2.1 Introduction

In this chapter existing literature was reviewed and some gaps were identified and accordingly objectives and hypotheses were set for the research.

The research is based on the theories and methods of service quality and service quality evaluation.

2.2 Nature and Characteristics of Services

These days’ consumers expect high quality services which put pressure on businesses to have a better understanding and measurement of service quality (Wisniewski & Wisniewski, 2005). In the past 30 years there has been considerable interest and debate among academics and practitioners in the literature on defining and measuring service quality (Martinez & Martinez, 2010).

Service quality is considered as one of the top priorities of firms at the present Tone because it gives the company a competitive advantage, helps sustain growth and Increases efficiency (Wisniewski & Wisniewski, 2005: Ladhari, 2009).

According to Gronroos (2000. P.46) services arc activity of more or less intangible nature that normally, but not necessarily, takes place in interactions between the customer service employees and/or physical resources or goods and/or the service provider. Which are provided as solutions to a client's problem? Some researchers define services as processes that are produced and consumed with the involvement of customers in the production and consumption of services (Edvardsson. 2005). Zeithaml. Bitner & Gremler (2009. P.4) indicate that services are deeds, processes, and performances provided or Co-produced by one entity or person for another entity or person.

Another definition of services is that it is an experience that includes the way the customer feels about the service or as a transaction with inputs and outputs (Tyagi & Gupta. 2008). The input to service as a transaction includes the customer, systems. Interpersonal skills and the work environment, whereas the output of a transaction might be the service to a customer; this makes it hard to measure because it includes the customer's perception of the service (Tyagi & Gupta, 2008). Therefore, services are the experiences that the customer receives during the service encounter (buyer-seller Interaction) (Hopkins, Hopkins & Hoffman, 2005).
According to Wilson et al. (2008), services are usually discussed in terms of the following distinctive characteristics: the examples below are used to clarify the characteristics of services as discussed by Wilson et al. (2008).

**Intangibility:** this is the most important attribute of services and differentiates services from the goods as services are actions, not objects like goods, therefore they cannot be seen, touched, smelled or tasted.

**Inseparability:** services are generally sold first, then produced and consumed concurrently. This is different to goods which are produced first. Sold to the customer and then consumed. Usually the consumer is present when the service is being provided which means the consumer is part of the service process.

**Heterogeneity:** quality of services can be inconsistent as they are performed by different employees and at varying time intervals. It is difficult to reproduce services to the same standards, as can be done with the products. Because they are produced by people. The combination of employees and customers will vary each time making it difficult to have two services that are completely alike. This also justifies the need for services to be provided differently in order to accommodate the customer's needs and demands.

**Perishability:** services cannot be stored like products and it is difficult to review and reassess it. As one would do with products. Moreover services cannot be returned or resold. Therefore, services can be seen as more intangible than goods. More difficult to separate the production and consumption. More heterogeneous and more perishable than goods.

### 2.3 Definitions of Quality:

There are various definitions of quality, but W. Edward Deming a renowned author in quality management: states that — a product or a service possesses quality if it helps somebody and enjoys a good and sustainable market (Deming, 2000. P .2). Researchers no longer view quality as products with no defects; rather the quality is explained in terms of the value it adds by a system of continuous improvement in all areas with a focus on satisfying the customers (Mete. 2007). Another definition of quality is that of the International organization for Standardization (ISO) is the totality of features and characteristics of a product or service that bear on its ability to satisfy given needs (Swanson, 1995. P.I) There are many other definitions of quality, but the most comprehensive one is the approach by David Garvin (Foster, 2004) who classifies the definition of quality as one of five
approaches. The five principal approaches to quality are transcendent, product based, user based, manufacturing base or value based (Foster, 2004; Kasper, Helsdingen & Gabble, 2006).

First. Transcendent means that products or services have incomparable Qualities and refers to the way the individual perceives quality.

Second. Product based refers to the tangible characteristics or components of the products or services; qualities that make customers rate one product or service higher than another. For example, a handmade chair that is crafted from superior wood makes it strong and durable.

Third. User or customer based refers to the customer's requirements being met which in turn lead to customer satisfaction. Cost, reliability and performance are important elements for customer's evaluation of the quality which makes the focus on quality external.

Fourth, manufacturing or supplier based means that the products or services meet the requirements and specifications of the service or product provider. The focus on quality here is internal, on the process and not the outcome.

Fifth, value based refers to meeting the customer's requirements in price, quality and availability. This means that the customer evaluates the product or service, knowing that there is a compromise between price, quality and availability.

Garvin (1988) suggests that organizations should combine as many of the previous quality approaches as possible in order to have a successful quality program. For example a company could start with the user-based approach to recognize certain features that the customer requires in the product or service. After that, the product-based approach could be used to add new features to the product or service. This is an example, combining the user based approach with the product based approach. Service Quality Concept As discussed earlier services have the four characteristics: intangibility, herogeneity, perish ability and inseparability, which makes the concept of service quality elusive and abstract (Ladhari. 2009a: Lin. 2010) which complicates the conceptualization and measurement of service quality (Cronin & Taylor. 1992; Lee, 2007: Marshall & Johnston. 2009). To understand service quality, the organization must define how service quality is perceived by the consumer and determine in what way service quality is influenced (Gronroos. 2007a. p. 57). Gronroos (1984) defines perceived service quality as a consuming process in which the customer is part of the service process that leads to an outcome or result. The way the
customer perceives the service process at the time of the service is more important than the outcome of the service. According to Parasuraman, Zeithaml & Berry (1988) service quality are the customer's judgment of the overall excellence of the service or the difference between customer's expectation and the actual service performed or perceived. The customer's expectation and perception of the service becomes important when the customer thinks back to see if the perception exceeded the expectations (Siu & Cheung, 2001; Kang & James, 2004). Service quality is viewed as either a difference between the expectations and perception of the service or as an attitude based view. The first view was suggested by Parasuraman, Zeithaml & Berry (1988) who view service quality as a comparison between customer's expectations and perception of service quality. They developed a model based on the difference between the customer's expectations and perception of service quality, Crunin & Taylor (1992) argues that service quality should be viewed as the cotton attitude towards a service. This view supports the measurement of Service quality based on the perception (performance only) of service quality. Rust & Oliver (1004) concur with the idea that perceived service quality is similar in meaning to attitude which includes the overall judgment of a product or service. Researchers as well as managers are interested in the area of service quality because it is no- fault to reduce costs, increase customer satisfaction (Chen, 2008; Howat, ono, & McGrath, 2008) increase customer loyalty and retention (Sureshchandar, onnajan & Aanatharaman, 2002; Wong & Sohal, 2003; Bontis & Booker, 2007: nog. 2002; flown. Crilley & McGrath. 2008) increase repurchase intention (Perez et e),. 2007: Chen. 2008) and make the organization more profitable (Asubonteng, Mccleary & swan, 1996; Finnic. 1996: Sivadas & Prewitt. 2000; McAdam, McLean & Henderson, 2003: Seth. Deshmukh & Vrat, 2005; Edvardsson, 2005). Furthermore, research shows that service quality has an impact on company performance, attracts new customers, is linked to employee and customer satisfaction and enhances the image of the organization. (Seth. Deshmukh & Vrat, 2005; Akbaba, 2006). According to Palmer (2008) there is a clear connection between improving service quality and higher profit; improving service quality was found to have a positive effect on the company's stock value and in an empirical study in the United Kingdom. It was found that customer satisfaction is linked to profit. The competitive advantage of successful service providers and retailers is often explained with a logic wherein service quality Contributes to customer value, resulting in increased satisfaction and behavioral intentions, eventually creating loyalty that manifests itself in enhanced profitability (Rintamaki, Kuusela & Mitronen, 2007, p. 621).
2.4 Service Quality Models

Most service quality models suggest a multidimensional conceptualization of quality that leads to the measurement of service quality from a consumer’s perspective (Akinci, Atilgan-Inan & Aksoy, 2010; Martinez & Manion, 2010). There is a need to have a clear understanding of the service quality models because they help gears to identify quality problems which leads them to plan programs to improve the quality which in turn will lead to better performance (Seth, Deshmukh & Vrat, 2005; Ahmad et al., 2009). Two major schools of thought dominate the literature; the American school and the Nordic school (Karatepe, Yavas & Babakus, 2005; Caro & Garcia, 2007) and researchers generally adopt one of the two schools (Ahmed et al. 2009).

2.4.1 The Nordic School

The main contributor to the Nordic school service quality model is Gronroos. This model is not as widely known as the American school (Woodall, 2001; Kang & James, 2004). Gronroos service quality model consists of three dimensions: technical quality, functional quality and image (Gronroos, 2007a). The technical or outcome dimension is usually more objectively measured than the functional quality (Palmer, 2008) because it is the quality that can be quantified. The technical quality includes what the customer receives as a result of the interaction with the service provider. On the other hand, the functional or process related dimension is more of a subjective evaluation by the customer and includes how the service was performed by the service provider. This might also include the behavior, appearance and the way the employees communicate with the customer which can influence the customer evaluation of the service, how the customer gets the technical outcome (Gronroos, 2007a, p.61). The image which refers to the company image is the way the consumer perceives the organization and to a great extent is built up of two dimensions. The technical dimension and the functional dimension (Gronroos, 2007b). Another factor which influences the image of the company is the advertising that is undertaken by the company. If a customer has a positive image of the organization. She/he will tolerate small mistakes provided that these mistakes are not repeated. However, a negative image makes the customers less tolerant of the mistakes of the service provider (Kang & James, 2004). Sometimes Gronroos presents the image as a dimension and sometimes he presents it as a factor that influences the technical and functional quality dimensions and does not refer to it as a dimension. Gronroos model is viewed as a three dimensional model or a two dimensional model (Gronroos, 2007b; a)
depending on whether an image is included or excluded as a dimension. Experienced service has only three dimensions: technical quality, functional quality and image on the other hand, the expected service has many other elements such as marketing, communication, sales image and word of mouth (Greltr 13-5, 20076). The perceived service quality is determined by the experienced service and expected service. The customer has a good perception of service quality when the experiences, meet the expectations (Gronroos, 2007b). For a customer to have a positive experience the experienced quality must be higher than the expected quality in order to close the gap. The perceived service quality is not a result of the technical and functional quality dimensions only, but a result of the gap or differences between the expected quality and experienced quality (Gronroos, 2000). According to Gronroos (2000) to achieve better service quality seven criteria must be met. These criteria are presented below and arc based on how the customer views service quality:

- Professionalism and skills: refers to the skills that the employees of an organization have in dealing with problem solving (outcome dimension).
- Attitude and behavior: the way the employees deal with the customer’s Friendly manner (process dimension).
- Service Recovery: the way the service provider deals with the service when things go wrong and the way they rectify the situation (process dimension).
- Servicescape: refers to the physical aspects of the organization that support a pleasurable experience (process dimension).
- Reputation and Credibility: refers to the faith the customer has in the service provider and that they received value for their money (image).

