectations etc. For
the purpose bank launched SAS banking Intelligence suite (BIS). Bank quoted it as an enterprise solution and not a simple BI tool as it integrated their existing 14 main banking Business Solutions.

**HSBC (2007)** created HSBC Software Development India (HSDI) in 2002 to provide software solution to HSBC banks worldwide so that their customers can be served in a better and systematic manner. HSDI has till now created 3500 associates. This setup helped improve workflows by automation, consolidation approach for all cash transaction and others functions.

**José & José (2007)** proposed a new method to investigate adoption of new technologies and test this method by looking into the determinants of internet banking adoption in Brazil through this study. The results of the study showed that the variables that influence the intention to use/continue to use internet banking are not exactly the same as those that influence actual adoption. Results of the study also showed that intention to use internet banking is influenced solely by customers' beliefs about internet banking, while its actual adoption is influenced also by individual characteristics.

**Maddern et al (2007)** evaluated the key drivers of customer satisfaction, specifically exploring the impact of business process management on service quality and Customer Satisfaction. Researchers did a longitudinal case study by using quantitative and qualitative data to test six propositions ($P_1$: Customer Satisfaction is positively correlated with Staff Satisfaction, $P_2$: Customer Satisfaction is positively correlated with Functional Service Quality, $P_3$: Customer Satisfaction is positively correlated with Technical Service Quality, $P_4$: Functional Service Quality is positively correlated with Staff Satisfaction, $P_5$: Technical Service Quality is positively correlated with Staff Satisfaction and $P_6$: Technical Service Quality is positively correlated with Business Process management) derived from literature reviewed by them. Analysis of the study showed the role of staff satisfaction and service quality as key drivers of customer satisfaction, suggested in the service profit chain, but suggests a more complex set of relationships. Technical service quality is found to play a critical role in
determining customer satisfaction and a strong causal link is found between technical service quality and business process management. Findings of the study suggest that managers should focus on technical service quality and business process management as a priority.

**Punjab National Bank (PNB) (2007)** has been leading banks in India and continuously adopting latest technology and innovative products for providing better customer satisfaction. Bank launched special campaign ‘Any Time, Any Where Banking’, through Centralised Banking system (CBS). Wherein the bank has undertaken continuous technological transformation and innovations to address the rising demands and ensure customer satisfaction.

**Ramani (2007)** reported that banking industry is witnessing a revolution due to introduction of IT and electronic gadgets. This has reduced transaction time and transaction cost to a great extent. This all happened only after liberalization. Ramani reported that banks are now implementing tele-banking, internet banking, mobile banking, ATMs, Debit & Credit cards etc. Author has provided in the paper the scope of IT in banking Industry in India. IT in banking is at elementary stage. Only 8% offer ‘advanced transactions’. Further, internet usability is also low in India. There were 55 million internet users in 2005. He opined that customers are realizing the value of availing banking services sitting at their home only, leading to increase of IT services in banking Industry.

**Malhotra, & Singh (2007)** tried to discover the factors affecting a bank’s decision to adopt internet banking in India. The study examined the relationship between the bank’s adoption decision and various bank and market characteristics. The findings of the study revealed that the larger banks, banks with younger age, private ownership, higher expenses for fixed assets, higher deposits and lower branch intensity evidence had a higher probability of adoption of internet banking. Banks with lower market share also see the internet banking technology as a means to increase the market share by attracting more and more customers through this new channel of delivery. The study identified the factors determining the adoption of internet banking by the banks in India.
Sayar & Wolfe (2007)\textsuperscript{86} evaluated the internet banking services of Turkey and the UK. The results of the study revealed that Turkish banks offer a wider range of services from their internet branches compared to British banks, despite the fact that the UK has a more favourable environment for internet banking in terms of the level of sophistication of its banking sector and technological infrastructure. The study also revealed that there is a difference in approach of banks in Turkey & UK towards the issue of “security”.

Yadagiri & Rajender (2007)\textsuperscript{87} reported that CRM (Customer Relationship Marketing) has created great opportunities for banks to improve customer satisfaction, retention and profitability. They described CRM as one of the best prescribed solution for diminishing market share. They opined that CRM has got a better position due to introduction of IT and its wide use e.g. ATMs, Debit card, Credit Card, 24X7 banking etc. They have also come up with success strategies for local as well global banks, out of which CRM holds a major position.

Singer et al. (2008)\textsuperscript{88} conducted a study to find out whether international online bank web sites are constructed in a manner sensitive to the culture of their host country or not. Findings of the study revealed that culture has an important influence on international online banking web sites and that Citibank has adapted the form and content of its web sites to local cultural influences in a manner comparable to that of the indigenous banks. The study confirmed the importance of the cultural values of individualism, masculinity, uncertainty avoidance, and power distance with respect to consumer acceptance of online banking.