Another service quality model which is part of the Nordic school (Athanassopoulos, 2000) is the three dimensional model of service quality (Lehtinen & Lehtinen, 1991), which includes physical quality, interactive quality and corporate quality. Physical quality is the quality that results from the physical element of the service. It includes the physical products (goods) that are consumed during the service process and this is usually evaluated in an objective manner, and physical support which aids the production of the service. The physical support is further divided into two categories: the environment of the service firm (the decoration and the layout of the facility) and the equipment such as crockery and cutlery in the case of a restaurant. The interactive quality is the interaction with the employees or any other elements.
of the service provider. This also includes interactions that customers have with each other. The other elements could be mechanical in humanities such as the service provider employee. Finally, the corporate quality is the history of the organization and the image people form about the organization. The corporate quality takes time to evolve whereas the physical quality might improve faster depending on the improvements made by the organization (Lehtinen & Lehtinen, 1991).

- Accessibility and Flexibility: this refers to the operating hours of the organizations and the organization's systems that make it easy for customers to receive the serviced (process dimension).

- Reliability and Trustworthiness: this refers to the customer's ability to rely on the service provider to deliver the promised service (process dimension).

Lehdacu & Lehtinen (1991) introduce another service quality model which is fora the customer's point of view and is based on two dimensions. They argue that patio quality could be judged by the customer as two dimensions; process service and ova quality service. Process quality is the subjective assessment of the service process: the way the customer views the production process and how well they fit into the process. The customer's experience depends on the nature of the service and the level of the customer's participants. Ultimately, the process quality relies on the match between the customer's style and the provider's style, but when there is a mismatch between the two. The customer will perceive quality as being poor. The second dimension is the output quality which is the customer's judgment of the end result of the service. The output quality is divided into tangible and intangible elements. An example of a tangible element is a car wash, which could be evaluated by the customer. Whereas tourism is an example of an intangible output because it depends on the feelings of the customer.

### 2.4.2 The American School

The American School is more widely known than the Nordic school, and it is based on Parasuraman, Zcithaml & Berry (1938) gap model (O'Neill & Palmer, 2003: Karatepe, Yavas & Babakus, 2005; Prayag, 2007). The American school, also known as the disconfirmation model, was developed in 1985. Later modified in 1988,1991 and 1994 (Akbaba, 2006). The gap model is about giving managers the tools to improve service quality. This service quality model is based on five gaps with the consumer gap (gap 5) as the most important gap. The
consumer gap is the difference between the customer’s expectation services and the perception of the services (Zeithaml, Bitner Gremicr. 2009) understanding the customer gap is the key for improving service quality in an organization, however, it cannot be closed without closing the other gaps (Wilson et al., 2008). Closing the provider gaps 1 to 4 are crucial for closing the customer gap(8°05) as illustrated in figure 3.3 below (Zeithaml. Bitncr & Grimier. 2009). Gaps I-4 are internal called gaps and they provider gaps because they take place in the organization that provides the service (Wilson et al., 2008); and they are less researched than the customer gap (Urban, 2009). The size and direction of the gap 5 is influenced by gaps (14); to improve service quality gaps 1-4 need to be reduced (Kasper, Hclsdingen & Gabbott, 2006).

There are five gaps: these gaps are summarized below (Kotler &. 2010)

1. Consumer Expectation - Management Perception Gap (Gap 1): there is a difference between the customer expectation and the way the managers perceive this expectation. Management does not always have a clear understanding of the customer's expectation of service and they arc unaware of the important service aspects customers look for when being served. Therefore, there are many reasons for the management's lack of understanding of customer's expectations such as the lack of communication between them or the unwillingness of the management to tackle the customer's problems.

2. Management Perception - Service Quality Specification Gap (Gap 2): this gap is the difference between customer's expectations and the standards that are established by the organization which might not be enough to meet the customer's expectations of the service. The difficulty is in creating standards that ensure the customer's expectations are met, sometimes management considers customer expectations as unrealistic. These standards are considered weak or inappropriate if they do not reflect the expectations of customers which lead to customer perceiving the quality of service to be inadequate.

3. Service Quality Specifications - Service Delivery Gap (Gap 3): this gap is the difference between the service quality standards and the delivery itself, which can result in services being inadequate because they are dependent on employees who may be poorly trained. To ensure that the delivery matches or exceeds these standards, employees must be properly trained and the systems in place need to accommodate the delivery of the standards.
4. Service Delivery – External communications gap (Gap 4): this gap is the difference between what the service provider promises and the actual service received by the customer. External factors such as advertising may increase the customer's expectation of the service delivery. Therefore, it is important not to promise what cannot be delivered as this will lead to customer frustration. It is important for the service provider to manage the expectations of the customers by clearly communicating the services that the company provides without any ambiguity.

5. Expected Service - Perceived Service gap (Cap 5): the difference between the services the customers expect and the service they perceive. Customers have expectations that are based on past experiences and these expectations are what customers think the service should be. On the other hand, the customer perception was the subjective evaluation of the actual service at the time of the service.

Customer satisfaction is imperative for the competitiveness of the organization. Therefore, it is important to understand the customers in order to deliver a quality service.

The model shows the links between the different activities that are vital for delivering service quality; these links or gaps when closed (gap I to 4) lead to improved service quality (Zeithaml, Bittner & Gremler, 2009). Once the gap is identified, managers can identify areas of weakness in their service and plan for improvements to reduce the gap (Foster, 2004; Painter, 2008). Managers could use different tools to close the gaps, One of which is through employee empowerment and training (Prayag, 2007).

To measure the most important gap which is the consumer gap (gap 5): a 22 item Scale called SERVQUAL is used (Foster, 2004; Prayag, 2007), SERVQUAL is also used to measure other gaps also such as the management gap, the employment gap between the managers and customers (Foster, 2004). SERVPERF is similar to solve in that it uses the same 22 item scale to measure service quality, but differs in the number of times the service quality is measured. SERVPERF uses the 22 item scale once to measure the perception of service quality; whereas the SERVQUAL uses the tool twice, once to measure the expected service quality and once to measure the perceived service quality. SERVQUAL is used to measure service quality as a multi-dimensional construct across five dimensions: tangibility, Reliability, responsiveness, assurance and empathy (CM. Lewis & Park, 2003).
The five dimensions are explained in detail below:

1. Tangibles: the physical appearance of the facility which includes materials, Equipment and personnel. This enhances the image of the company and provides a more positive image in the way the customer perceives the service.

2. Reliability: this refers to service reliability, which is different from product reliability and involves the service provider to be able to perform the services accurately and dependably. This means that the company fulfills its promises with regard to the delivery of the service, the price and solving the customer's problems.

3. Responsiveness: the readiness to provide timely service by the service provider. This includes paying attention to the customer and dealing with the customer's complaints and problems in a timely manner. Responsiveness are being flexible with the customer and trying to accommodate the customer's demands and Performing the service without delay.

4. Assurance: the ability to deliver services at a professional level. This includes the employee’s knowledge and courtesy which inspires confidence in them. Having trust and confidence in the employee leads to the customer having more trust in the company itself. For example, a salesman who sells health insurance needs the customer’s trust. In order for them to buy the health insurance(Nilson et al, 2008).

5. Empathy: the ability to understand customer needs and to give personal attention. This includes the ability to show the customer that the service provider cares about him/her because they know how valuable he/she is the business. Being able to build a relationship with the customer, understanding their needs and providing higher with personalized services. Many researchers find that the perception of service quality influences the customer's readiness to buy. More than the perception of the quality of the product (Suoboda et al.. 2007). From the previous definitions of service quality it is apparent that they include the perception and expectations of services. Perception of service is the customer's opinion of the service or product (Foster, 2004) or the general judgment of a service (Suresh chandar, Rajendran & Aanatharaman, 2002) which is affected by many factors such as the education level, background and others (O'Neill & Palmer, 2003). The perception could be a one time or single perception of the company, such as an experience buying a product at a specific time or an overall perception of the company based on many experiences with the organization. This could also include the evaluation of other services that the company offers.
Therefore, the experience becomes important when the customer makes judgments based on these experiences (O’Neill & Palmer, 2003).

There are two different levels of expectations (Zeithaml, Bitner & Gremler, 2009): service is the level of service the customer anticipates receiving from the service order. At the adequate service level, the customer anticipates a minimal standard of service from the service provider; this is the minimal level of the acceptable performance the customer will tolerate. The difference between the desired level and the adequate level is called the tolerance zone or the zone of acceptability as stated by Kasper, Helsdingen & Gabbott cum. The zone of tolerance changes over time, from service to service and from customer to customer (Kasper, Helsdingen & Gabbott, 2006). The zone of tolerance according to Zeithaml, Bitner and Gremler (2009, p.80) is the extent to which customers recognize and are willing to accept variations in services. If the service level goes below the adequate service level, this usually causes customers to become irritated and dissatisfied. However, if the service level is above the desired level, it usually makes customers happy and satisfied with the service (Wilson et al., 2008). Figure 3.4 below shows the desired services, the adequate services and the zone of tolerance. The zone of tolerance as illustrated above is the acceptable level of service for customers, and customers usually notice services if they drop below the adequate level of or rise above the desired level of service (Zeithaml, Rimer & Gremler, 2009).

2.4.3 Other Service Quality models

The Hierarchical model, Brady & Cronin (2001) acknowledge that the American school and the Nordic school are the most adopted conceptualization of service quality by researchers. They integrated the Nordic school model and the American model into a new hierarchical model: they adopted the view of Rust & Oliver (1994) that perceived service quality depends on three dimensions; the customer employee interaction, the service environment and outcome.

Brady & Cronin (2001) also adopted the view of Dabholkar, Thrope & Tenz (1996) that service quality is a multidimensional and multilevel construct. Therefore, the model by Brady & Cronin (2001) integrates the conceptualization of service quality by suggesting a service quality model with three dimensions.

The three dimensions are interaction quality, physical environment quality and outcome quality; each of these dimensions consists of three sub-dimensions and the aggregate
evaluation of the sub-dimensions from the perception of that dimension. The combined perception of these dimensions leads to the overall service quality perception.

Reflected measurement according to Bagozzi & Edwards (2000, P. 155) are constructed usually viewed as causes of measures, meaning that variation in a construct leads to a variation in its measures; construct according to Bagozzi (2007) means a conceptual term. To clarify Diamantopoulos & Siguaw (2006, p. 263) explain reflective measurement as latent variables which are measured using reflective (effect) indicators. Indicators are seen as functions of the latent variable, whereby changes in the latent variable are reflected in changes in the observable indicators.

According to Carrillat, Jaramillo & Mulki (2007) Brady & Cronin's hierarchical model has not persuaded researchers that it is superior to SERVQUAL or SERVPERF. Both SERVQUAL and SERVPERF dominate the literature with 46% of the articles that cited SERVQUAL or SERVPERF having done so in the past five years, which indicates that they are still very popular (Carrillat Jaramillo & Mulki, 2007). Before discussing the classification of service quality models as suggested by Martinez & Martinez (2010) it is important to clarify the difference between reflective measurement and formative measurement.

Service quality constructs us a reflective model means that service quality construct is reflected by jilt dimensions which indicate that changes in service quality construct settings in the dimensions and changes in the dimensions cause changes in subdimensions. On the other hand, formative models are measures that are viewed as ALT of constructs which means that the construct is formed or induced by its measures cttau & Edwards. 2000. p. 155). To clarify Diamarttopoulos & Siguaw (2006. p. 263) explain formative recent changes in the indicators that determine changes in the value of the latent variable. Service quality constructs as a formative measurement means that changes in the di -ions causes changes in the service quality construct. Martinez & Martinez (2010) classifies the service quality models into three main models to help conceptualize service quality:

The Multidimensional reflective model: an example of this type is the retail service quality scale by Dabholkar. Thorpe & Rentz (1996). This model is a multidimensional and a multi-level (hierarchal) model. This means that variation in the service quality constructs causes variation in the dimensions and the variations in the dimensions cause’s variations in the sub-dimensions. Multidimensional formative models: examples of this type of model are the SERVQUAL, SERVPERF and the Nordic model. These models are multidimensional models
and they assume that variations in the dimensions cause variations in the service quality construct which is opposite to the reflective model. This model conceptualizes service quality as shaped by its dimension; this is different to the multidimensional reflective model which conceptualizes service quality dimensions in the American school. The three service quality models are similar in that all of them are multidimensional models.

The seven criteria of good service quality in the Nordic school are similar to the service quality dimensions in the American school. The criteria of professionalism and skills in the Nordic school for good service are similar to one of the questions on the American school questionnaire on handling customers’ problems. The second criteria of good service in the Nordic school are the attitude and behavior of the employees and this is comparable to an item on the American school questionnaire which is employees are consistently courteous with customers. The list goes on. At surface level one might think that the two schools are very different, but by looking more closely at them it can be seen that they are quite similar.

2.5 Measuring Service Quality

Based on the earlier literature review the increasing interest in service quality has rode the development of an instrument to measure service quality imperative: however, there are difficulties in measuring service quality because of the nature of the services. As discussed earlier services have four characteristics; intangibility, heterogeneity, perishability and inseparability which make service quality an elusive and abstract concept (Ladhari, 2009a). Measuring service quality depends on the model underpinning service quality. Among all the service, quality scales SERVQUAL has attracted the most attention (Lin, 2010) and has been identified as being the most widely used scale for measuring service quality (Akbaba, 2006; Albacete-Sanz, Fuentes-Fuentes & Llorens-Montes, 2007; Stodnick & Rogers, 2008) in service management and marketing literature (Stodnick & Rogers, 2008). The SERVQUAL instrument developed by Parasuraman et al. (1988) originally consisted of 97 items and ten dimensions. It was then refined and reduced to 22 items that measure five dimensions (Akbaba, 2006). The concept of service quality is based on the difference between the customer perceived and expected level of service (Cui, Lewis & Park, 2003). This means that
the customer conceptualizes service quality as an agar, between the expected level of service and their evaluation of the performed/ perceived level of service. The SERVQUAL scale consists of two sets of the same 22 items: the first set measures the customer's expectations of the services and the second set measures the common perception of the services (Asubonteng, McCleary & Swan, 1996: Kerin et al., 2006). Customers form an opinion about the quality of service by comparing the expected keel service (expectations) with the perceived level of service (performance) (Parikh, 2010). For the service quality to be good, the performance or perceived level of service needs to be higher than the expected level of service (Parikh, 2006).

As discussed in the American school section, SERVQUAL is used to measure service quality as a multi-dimensional construct across five dimensions; tangibility; reliability; responsiveness, assurance and empathy (Cui, Lewis & Park, 2003). As a result of some problems associated with SERVQUAL scale; Cronin and rajor 11994) suggested the SERVPERF or the performance only model as an improvement to the SERVQUAL. SERVPERF overcame some of the problems associated with SERVQUAL such as the difficulty of administering the questionnaire mice and tow reliability associated with using the gap scores (Lee, 2007). SERVPERF is similar to SERVQUAL in that it uses the same 22 item scale to measure service quality, but differs in the number of times the service quality is measured. SERVPERF uses the 22 item scale once to measure the perception of service quality; unlike the SERVQUAL Which uses the scale twice, once to measure the expected service quality and once to measure the perceived service quality. Nem are arguments that support the use of SERVQUAL over SERVPERF and vert4 Clain & Gupta, 2004) however the balance seems to be in favor of SERVPERF over SERVQUAL (Nadiri & 1 lausanne, 2005). Many studies recommend the perception of actual service performance measurement (SERVPERF) because its ad comes SERVQUAL problems (Lee & Lambert, 2000: Siu & Cheung, 2001; Nadiri austin. 2005: Welsh & Raven. 2006). Other studies have found that measuring the perception or performance is more reliable and valid (Dabholkat., Thorpe & Rentz. 1996: asbaktis., Bienstock & Van Semler. 2004: Caro & Garcia, 2007). The industries where SERVQUAL has been used to measure service quality are: real estate agencies, Physician’s clinics, dental school, Automobile companies, accounting firm. A Department stores, banks Dry cleaning, higher education, fast food (Parasuraman. leithaml & Berry 1994) Telecommunication (Wal Pampallis & Bond 2002) information systems (Jiang, Klein & Crampton 2000) and health care (Kilbourne et al., 2004). Additionally, it has been used to
measure service quality within airlines, hotels, travel agencies. Financial services and public sector (Prayag, 2007). SERVPERF has been used to measure service quality in the following industries: retail (Mehta, Lalwani & Han, 2000), banks (Baumann et al., 2007), higher education (Badri Abdulla & Al-Madani, 2005), hotels (Nadiri & Hussain, 2005), public transportation (Perez et al., 2007), airlines (Cunningham & Young, 2002) and B2B (Peterson, Gregory & Munch 2005) Whilst SEVQUAL and SERVPERF are widely used is argued later (the need for a modified scale section) that scales should be more specific to the industry.

In recent years, the emphasis has been on developing industry specific service quality scales rather than using a generic scale for measuring service quality across all Ontario and countries (Akbaba, 2006; Can & Crarcia, 2007) as it is not possible to “ra lig” The service quality dimensions among all types of services. Moreover, there is a different type of service which means the way the services are built and the context in this they are delivered varies from service to service (Chowdhary & Prakash, 2007). This sh suggests the need for industry specific scales.

2.6 SERVQUAL - Discussions and Criticism

Even though SERVQUAL is popular it has been criticized by some researchers & Palmer, 2003; Karatepe, Yavas & Babakus, 2005) But the criticism has been mainly on the theoretical and operational side of the model (Lee, 2007; Prayag, 2007). According to Buttle (1996) the criticism can be divided into two parts: the theoretical and operational criticism.

2.6.1 Theoretical criticism

Paradigmatic objections: It would be more suitable if the model is based on the attitudinal model and not the disconfirmation model.

Gaps model: There is a lack of evidence to suggest customers assess service in terms of perception minus expectation.

Process orientation: The focus of the SERVQUAL is on the process of the service rather than the outcome of the service

Dimensionality: The five dimensions are not applicable in all industries and contexts: in addition, that there are inter-correlations amongst the five dimensions which weakens the model.
2.6.2 Operational criticisms

Expectation: Customers do not use expectations to evaluate services and there is no measure of absolute expectations.

Item composition: The number of items under each dimension is not enough to measure that dimension.

Moment of truth: The moment of truth might change from time to time when customers are evaluating the service.

Polarity: the negative items in the scale cause confusion among respondents.

Two administrations: Measuring service quality before and after the service results in customer confusion.

Variance extracted: The 'variance explained in service by the SERVQUAL instrument is low.

Gronroos (2007b) from the Nordic school summarizes the criticisms of measuring expectations of service quality compared to perception of service quality as follows:

Measuring expectations before the service might be problematic because the customer may be thinking of experiences rather than expectations. Moreover, measuring expectations usually takes place during or sometimes after the service process which may be biased by the customer's experience. Furthermore, measuring expectations might occur twice if customers are comparing their experience after the service with prior experience before the service. Then the expectation is in fact being measured twice (Process dimension). Shner (2008) summarizes the problems associated with using the gap model as Expectations might be part of the experience it customer has during the consumption of the service and thus cannot be used as a benchmark. Measuring the difference between the customer's expectations and perception of the actual service has been heavily criticized because it is difficult for customers to have knowledge about the product or service before consumption and the fact that it is unlikely that customers will compare their service expectations against the actual perception of the service. Using a performance only model might be superior to using the gap model because customers are asked about their experiences after the consumption of services where their expectations are influenced by their experiences. Also, there is no agreement whether to ask customers about their experiences before or after the service. The gap model has psychometric problems, reliability, discriminate validity and variance problems. The five
dimensions are not universal and the scale is not generic; therefore specific scales are more appropriate for different industries. The inability to replicate the five SERVQUAL factors makes the weak scale and consequently makes it more difficult for researchers to generalize their findings. SERVQUAL might be more appropriate in pure services such as service providers, but less appropriate where there is an outcome such as investment.