Manzano et al. (2009)\textsuperscript{89} identified & analysed the determinants of internet banking use, with special focus on the role of product involvement, perceived risk and trust. Findings of the study revealed that ease of use and perceived risks (security, privacy, performance and social) have a direct influence on e-banking adoption. Trust appeared as a key variable that reduces perceived risk. Involvement played an important role in increasing perceived ease of use. Research suggested that web contents and design are key tools to increase internet banking services adoption. The study also provided recommendations to increase
web usefulness and trust, by a) practicing sincerity and transparency in terms of being able to fulfill the commitments and promises made; b) by improving bank's communication policy; c) by investing to improve the performance of the tasks and ensure that consumers perceive greater competence and skill in the organisation & d) by focusing on the web information content.

Martin & Camarero (2009) conducted a study on sample of 507 Spanish online buyers to suggest a model that reflects the role that web site cognitive and experiential signals, firm reputation, bricks-and-mortar experience, and consumer satisfaction play as determinants of trust in the web site in online buying. Results of the study revealed that those made a purchase online frequently can trust the website only based on their previous satisfaction. Findings suggested that vendors should make the biggest effort in providing existing online buyers with a satisfactory service that increases their trust in the firm and in its web site. Findings of the study can be applied to potential buyers according to the level of perceived risk.

2.3 Review of existing literature on Service Quality & SERVQUAL (Service Quality Index)

Zeithmal et al. (1988) identified an exhaustive list of factors affecting the magnitude and direction of four gaps on the marketer's side of their service quality model. The gaps were namely, a) Difference between consumer expectations and the management perceptions of consumer expectations; b) management perception-service quality specification gap; c) service quality specification-service delivery gap; d) difference between service delivery and external communications.

Newman & Cowling (1996) presented a study of initiatives taken by two British banks for quality improvement. The study provided a comparison of two different approaches, and contributed new evidences on the validity of the SERVQUAL model. For conducting the study case study methodology was adopted along with analysis of relevant company documents and semi-structured interviews. The results showed that Banks now have a greater strategic interest in service quality,
partly because there is a link between quality, productivity and profitability and partly because the decline in UK base rate to a historic low.

Zeithmal et al. (1996) highlighted the importance of service quality, by studying the consequences of behaviour of customers on service quality, as service quality relates to customer retention. They offered a conceptual model of impact of service quality on behaviours of customers that whether they remain or defect from company. Results of the study showed that there is a difference in the quality intentions with different behaviours. A multi-company study was done to examine the behavioural concerns that are influenced by the service quality.

Yavas et al. (1997) addressed three compelling and related issues within the context of the Turkish banking environment. The study investigated the effect of service quality on customer satisfaction, complaint behaviour and commitment in Turkey. They were of the view that banks should not ignore the specific needs of their internal publics, notably their customer-contact employees. The study concluded that for the success of any service quality programme of a bank can only be determined by creating and retaining the satisfied customers.

Mathew et al. (1999) were of the view that to reduce the costs and eliminate the uncertainties and irregularities, use of technology in the delivery of banking services is becoming increasingly widespread. This research investigated the role that technology plays in Australian banking and its impact on the delivery of perceived service quality. Results indicated that customers have perceptual problems with some aspects of electronic banking. Some strategic implications were also discussed.

Sivadas & Prewitt (2000) examined the relationship between quality, customer satisfaction and store loyalty within the retail departmental stores. The results of the study indicated that service quality does influence attitude & satisfaction of customers at departmental stores. A path analysis was done which revealed that satisfaction influence attitude, repurchase and recommendation but effect on store loyalty was not found. The study also reveals that developing a proper attitude and making them recommend the product can prosper store loyalty.
Wisniewski (2001)\textsuperscript{97} presented the results of using an adapted SERVQUAL approach across different Scottish council services. Findings showed that public sector service managers find the gap approach and the dimension approach both conceptually attractive and operationally useful. As per the researcher, this was for the very first time they had had numerical information on customer expectations and hence on service quality gaps and the information generated was seen as useful, typically supplementing that already available to the service from focus groups, complaints systems and internal information systems. However, the study also revealed that SERVQUAL will not give a complete picture of needs, expectations and perceptions in a public sector context.