Other criticisms include: SERVQUAL is not a successful measure of service visits, in all industries: results of many studies have found that five dimensions are not jia 3, c replicated and sometimes the SERVQUAL results in one dimension or as many as ten dimensions, which means there is a need for industry specific scales (Nadiri & Aussain, 2005). Service quality instruments should not be global but rather specific to the context of research (Olorunniwo & Hsu, 2006).

SERVQUAL also has limited testing in the retail setting and has not been very successful in retail stores that have a mixture of products and services (Gaur & Agrawal, 9006). Researchers tested SERVQUAL in a retail environment and found it to be an invalid measure of service quality. It was also found to be unsuitable, without modifications. For a retail store because it is not a pure service setting (Dabholkar, Thorpe & Rentz 1996; Mehta, Laiwani & Han, 2000).

The SERVQUAL criticisms could be summarized into these main concerns: the use of the gap scores to measure service quality and the psychometric properties of the scale (Ladhari, 2009a). The gap scores depend on measuring the perception and the expectations of service quality. The psychometric properties include the reliability, validity and the number of dimensions that have been the most important criticism of the scale (Ladhari, 2009a). Whilst the SERVQUAL is widely used, the problems associated with the scale cannot be ignored. It is obvious from the previous discussions that using the gap model is problematic and the five dimensions are not universal which leads to the need for a modified scale.

In brier; the research design and methods used in Study 3 many of the same questionnaire design and administration issues prevalent in Study, 2. The data were checked in terms of appropriateness for analysis (test of sphericity and sampling adequacy Kaiser-Meyer-Olkin (KMO) and Ranletts stores), scale reliability (Cronbach alpha; inter-item correlations) and confirmatory factor analysis (CFA) testing measurement model lit indices). The major differences between Study 3 and Study 2 were the refinement of the retail service quality questions. Further, following Churchill (1979) and others, Study and Study 3 in combination
add robustness to the construct testing process because it indicates how separate quantitative studies testing the same substantive construct.

2.7. Service Quality and Demographics

Demographic information allows researchers to obtain characteristics of their sample therefore making the classification of the data more meaningful (Ektnain, 2003). Demographic information such as age, gender and education level need to be examined when measuring service quality in retailing; in order to discover the relationship between demographic information and dimensions (Siu & Cheung, 2001). According to Ganesan-Lim. Russell-Bennett & Dagger (2008) is important to understand the relationship between the customer's perception of service quality and demographic information such as age, gender and income level. This information is useful for ensuring there are suitable products available for the target market. Ganesan-Lim. Russell-Bennett & Dagger (2008) hypothesized that service quality dimensions are different depending on the age, gender and income level of customers; however, only age was found to have a relationship with service quality dimensions.

Research suggests that demographic do have an effect on some service quality dimensions (pawlin 2005) According to Meng et al. (2009) demographic information shows that sweetness that customers with different demographic characteristic shop at different stores which further indicate dun they have different rate.

The demographic information is disused below

There is little attention given to gender based research concerned with perceived service quality (snipes. Thomson & Oswald, 2006). In a study by Ganesan-Lim. Russell- Bennet and Dagger (2008) they found no differences in the perception of service quality based on gender. However, there were gender differences in the physical appearance and personal interaction dimension in a retail study in Hong gang (Siu & Cheung, 2001). Other studies found that there are differences in shopping behavior when it involves gender (Foucault & Scheufele, 2002). Retailers must consider age differences when studying consumption behavior because they are differences in product choices depending on the age of the consumer (Rocha. Hammond & Hawkins, 2005). This is even more evident when the product range is associated with the age of the consumer (Varley & Rafiq, 2004). Usually people in the same age group display similar shopping behavior and this information is important to
retailers to understand more about their market (Ogden & Ogden, 2005). Furthermore, one of the problems facing retailers these days is coping with an aging population, which means retailers must adapt to the changes in the age of their consumers (Varley & Rafiq, 2004).

A different study found that age has a big influence on the perception of service quality (Ganesan-Lim, Russell-Bennett & Dagger, 2008: Kumar & Liln, 2008).

**AGE**

There were also age differences in some of the retail dimension in the study in lions Kong (Siu & Cheung, 2001). According to homburg & Gering (2001) there is a relationship between age and service quality dimensions. Other studies round that there are differences in shopping behavior when it involves age (Foucault & Scheutele, 2002). According to Ogden & Ogden (2005) the most important demographic information is 'marital status' because it shows if customers are buying for themselves, for a spouse, or a family with children.

**INCOME:**

Knowing The customers’ income is another important factor that needs to be considered because customers that have different levels of income might prefer to buy different products or services (Ogden & Ogden, 2005). Customers with high income might favor retailers with high levels of service quality while customers with low incomes might be more tolerant to lower levels of service quality (Sum & Hui. 2009). Also, there were income level differences in the physical appearance and promises dimension in a retail study in Hong Kong (Siu & Cheung, 2001). According to Meng et al. (2009) consumers shop at different stores based on their income level which indicates that there might be differences in the perception of service quality based on income level.

**EDUCATION:**

Education level is important demographic information because as the customer becomes more educated, they demand different products and different levels of service (Kent & Omar, 2003). Kotler & Armstrong (2010) suggest there has been an increase in educating people in the United States and this leads to an increase in the demand for quality products.

The development of service quality research According to the literature research by American scholar Raymond Fisk in 1995, by far service quality is the most concentrated problems in the service management study. In 1982, Christian Gronroos raised the concept of customer
perceived service quality and its perceptual elements (technical quality and functional quality).

2.8. Stages of studies on the service quality

1) The study of the service quality and some related issues can be divided into three stages:

• First stage (1980-1985) This phase is the initial stage of research, mainly on service management and service quality management in defining some of the basic concepts, laying a solid foundation for future research. But the study of this stage is mostly confined to a single concept; also most of the designed models are static.

• Second stage (1985-1992) the main study of this stage is about service quality elements, such as: how to choose elements of customer perceived service quality, especially in 1991, professors Parasuraman. AValarie A. Zeithaml and Leon and L. Berry (Referred to PZB) from The University of Cambridge, raised the concept of adequate service and desired service, and laid foundation for proposing the concept of “Tolerance zones”. At the same time, PZB Group proposed Gaps Model and began to focus on the evaluation of customer perceived service quality, such as SERVQUAL model.

• Third stage (1992-now) the study of this stage shows significant in-depth, systematic and integrative, and the model was proposed to dynamic direction. Heskett discussed the varying impact on profits and their mutual relations then established the "service profit chain" structure. In the article Comparison Standards in Perceived Service Quality published in 1995 by Veronica Liljander and the article Tolerance Zones in Perceived Service Quality by Tore Strandvik, scholars used the new methods to study the relationship between customer perceived service quality, customer perceived value, customer satisfaction, customer loyalty and business competition, made many valuable viewpoints and raise relationship model.

The development of service quality evaluation model research In 1982, Christian Gronroos first raised the concept of customer perceived service quality and total customer perceived service quality model. After then, PZB Group made a more in-depth study on customer perceived service quality. The academic community has been engaged in this research on the service quality evaluation model.
By far there have been more than 10 types of the evaluation model. The research shows significant in-depth, systematic and integrative, and the model was proposed to dynamic direction.

**Customer Satisfaction Index**

The Indian telecom division has seen the gigantic development over the previous decade. Today, the Indian telecom system is the second biggest on the planet after China. A liberal arrangement administration and association of the private part have played a paramount part in converting this sector.

The aggregate number of phones as on 31st April 2013 was 897.02 million. The telecom business has seen critical development in supporter base throughout the last decade, with expanding system scope and a rival instigated decrease in taxes going about as impetuses for the development in endorser base. The development story and the potential additionally serve to pull in more up to date players in the business, with the come about that the force of rivalry has continued expanding. Web endorsers in India developed to 164.81 million as of March 31, 2013, with upwards of seven out of eight net clients in the nation getting to the administrations through their cellular telephones, as indicated by telecom controller TRAI. The aggregate number of portable web supporters remained at 143.2 million at the end of the last monetary. The amount of broadband endorsers expanded 15.05 million as of March 31, 2013, from 14.98 million as of December 31, 2012. The amount of non-versatile web endorsers in the quarter ended March 31, 2013, developed for 21.61 million from 21.57 million, enrolling a quarterly Liberalization of the area has not just headed to fast development additionally helped an extraordinary arrangement towards the amplification of purchaser profits, evident from a colossal fall in duties. Telecom area has seen a persistent climbing pattern in the aggregate number of phone endorsers and subsequently the tele density. In basic terms, “Tele density " is the amount of landline phones being used for each 100 people living in a territory. A Tele density more prominent than 100 methods there are more phones than individuals.

Underdeveloped nations may have a tele density of sort of what 10 Tele density is additionally an imperative pointer of telecom entrance in the nation. Tele density has diminished since 76.86 for every penny in December 2011 to 73.16 at the end of April, 2013. Tele density shifts crosswise over loops and there is critical urban-country’s partition. While urban tele density arrived at 139.33 for every penny at the end of April 2013 and provincial
tele density was just 40.49 for every penny. Membership in the urban territories diminished from 548.80 million in February, 2013 to 544.55 million at the end of April, 2013. Membership in provincial territories expanded from 349.22 million to 352.47 million amid the same period. The month to month development rate of urban and country membership is -0.77% and 0.93% separating. The general urban Tele density has diminished from 146.96 to 145.58 and Rural Tele density expanded from 41.02 to 41.37. Complete remote endorser base diminished from 867.80 million in March 2013 to 867.02 million at the end of April 2013, enlisting a month to month development of -0.09%, this decay is generally because of separations by a percentage of the administration suppliers. The offer of urban remote supporters has diminished from 60.53% to 60.11%, whereas offer of rustic. Remote supporters have expanded from 39.47% to 39.89%. The general remote Tele density in India has arrived at 70.71 from 70.85 of past months. Remote membership in urban regions diminished from 525.30 million in March 2013 to 521.18 million at the end of April 2013. The remote membership in rustic territories expanded from 342.50 million to 345.85 million amid the same period. The urban remote Tele density has diminished from 140.67 to 139.33 and provincial Tele density has expanded from 40.23 to 40.59.

2.9. Main Text Literature Review

Robins (2008) this paper is about marketing the next generation of mobile telephones. The study is about the third generation of cell phone technology, what is usually known as “3G” for short. There are various issues about that new innovative. One is how to price 3G handsets and services at a level which will enable telephone operating companies to recoup the high prices they have already paid to governments for operating licenses. Second the technology is not yet complete, there are no agreed international standards and companies do not yet know what new services the technology will prove capable of delivering effectively. All variants of 3G remain dependent on largely unproven technology. Marketing 3G is going to be about services which are new and in many cases, yet to be designed. At the same time, it will involve services which can also be obtained by computer and other means. It follows that the marketing task will be high risk. First, 3G has no obviously unique selling proposition to build on except, perhaps, the combination of live video and easy portability. Second, the potential customers have not yet had adequate opportunity to signal their service
likes and dislikes. Third, the cost and complexity of service provision leave doubt about the market’s reaction to the price.

Debnath (2008) This study explain that the prime focus of the service providers is to create a loyal customer base by benchmarking their performances and retaining existing customers in order to benefit from their loyalty. With the commencement of the economic liberalization in 1991, and with a view to expand and improve telecom infrastructure through the participation of the private sector, the Government of India permitted foreign companies holding 51 percent equity stake in joint ventures to manufacture telecom equipment in India. The Indian Government has announced a new policy, which allows private firms to provide basic telephone services. There had been a monopoly of the state-owned department of telecommunications. However, several companies are expected to benefit from the policy change.

Bhatt (2008), in his study titled “A Study of Mobile Phone Usage Among the Post Graduate Students” analyzed that it is important for mobile carriers, service providers, content developers, equipment manufacturers, as well as for parents and young people alike that the key characteristics of mobile technology is well understood so that the risks associated with its potentially damaging or disruptive aspects can be mitigated. This paper has tried to compare the usage difference by gender with respect to the difference manufacturing and service provider companies.

Jha (2008), in his study analyzed that it is the youth, which is the real growth driver of the telecom industry in India. Considering this fact, the paper is an attempt to give a snapshot of how frequently young people use their mobile phones for several embodied functions of the cell phones. Data was collected from a sample of 208 mobile phone owners, aged between 20 and 29. The study sheds light on how gender, monthly voucher amount and years of owning mobile phones influence the usage pattern of this device. The findings of the study would be helpful for the telecom service providers and handset manufacturers to formulate a marketing strategy for different market segments.

Kalavani (2006) in their study analyzed that majority of the respondents have given a favorable opinion towards the services, but some problems exist that deserve the attention of the service providers. They need to bridge the gap between the services promised and services offered. The overall customers’ attitude towards cell phone services is that they are satisfied with the existing services, but still they want more services to be provided.
Kumar (2008), in their study titled “Customer Satisfaction and Discontentment vis-à-vis BSNL Landline Service: A Study” analyzed that at present, services marketing plays a major role in the national economy. In the service sector, telecom industry is the most active and attractive. Though the telecom industry is growing rapidly, India's telecom density is less than the world's average telecom density as most of India's market is yet to be covered. This attracts private operators to enter into the Indian telecom industry, which makes the Bharat Sanchar Nigam Limited (BSNL) more alert to run its business and survive in the market.

Seth et al (2008), in their study titled “Managing the Customer Perceived Service Quality for Cellular Mobile Telephone: an Empirical Investigation” analyzed that there is relative importance of service quality attributes and showed that responsiveness is the most important dimension followed by reliability, customer perceived network quality, assurance, convenience, empathy and tangibles. This would enable the service providers to focus their resources in the areas of importance. The research resulted in the development of a reliable and valid instrument for assessing customer perceived service quality of cellular mobile services.

Fernandez (2007) in their study titled “Understanding Dynamics in an Evolving Industry: Case of Mobile VAS in India” analyzed that Mobile Value Added Services (VAS) is a rising star in the fast growing wireless business. In the paper, an attempt is made in understanding the strategic dynamics of the evolving environment within which the Indian players are operating, the challenges and structure of the same. Our literature and industry review indicates that - while the value chain of the industry is complicated yet one can observe the bipolar nature of bargaining powers between mobile network operators and content aggregators.

Bismut (2006) in his study titled “Competition in European Telecom Markets” analyzed that in recent years the European telecommunications market has witnessed major developments, with rapid expansion in access to telecommunications networks and a surge in the number of available services and applications. While many factors have contributed to the transformation of the telecommunications industry, competition has played a key role in driving telecom players to invest in new technologies, to innovate and to offer new services.

Kalpana and Chinnadurai (2006) in their study titled “Promotional Strategies of Cellular Services: A Customer Perspective” analyzed that the increasing competition and changing taste and preferences of the customer’s all over the world are forcing companies to change
their targeting strategies. The study revealed the customer attitude and their satisfaction towards the cellular services in Coimbatore city. It was found that advertisement plays a dominant role in influencing the customers, but most of the customers are of opinion that promotional strategies of cellular companies are more sale oriented rather than customer oriented.

**Fredric (2008)** analyzed the importance of yield management and discrimination pricing in telecommunication sector. Yield management is the process of allocating the right type of capacity or inventory unit to the right kind of customer at the right price so as to maximize revenue or yield. Yield management and dynamic pricing strategies could be usefully applied to preserve and increase profitability. Yield management techniques can help telecom operators and similar companies to optimize the benefits they can derive from a subtle management of information networks and partnerships. However, such an approach is more difficult to implement in the telecommunications industry than in the airline sector because of the difficulty to control (and sometimes to refuse) network access to customers.

**Chris (2003)** has analyzed ‘Telecom advertising in print media.’ This research attempted to investigate why Telecom theme is used in advertisement, and the motives that lead companies and advertisers to use sport celebrities and sport concept in advertisements. From study it has been revealed that the appearance of sport celebrities in advertising endorsement occurred more often in Telecom magazines than in other magazines, because their target group is more acquainted with athletes. The sport celebrities that dominated each printed media are related to their target group characteristics.

A Brief writing would be of extraordinary to help to the scientist in picking up knowledge into choosing issue. The analyst would increase foundation learning of the issue by assessing certain studies. A reference to these whole studies will be connected in the challenge of the molding the present study.

In this study, we found that the majority of the respondents considers, size, quality, value, instrument overhauling are an essential variables for selecting the handset of the greater part of the respondents are fulfilled over the installment framework, nature of administrations, scope zone, and going to the dissensions.

In this study we found that most of the respondents consider, size, quality, price, instrument servicing are an important factors for selecting the handset of majority of the respondents are
satisfied over the payment system, quality of services, coverage area, and attending the complaints.

**Murray K.B. and Schlacter J.L.** wrote in Journal of the Academy of Marketing services that consumers perceived services to be more risky than goods across several types of risk and more variable in nature.

Perceived risk will not only vary between goods and services but also according to the mount of consumer self-confidence (eg. Knowledge & experience) the degree of uncertainly felt and the importance and cost of the services.

**Rathmell J.M.** what is meant by service in journal of marketing observed that most marketers have some idea of the meaning of the term “Goods”, they are tangible economic products that are capable of being seen and touched and may or may not be tasted, heard or smelled.

As for services, Rathmell asserted that there was no clear understanding. He sought to change this by defining a good as a thing and a service as an act, the former being an object, an article, a device or a material and the latter a deed, a performance or an effort.

**Teboul J.** in his research paper stressed on the interface. According to Teboul is the interface, the front office, pathological lab and the actual difference between a service and a manufacturing facility is the size of the interface.

The Teboul does not give an explanation of the “size of the interface” it could mean a number of things e.g. Physical space, amount of time, number of activities etc..

Expectations are formed prior to usage of the service and perceptions are the customer evaluation of the service. After the service has been consumed customers compare the perceived service with the expected service and if the perceived service with the expected service and if the perceived service meets or exceeds the expected service, the customers are satisfied.

\[
\text{Satisfaction} = \text{Perception} - \text{Expectation}
\]

**Brown. S.W. And Swartz T.A** in their article on gap analysis found that gap can arise from inconsistent perceptions of expectations and experiences between patients a physician.
To measure the gaps doctors and patients were required to indicate their agreement/disagreement.

Parasuraman A. Zeithaml V.A and Berry L.L. Developed a model to enhance knowledge of service quality and encourage investigation of the key issues.

Key features of the service quality model are:

- The identification of key attributes of service quality from a management and consumer perspective.

- Highlighting the gap between consumers and service providers with particular reference to perceptions and expectations.

- Understanding the implications for service management of closing the gaps.

Goodman J.A. Malech, A.R., Bargatze G.F. And Ledbetter, C. in their article, aired the view that “Quality is not delivered in a vacuum, but through an organization with all its imperfections”. Commitment to quality must pervade the whole organization.

A number of institutional factors can either help or hinder the provision of quality. They are:


5. Service – Value added, range and quality, standard of performance, satisfying needs and expectations.

6. Programs – Complaint Management.

7. Communication (Internal) – Policies and Procedures, feedback within the organization.

8. Communication (External) – Customer education, creation of expectations and image:
Dr. Barrie Hopson and Mike Scally in their book “12 steps to success through service” made an interesting link between work performance and pressure. They said people equate pressure with stress and think it with words like worry, anxiety, and pain sleepless and so on. But look at when the tasks are too easy and make no demand will not bring out the best performance (under stress). On the other hand, when the tasks are too demanding push into the area of too much stress (over stress).