The study done by Broderick & Vachirapornpuk (2002)\textsuperscript{98} proposed a service quality model of internet banking. They did an analysis of a UK internet banking Web site community to explore how internet banking customers perceive and interpret the elements of the model. Results of the study showed that the manner in which customers participated had the greatest impact on the quality of the service experience. It further showed that customer participation operates not just in starting the service experience in internet banking, leading to interaction with the service setting and to engaging in various service encounters, it also frequently completes the process and acts as a filter to the quality attitudes formed.

Caruana (2002)\textsuperscript{99} took a view of concept of service loyalty and moved further to distinguish between various aspects of service quality and customer satisfaction. Caruana also proposed a mediational model that links service quality to service loyalty via customer satisfaction. He did a postal survey on 1000 banking customers out of which 20.5\% responded. Results of the study showed that customer satisfaction plays a mediating role in the effect of service quality on service loyalty. He observed that a number of demographic factors also effect service loyalty.

Zhu \textit{et al.} (2002)\textsuperscript{100} proposed a service quality model to investigate the causal relationships between customer evaluations of IT-based services and overall service quality by identifying the attributes associated with IT-based services. The
model was tested using a structural equation modeling approach. The study found that perceived IT-based services affect perceived overall service dimension which affect customer satisfaction and perceived service quality. The results of the study suggested that customer evaluations of IT-based services are affected by their experiences in using IT-based services and perceived IT policies. The findings of this study provided insightful information for IT decision-making. Researchers opined that IT can help service providers achieve higher levels of customer service.

Iwaarden et al. (2003)\textsuperscript{101} identified the quality factors that are perceived to be most important with regards to the use of Web sites. A questionnaire used was based on SERVQUAL, for conducting the study. The findings of the study indicated that the quality dimensions that are applicable in the service sector are also applicable to Web sites.

Akamavi (2005)\textsuperscript{102} conducted a study to examine the financial service innovation process. The study was an analysis of the operational process of opening a Lloyds TSB Student Account at a local branch. The findings of the study indicated that there is an increased efficiency, productivity and customer satisfaction & these levels are identified as the key to innovation process performance. This paper provided a re-engineered process which is simpler, more economical and faster than the original process. One of its contributions lies in increasing the ability of managers to improve their knowledge and skills for responding to the e-service innovation process. The study concluded with evidence of non-financial performance results of this type of financial service innovation.

Study done by Arasli et al. (2005)\textsuperscript{103} analysed the service quality in the commercial banking sector of a small island economy – Cyprus and to investigate the relationship between overall bank customer satisfaction in the Turkish- and Greek-speaking areas of Cyprus and positive word-of-mouth about their banks. The results of the study indicated that the customers’ expectations were not met in both the areas and the maximum gap was in the empathy section.
Badri et al. (2005) conducted a study to find out the utilisation of SERVQUAL model for identifying gaps in the services provided by the information technology (IT) resources. For the purpose SERVQUAL was applied to IT services in higher education institutions in the United Arab Emirates. The results of the study showed that it favored perception scores. Further, respondents felt that SERVQUAL is a useful indicator for IT center service quality in institutions of higher education.

Gounaris (2005) conducted a survey to validate an empirically derived measure for assessing perceived service quality in the business-to-business context. For the purpose 1285 companies were selected from four service industries. The results were not in favor of SERVQUAL as it showed that it suffers from significant methodological problems when applied to business to business services. The findings of this study contradicted the study done by Iwaarden et al. (2003) which indicated that SERVQUAL is equally applicable on websites as on other service industries.

Carrillat et al. (2007) did an investigative study to find out the difference between SERVQUAL and SERVPERF's predictive validity of service quality. The study was based on 17 studies containing 42 effect sizes of the relationships between SERVQUAL or SERVPERF with overall service quality (OSQ) are meta-analyzed. The findings of the study revealed that SERVQUAL scale to the measurement context improves its predictive validity; conversely, the predictive validity of SERVPERF is not improved by context adjustments. Overall, both the models i.e. SERVQUAL & SERVPERF are equally valid predictors of OSQ.

Loonam & O'Loughlin (2008) explored the emergence of self-service banking technology. They tried to investigate customers' perceptions of internet banking self-service within the Irish financial services sector. Findings revealed that many traditional service quality attributes were redundant. Quality service recovery and flexibility emerged as important to e-banking service provision as compared to e-dimensions such as web usability, trust, access and information. Researchers proposed ten e-service dimensions, wherein nine out of the ten proposed e-banking
dimensions relating to the service process. This qualitative study of the Irish retail banking sector explored consumers' e-banking interactions and experiences in addition to assessing the dimensions critical to e-banking service quality. Researchers gave suggestions for enhancing current online financial services quality and delivery.
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