Jain and Mainsa in their study on “Consumerism in India”, argued that the consumer exploitation, in simple terms, means that “a consumer is taken for granted. He has no choice of goods or services he is no voice for selection, he cannot address for Redressal. In short, he gropes in the dark for his mere survival in this world of cheats and marauders. Not a day passes without a consumer being cheated in the market place”.

Jill Suzanna in her doctoral thesis stated that “Much of the research in marketing involves the study of consumer choice behavior. This study is concerned with the development and testing of a theory of retail choice or patronage. The last several years have witnessed dramatic changes in the retailing industry, in addition to the traditional department, discount and specially stores, consumers may increasingly choose from a wide variety of non-store retailers. Thus, any comprehensive study of retail outlet choice behavior should incorporate all of the alternatives available to the consumers”

Customer satisfaction is a growing concern among businesses through the world. Today, manufacturing and service companies, large and small, use satisfaction research to determine the critical product and service attributes that provide customer satisfaction. The view that “customer satisfaction is the key to securing customer loyalty” (Reichheld, 1996) is, however, far from a fully robust philosophy. Satisfaction does not always result in retention and it is equally apparent, dissatisfaction does not necessarily result in defection (Buttle, 1997). Where consumer purchases create high emotion, it may be hypothesized that they will generally make some initial effort to ‘shop around’. According to John Egan (2000) 34 customer satisfactions is regularly suggested as an outcome of relational strategies and a prerequisite for loyalty and retention. In FMCG retailing, in particular, strategies designed to encourage simple repeat behavior or to minimize disruption of consumer inertia may be considerably more beneficial than costly, interactive and relational strategies.

Raja K.G (2006) opined that, it is important that technological models of the supply side need to be supplemented with the views and impact of perceptions from the demand side of
the product end users. And they identified product quality, service support, product distribution, service personnel, information services and corporate brand equity as the underlying factors of customer satisfaction.

**Anthony J. Capraro (2003)** stated that, customer satisfaction is the predominant metric firms use for detecting and managing customers likelihood to defect. Repurchase decisions that involve an information based evaluation of alternatives to the incumbent, likelihood of defection will be influenced by “how much” customers know about those alternatives. The results suggest that the level of objective and subjective knowledge about alternatives have a direct effect on likelihood of defection – about and beyond satisfaction level.

**Christian Homburg (2005)** argued that customer’s reactions on price increase (i.e., re-purchase intentions) are strongly driven by two factors: the magnitude of the price increase and the perceived fairness of the motive for the price increase. In this context, the authors examine the role of customer satisfaction in influencing the impact of these two variables on re-purchase intentions after a price increase. Their findings reveal that as satisfaction increases, the negative impact of the magnitude of a price increase is weakened.

**Tarang Vanish (2004)** focused on customer ecstasy. The retailers have to spend an enormous amount of time, money and effort in understanding the consumer to ensure that their offerings are just right—the right product attributes at the right price and targeting the right need with the right message. Indian customers by and large are considered price conscious, undecided, brand conscious, but not particularly specific. The malls planned to suit the requirements like oversize, and are very proactive to respond to market needs and customer needs.

**Chaitra N. Garalapuri (2005)** in her paper suggested a new measure of customer satisfaction. Authors given a mathematical model that will capture the customer’s subjective feelings and quantify them, enabling the measurement of the satisfaction level. Thus, the modeling process mitigates the subjectivity and makes it amenable to take effective decisions. The satisfaction level of the service is quantified and bounded on a scale of [0-1]. This refers to a function of the satisfaction rating, attributes rating, quality rating and time rating. Mathematically, satisfaction index= f (satisfaction rating, attribute rating, quality rating, time).
This article examines the customer satisfaction of mobile handset end users in India. It also focuses on the understanding of customer satisfaction on the demand side within the Indian market. Customer satisfaction is discussed in the context of the perceived value of the mobile commerce service attributes.

**Nha Nguyen (1998)** The effects of customer satisfaction, service quality, and value on perceptions of corporate image and customer loyalty towards the service firm study by **Nha Nguyen (1998)** In his paper he proposed a conceptual framework. To test the framework, structural equation modeling techniques are applied to data collected from 1,224 customers in the banking service industry. The results of the study indicate that satisfaction and service quality are positively related to value and that quality exerts a stronger influence on value than satisfaction. The findings also show that customers receiving higher levels of service quality will form a favorable image of the banking institution. In addition, the value is found to positively impact on the image, suggesting that the banking institution should have a strong image when customers believe they are receiving high value. Similarly, customer satisfaction and image perceptions are found to impact on service, loyalty with satisfaction having a greater influence on loyalty than image. The managerial and research implications of the reported study are discussed.

**Madhurima Deb (2007)** developed a model to measure service quality which shows the relationship between the service quality and customers’ activities in the form of customer’s trust, satisfaction and commitment. The findings bring to light that, given the availability of controllable like service quality; the importance of price gets reduced. There exists a strong relationship between service quality and good quality. The large and significant impact of service quality indicates that designed facilities and service provision by customer contact employees leads to enhanced perceptions of overall merchandise quality. Thus, in retailing, service quality plays an important role. Satisfaction comes when the goods perform as per requirement of the customer. Hence, the quality of goods has a positive relationship to customer satisfaction.

**Anderson. C. James (2006)** state that, customer value proposition has become one of the most widely used terms in business markets in recent years. Most value propositions make claims of savings and benefits to the customer without backing them up. Value proposition classified into three types: all benefits consist of all benefits customers receive from a market offering, favorable points of difference consist of all favorable points of difference a market
offering has relative to the next best alternative, and resonating focus consist of the one or two points of difference (and, perhaps, a point of parity) whose improvement will deliver the greatest value to the customer for the foreseeable future. Customer value propositions, properly constructed and delivered, make a significant contribution to business strategy in improving customer satisfaction.

Balasubramanian. N Dr (2008) says that, contemporary thought in marketing recognizes that trust is a critical factor in relation exchanges between consumers and service providers. He refined the literature in several important ways. By including multiple dimensions of trustworthiness, including operational competences operational benevolence, and problem solving orientation, along with two distinct facets of trust judgments, the model offers fine-grained insights into trust-building and trust depletion processes.

Sreejith (2007) opined that, IT and related services played a major role in India’s current 9.2. GDP growth. Organized retailing in India is one more example of its open economy. The IT industries were able to develop a demand for Indian talents all over the world and improved their living standards. It directly impacts only a small minority of Indian population, while organizing retail affects every single Indian and every sector of Indian society. The paper gives a glimpse of the slow evolution of retail market over the years in India and its contribution to economic growth. The likely positive impact of this revolution in different sectors is enumerated. The paper addresses its ability to manipulate the consumption pattern of society, increased customer satisfaction and likely change in the market shares of the different types of sellers. The paper discusses its flip sides like increasing social tension among families below the poverty line and greater loss of self-employment opportunities by this revolution. The main theme of inquiry of this paper is what it all means for the Indian society.

Depending on the competition and personal needs, customers select a service provider using criteria listed here. This list is not intended to be complete, because the very addition of a new dimension of a firm represents an attempt to engage in a strategy of differentiation. For example, initiation of the frequent flyer program “A Advantage” by American Airlines was an attempt to add the dimension of customer loyalty to competition among airlines.

* Availability: How accessible is the service? The use of ATMs by banks has created 24-hour availability of some banking service (i.e., service beyond the traditional “banker’s
hours”). Use of 800-numbers by many service firms facilitates access after normal working hours.

* Convenience: the location of the service defines convenience for customers who must travel to that service. Gasoline stations, fast-food restaurants, and dry cleaners are examples of service that must select location on busy streets if they are to succeed.

* Dependability: How reliable is the service? For example, once the exterminator is gone, how soon do the bugs return? A major complaint regarding automobile repair services is the failure to fix the problem on the first visit. For airlines, on-time performance is a statistic collected by the FAA.

* Personalization: Are you treated as an individual? For example, hotels have discovered that repeat customers respond to being greeted by their name. the degree of customization allowed in providing the service, no matter how slight, can be viewed as more personalized service.

* Price: Competing on price is not as effective in services as it is with products, because it often is difficult to compare the costs of service objectively. It may be easy to compare costs in the delivery of routine services such as an oil change, but in professional service, competition on price might be considered counterproductive because price often is viewed as being a surrogate for quality.

* Quality: Service quality is a function of the relationship between a customer’s prior expectations of the service and his or her perception of the service experience both during and the fact. Unlike product quality, service quality is judged by both the process of service delivery and the outcome of the service.

* Reputation: the uncertainty that is associated with the selection of a service provider often is resolved by talking with others about their experiences before a decision is made. Unlike a product, a poor service experience cannot be exchanged or returned for a different model. Positive word-of-mouth is the most effective form of advertising.

* Safety: well-being and security are important considerations because in many services, such as air travel and medicine, the customers are putting their lives in the hands of the service provider.
* **Speed:** How long must I wait for service? For emergency services such as fire and police protection, response time is the major criterion of performance. In other services, waiting sometimes may be considered a trade-off for receiving more personalized services, such as reduced rates.

Writing about manufacturing strategy, Terry Hill used the term order-winning criteria to refer to competitive dimensions that sell products. He further suggested that some criteria could be called qualifiers, because the presence of these dimensions is necessary for a product to enter the marketplace. Finally, Hill said that some qualifiers could be considered order-losing sensitive.

We will use a similar logic and the service criteria listed earlier to describe the service purchase decision. The purchase decision sequence begins with qualifying potential service firms (e.g., must the doctor be on my PPO list?), followed by making a final selection from this subset of service firms using a service winner (e.g., which of the PPO doctors has the best reputation?). After the initial service experience, a return will be based on whether a “service loser” has occurred (e.g., the doctor was cold and impersonal).

**Ravi Shanker** has highlighted four steps in the marketing approach

1. Understand market
2. Segment it
3. Develop marketing programs
4. Marketing organization.

**Three step value concept**

1. Choose the value
2. Develop the value
3. Communicate the value

**Atul Bhatt** had mentioned certain important elements of marketing of banking activities.

1. Marketing was always considered not to be a banker’s cup of tea.
2. Marketing is emerging as an important element in the bank’s activities
3. Each individual working in the bank is a marketing person who contributes to the total customer satisfaction.

4. Indian banks have dual organizational objectives commercial objectives and social objectives.

5. Have a whole hearted commitment to customer orientation by all the employees.

6. A separate marketing department may widen the gap between marketing and operations.

7. Marketing is much more than just advertising and promotion.

**Suresh Mahindroo**

1. A good marketing strategy is to generate repeat orders from an existing Application.

2. Maintenance services entail providing services for maintaining existing Hardware and software

**Joseph Pillay** our mission remains inviolable: offer the customer the best service we can provide; cut our costs to the bones; and generate a surplus to continue the unending process of renewal.

**Shostack (1984 nee 1977)** has suggested a framework for service marketing, As the services marketing, As the services are a process for the benefit of consumers rather than product, he suggests that a molecular model helps the management to have a total market entity of service. Initially, he has given the scales of the elemental dominance of different types of service industry as distinct from product dominant entities.

**P.K. Sinha and S.C. Sahoo**, Application of Marketing Concept in Indian Banking: Application of marketing concept and techniques in a banking organization implies utilization of product, price, promotion, and distribution policies for maximizing customer satisfaction. The marketing concept, in the banking industry, emerged in the late fifties in the west not in the form of marketing concept “but in the form of the “advertising and promotion” concept (Sullivan, 1981). During this period the banks in India were conservative and inward looking, concerned with their profits. As a matter of fact, the competition was not noticeable in the early days. It was the phase of select banking. What was surprising is the fact that even the communication through the media was looked down upon with contempt as
something against the ethics of banking culture. The advertisements released till 1966 were very few and far between (Saxena, 1985).

After nationalization of 14 major commercial banks in 1969, the banks woke up from their slumber and found themselves placed in a highly competitive and rapidly changing environment. Competition became fierce day by day. As a result, the banks approach towards customers and market underwent a change and focus started shifting to marketing their products. The banks were produced-oriented organization, placing before the prospective customers, their range of services, expecting him to choose, presuming that the customer had the knowledge, time, interest and skills to pick up the service that would suit him.

Berry (1983) focused more on the relationship between the company and the customer. He laid emphasis on the service sector and the need for the service sector to attract customers and then maintained and enhanced these customer relationships.

Gronroos (1990) stated that Marketing is to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by mutual exchange and fulfillment of promises.

McKenna (1991) professed a more strategic view of putting the customer first and shifting the role of marketing from manipulating the customer (telling and selling) to genuine customer involvement (communicating and sharing the knowledge.)

Derek Wanless (1993) revealed that at the heart of our vision, our current and future activities must reflect the fact that the customer is king in order to get success. Certainly, in dealing with our customers today, the competitive environment suggests that a financial services organization which is not obsessive about the needs of its customers will not survive.

Atul Parvartiyar and Jagadesh.N (1995) opined that organizations can enhance marketing effectiveness by carefully selecting customers for its various programs, individualizing and personalizing their market offerings to anticipate and to serve the emerging needs of individual customers, building customer loyalty and commitment; partnering to enter new markets and develop new products, and redefining the competitive playing field for their company.
Shultz (1995) opined that the basic premise of continuity marketing programs is to retain customers and increase loyalty through long-term special services that has a potential to increase mutual value through learning about each other.

According to Peppers and Rogers (1995) one-to-one or individual marketing approaches is based on the concept of account based marketing. Such a program is aimed at meeting and satisfying each customer’s need uniquely and individually.

Naidu (1999) found that relational intensity increased in hospitals facing a higher degree of competitive intensity, fuelled by new technology and growing availability of advanced product features and services, customer expectations are changing almost on a daily basis.

M. Jayadev (2003) revealed that the major reasons for the recent radical changes in the banking industry’s asset portfolio are competition, consolidation, information technology and the need to be customer-centric. Banks could improve the profitability by adopting strategies like market segmentation, innovation, price building and relationship. Technology has a major role to play in retail banking, but its role is complementary to customer service initiatives.

M. du Plessis and J. A. Boon (2004) observed knowledge management is prerequisite for e-Business and its increasing customer centric focus. To operate in an e Business environment, an organization has to have a good command of knowledge of its markets, customers, products and services; methods and processes; competitors, employee skills and its regulatory environment.

M. Appalaraju (2005) reviewed Banks that are capable of adapting and absorbing the new technology faster had a competitive edge over their rivals. Simultaneously, the banks started focusing on ‘customer relationship’ and moved towards “Relationship Marketing”. Banks promoted a new concept called virtual banking to serve the customer through electronic networks. Banks have undertaken a lot of reorganization measures which involves major cultural change, outsourcing expertise. They rely more on information through outsourcing its information technology to the benefit of the customer and the bank.

R. D Sharma (2006) in his paper reviewed about customer expectations, customer satisfaction & customer delight and identified the research gap. Based on the findings of a number of studies reviewed, research gap noncustomer delight is identified with reference to
the banking industry. Customer delight needs to be restricted in the context of banking services in the present competitive environment and banking sector reforms.

**Vidyadhar Reddy Aileni (2006)** in his paper emphasized that, as a result, the banks have realized the key to achieve sustainable competitive advantage in today’s markets is to build relationships with customers by servicing them in excellent fashion, not just selling them.

**Nalini Prava Tripathy (2006)** analyzed the factors that are essential in influencing the investment decision of the customers of the public sector banks. For this purpose, Factor Analysis, which is the most appropriate multivariate technique, has been used to identify the groups of determinants. Factor analysis identifies common dimensions of the factors of the observed variables that link together the seemingly unrelated variables and provide insight into the underlying structure of the data.

**Nelson Oly Ndubisi (2007)** examines the impact of relationship marketing keystones namely trust, commitment, communication and conflict handing on the quality of the firm-firm customer relationship.

**Cedric His-Jui Wu (2007)** explained that customer satisfaction has been an important topic in tourism service management. Many researchers have argued that customer-to-customer interaction may affect the customer’s evaluation of the service experience. Consequently, the objective of this research is to investigate the relationship between customer-to-customer interaction, customer homogeneity and customer satisfaction.

**K.C.M. Kwok, K.L. Choy, H.C.W. Lau, S.K. Kwok (2007)** stated that the mechanism in the customized segmentation engine, with support of an OLAP-neural engine, to provide decision support for management in establishing a customized customer relationship strategy. Through applying in a manufacturer, the overall company performance has improved while customer satisfaction has increased significantly.

**N. Kamakodi and Basheer Ahmed Khan (2008)** stated that Indian banking industry is undergoing metamorphosis in terms of adoption of technology and automation. New generation private sector banks which came into existence in the last ten years have gained a substantial market share and government owned banks are losing market share to these new banks. It is very important for the banks to understand the preferences of the customers to offer the services required both to attract new clients and protect existing client-base form migrating to others banks.
A. Santosh Kumari and S. Narasiah (2008) outline the significance of the customer data available in the database of the banks. It discusses how such data, if used productively, can lead to a better customer satisfaction. A great amount of time and energy is spent by the banking industry to satisfy customers in order to increase the business value. There are various types of customers in the bank, viz., individual and corporate, mass and class, casual and permanent, staff and non-staff, etc., and the satisfaction levels of each customer varies with the type and time of the transaction. A satisfied customer is an asset to the bank. Further, it is observed that acquiring a new customer costs ten times more than retaining one.

C. Chiruchelvam (2008) observed the concept of marketing service is a multidimensional one. Service providers serve customers according to their needs. They have to take into consideration the prevailing policies and strategies and choose approach methods of providing services to clientele. The existing framework of the organization is to be considered before planning for providing services to customers require special mention at this stage, since customer friendly knowledge, skills, attitudes and commitment to values are essential in service market.

Dr. E.K. Rayappan and Prof. R. Shunmugham (2008) aim to ascertain the level of satisfaction of customers in Canara Bank at Gobichetti palayam Taluka in Erode district of Tamilnadu. It highlights the bank’s marketing strategies, measures the satisfaction levels of the customers and analyses the role of individual components of the marketing mix in the satisfaction of customers.

Sudhir Sharma and Akash Kumar (2008) opined that the pleasant ambience of the branch with a welcome note replete with the dedicated, knowledgeable and helpful staff goes a long way to attract new customers. Service at a low cost with a speedy response because of operational efficiency and quick decision-making also marks the demand of the present day customer.

Khandare. D. M and Mohan S. Rode (2008) examined that the dictum, ‘a bank exists because of its customers’ has become more pronounced and relevant in the present context. Banks have to devise suitable systems and mechanisms to satisfy the needs and expectations of various segments of customers for their survival. When competition is tough, the best way to survival is to be in constant touch with the customers and letting them know that the bank can do for them.
**Smitha Ramachandran (2008)** Stated that to sustain the growth in innovation and position themselves, banks should adopt at least four necessary strategies-focuses on core strengths and outsources or partner for other necessities; optimizing the prospective customer relationship; exploiting the available good workforce with effective performance management; and, adopting technology that will be the critical success factor in customer management.

**Vijay Shrimali and Mehtab Kathawala (2008)** studied tries to find out about the brand loyalty aspect of the customers. In this respect it has been found that there are some factors which influence the loyalty. From it, it has been concluded that the customers are very particular about the safety and security of their funds and also about the popularity of the banks in which they are securing their funds. This loyalty has been seen to be more towards ATM services while least towards fixed deposits when calculated in respect to various products.

**N. Kamakodi and M. Basheer Ahmed Khan (2008)** studied that the result of a survey were obtained from 292 respondents about their views on electronic banking channels, indicate that the banks are exceeding the expectations in technology based services; and their perceived service level on branch network is below the expected levels of respondents. This result is in tune with the respondents opinion on the perceived ‘gap’ with the bank because of the introduction of technology, and on the necessity of human contact with the clients by the banks. When all banks introduce IT, it will lose its position as a differentiator. Banks have to incorporate this into their operational strategy.

**Wai-Ching Poon and Booi-Chen Tan (2008)** examine the factors affecting the growth of e-banking in Malaysia from the consumer’s perspective. The results show that there are seven factors influencing the growth of e-banking – convenience of usage (including Internet accessibility and ease of use), cost of services, trust in bank (bank’s credibility), security concerns, awareness, reluctance of customers and government support. The results indicate that all the factors are significant with respect to the consumers’ willingness in using e-banking services.

**R K Uppal and Rimpi Kaur (2008)** in this study is based on the responses of 768 customers of public sector banks, Indian private sector banks, and foreign banks (each one of these groups) operating in Amritsar district of Punjab; and in the case of e-bank, three banks, one from each bank group, have been taken into consideration. The study infers that there is a
significant difference among these three bank groups with regard to the time customers have to spend to transact a business. The e-banks were found to be more efficient with respect to the time factor. This is a very important reason as to why customers switch to e-banking.

Aruna Dhade and Manish Mittal (2008) study mainly focused on the primary opinion of the customers of these banks. The State Bank of India (SBI) is selected as the representative of the public sector banks and HDFC, ICICI, IDBI AND UTI as representatives of the new private sector banks. The study is divided into three parts: the first part deals with customers’ preferences while selecting the bank of their choice; the second part covers the satisfaction level of the customers; and the third part is an attempt to record the instances of customers shifting from one bank to another (competitor bank) due to dissatisfaction. It is evident from the study that the customers of private banks are most satisfied than those of the SBI. Customers of the SBI are more sensitive with regard to the processing time taken for account handling and technological updates. Dissatisfaction in these areas can lead to shifting to another bank, while in the case of private banks’ customers, proximity to residence and sometimes delay in the processing time can be likely reasons to change the existing bank with a new one.

Jill Sweeneya and Joffre Swaitb (2008) felt that customer churn is an ever-growing issue in the relational services sector (e.g., retail banking, telecommunications), where business models ultimately depend upon long-term relationships with customers as the basis for profitability. Businesses in this sector have tended to view satisfaction and service quality as the key tools for increasing customer retention. The present study investigates the important additional role of the brand in managing the churn of current customers of relational services. Based on information economics, we propose specific that the credibility of the brand underlies the role that the band can play in this process.

Nicolaus Lundahl, Fatima Vegholm, Lars Silver (2009) finds out both the technical and the functional dimensions of service management were shown to correlate with customer satisfaction. Thus, SMEs seem to evaluate their banking relationship not only on the basis of the effectiveness and quality of banks’ service outcomes but also on the care and the manner in which the bankers deliver services.

Mohammed Hossain, Shirley Leo (2009) examined the service quality in retail banking in the Middle East in general, and Qatar in particular, based on different levels of customers’
perception regarding service quality. The result indicates that customers’ perception is highest in the tangible area and lowest in the competence area.

**John Mylonakis (2009)** reveals that a majority of customers are satisfied with their bank. Most bank customers believe that the use of new technologies helps their communication with banks. They trust the bank employees for obtaining information on the existing banking products and services, while for new programs; they prefer to choose alternative channels, such as the Internet, phone services, brochures and press releases. The Greek banking market has adopted CRM solutions in recent years, as banks have realized the need to maintain their customer base and to better use their resources in order to promote their products and services. In general, there is a positive attitude towards CRM.

**Jham, Vimi (2009)** studied on the adoption of internet banking by existing bank customers through an investigation of the factors that influence customer’s acceptance of internet banking service.

**Tser-Yieth Chen, Ying-Hsiu Lin (2009)** examined the cause and effect among trust and relationship value, then deem relationship benefit as mediator variable. The various types of trust, influence different kinds of relationship value via divers typed of relationship benefit. The managerial implications of this research can provide useful strategies for international hotels to perform their customer service activities more effectively.

**Vimi Jham (2010)** studied on the ones who have a strong retail presence and offer a comprehensive range of information to the customer. An exploratory study of the Indian customers in six banks is conducted to identify the factors which lead to adoption of internet banking services with the help of a data reduction technique called factor analysis.

**Rengasamy and Vijaya Kumar (2006)** conducted a research on the quality of customer service and consumer satisfaction among the private, public and foreign banks in India and examined the level of the customer service awareness among the Indian bank customers. The research study identified the best banking sector, which provides qualitative customer service. The study also focused on various dimensions that are connected to quality of customer services in terms of the banking staff, convenient working hours, web-based services, error free value-added service and efficient grievance Redressal mechanism. The results indicated that foreign and the new generation private sector banks are serving the
customers better. It was concluded that this has implications for the public sector commercial banks in India with respect to customer service delivery aspects.

**Uzma and Ravi (2006),** focused on the implications of online transactions in which marketers have greater control over the sequence of the purchase decision. They demonstrated that online customers may increase the choice of incidence by influencing other peer consumers. They argued that banking organizations need to modify and improve their product offerings and service offerings so as to create customer satisfaction in tandem with the changes that are taking place in the technology.

**Krishnaveni & Divyaprabha (2005),** highlighted the need for creating an effective customer service oriented interventions and observed that evolving and nurturing long-term relationships with both internal and external customers is essential for success. According to them the key to success lies in ensuring time based quality of service coupled with the speed of delivery. They further argued that, internal customers who are also known as the banking staff plays a vital role in this process. According to them, the relationship between the competence of the banking staff and the quality of customer service is high.

**Lily (2005)** empirically demonstrated the relationship between two select variables known as reputation of the bank and the quality of service offerings. According to him, these relations are important in creating a good image of the bank. His findings suggested that banks’ financial decisions reflect reputation, prospects, and thereby influence the quality of consumer service.

**Mariappan (2005)** focused on the technology aspect of the global banking scenario and observed that the IT revolution has brought about significant changes in the service industry environment. According to him no other sector has been influenced by advances in technology as much as banking and finance. His research study focused on the technological issues like electronic transfer of funds, internet banking and short message service (SMS) banking/mobile banking.

**Navdeep and Mohit (2005)** studied the customer service aspect of the banking industry in the city, Ludhiana, Jalandhar, Amritsar and Chandigarh in Northern India. The study focused on the relevance of the popular model of Hartline, Maxham and Mckee (2000) approach of customer orientation of Hotel industrialization of America to the Indian Banking scenario. The study concluded that customer orientation can be enhanced only when the concerned
service organization makes an effort to evolve the required systems and processes to manage the firm’s customer focused value.

**Ananthakrishnan (2004)** analyzed the customer service aspect of the Indian banking scenario with respect to the usage of technology. He observed that with the advent of modern technology the gap between the modern and traditional customers is becoming thin. According to him a substantial size of consumers is using the internet banking and ATM’s, thereby demonstrating that banks may need to focus more on the technology in the future. He further observed that those banks which don’t focus on technology may have to wither away, while others who are on the forefront of using technology will prosper.

**Mohammad & Alamgir (2004)**, identified the relationship between customer satisfaction and customer loyalty, and the importance of the dimensions of service quality in attaining overall customer satisfaction and customer loyalty in retail banking are affected by factors like safety, security of the transactions and timeliness, willingness to help, courtesy, behavior which result a positive long lasting relationship between customers and banks.

**Sharad (2004)** conducted a research on the technology aspect of the Indian banking scenario and felt that the use of technology is a major challenge before the Indian banks as it involves designing products and services which are acceptable to customers. He opened that the adoption of policies which are acceptable to customers. He opined that the adoption of policies which are based on international standards may not match the Indian requirements as they greatly differ in terms of their relevance and fitness when compared to the Indian consumer mindsets. According to him, although Indian banks and customers are not resistant to the new approaches to deliver the banking services, efforts should be made to highlight the benefits of these service offerings.

**Sharma & Gurjeet (2004)** have conducted a research in the Indian Banking context by focusing on the select regional banks from Northern India. His research revealed that nature of customer preferences is dependent on several factors which includes the sustained efforts made by the banks from time to time. His research study revealed that there is a high degree of correlation between two variable in the Indian context namely, promotion effort and customer delight.

**Siva prasad (2004)**,designed a model for gaining competitive advantage of Indian public sector commercial banks and felt that banking sector in the Indian context has gone through
two different stages which are popularly known as class banking focus and mass banking focus. He further felt that in the current Indian scenario of banking which is typically characterized by selling of service offerings alone, will not sustain in the long run unless efforts are made to design new products and services. He also felt that Indian banks may need to revise their existing marketing strategies and may need to focus on enhancing customer satisfaction. He also cautioned that while evolving such strategies, bank may need to look into various issues that are related to relationship marketing, innovation of the existing product offerings, upgrading of the technology applications.

**Raghbir and Navadeep (2003)** focused on the issues and challenges in devising effective customer service systems for the Indian service industry. The research study basically focused on emerging new technologies in the service situations with a focus on financial service contexts in India. They argued that there is reciprocal benefit for both the parties namely the bank and the customer by making an effort to adopt the modern self-service technologies (SSTs) Self-service technologies (SSTs) of which e-banking is a major new area of customer satisfaction.

**Lewis (2001)** focused on the importance of delivering effective customer service in all multi service industries and stated that firms should try to predict the lifetime characteristics of a customer as early as possible and then may make efforts to act accordingly. The latter refers to the fact that assessment of the future value can be used in determining the marketing investments for each individual customer. However, in the case of incorrect assessments of the value of individual customers, there could be a severe mismatch between the assigned customer budget and the true delivered value of an individual customer.

**Minjoon and Shaohan (2001)** conducted a research on the Internet banking service delivery issues with a special emphasis on the quality of service delivery and anecdotes of customer complaints by addressing the critical incidents. In this context 17 dimensions were identified. The research hypothesis stated that there was no significant difference in terms of service delivery between two groups, namely the traditional consumers and internet users. However, their research study revealed that internet banking needs special emphasis in terms of customer service and training of banking staff.

**Beckett & Hewer (2000)** conducted a research study which developed a model to explain and classify consumer behavior patterns in the sale of banking products offerings and service offerings. The study basically focused on devising effective front office support systems,
details on a matrix developed to understand consumer behavior, types of consumer behavior and the need for evolving effective CRM philosophy for the success of financial service industry.

Barnatt, (1998), conducted a research in the virtual communities and other online banking issues. He observed that several companies deploy multiple applications such as Enterprise Resource Planning (ERP), Order Management, sales Force Automation, Call Center Management and various other tools to automate and manage their business processes. According to him, these applications store and manage their business processes. According to him these applications store and manage a set of customer data elements needed by these applications