CHAPTER 3

LITERATURE SURVEY

A. Golmohammadi and B. Jahandideh (2010) adopted a very novel approach to investigate into the most important service quality dimensions in the Iranian banking sector by eliminating the subjectivity of such research using the artificial neural network—a brain metaphor which is able to predict the customers’ overall satisfaction of service quality with a promising level of accuracy was the first contribution of this study. In addition, prioritizing the service quality dimensions in affecting customers’ overall satisfaction—by using sensitivity analysis of neural network—was the second important finding of the paper. The questionnaire used in this study is the standard SERVQUAL questionnaire which consists of two sections. A 21-item section measuring the service quality expectation within five aforementioned dimensions and a corresponding twenty-one item sections measuring the perception of service quality of a particular company in that sector. Perceived service quality as indicated by the differences between the expected service quality and the corresponding perceived quality resulted in twenty one gaps which were used as the independent variables of the neural network. Additionally, one single question concerning the customer’s overall satisfaction with service quality served as the dependent variable. The software “Neuro-Solutions version 5.05” was used in the experiments. The sensitivity analysis of proposed neural network revealed precious information regarding the preferences and concerns of banks’ customers in Iran. The dimension “reliability” was found to have the greatest effects on customers’ overall satisfaction, whereas the dimension “tangibles” was the least important dimension in affecting Iranian customers’ overall satisfaction of banks’ service quality. Thus the study proved to be an effective guide for bank managers in Iran to help them allocate their resources.

Abhijit Sarkar (2011) conducted a study in order to understand the retail banking customer’s perception and expectations about the service quality of HDFC and AXIS bank in the city of Kolkata through the SERVQUAL model. The researcher’s choice of banks was based on the fact that both these banks had grown in the times of recession only due to the fact that they carried a customer centric approach. Their counterparts—nationalized banks had neglected this approach giving way to such private banks.
aimed at getting the organization personnel to first recognize the importance of service quality and then accept the changes needed in behavior to improve their own performance and provide quality service to its customers. He had developed three questionnaires, one for measuring perceptions, and the other for expectations and third related to overall weight age of all the dimensions. The observations revealed that Axis bank was better in overall rating with HDFC bank. In case of individual dimensions, AXIS Bank focused upon being Reliable and Empathetic while HDFC Bank focused on being very Responsive and Assuring.

**Akiko Ueno** (2009) conducted an in depth interview with managers to explore various management practices that contribute to service quality. Seven features; recruitment and selection, training, teamwork, empowerment, performance appraisals and reward and culture were identified and canonical correlation analysis was done to measure the strength of association between service quality and each of these dimensions. In mass services, culture was found to be the most strongly associated with service quality followed by communication. Even in technological services, communication was identified as the strongest contributor to service quality. Interview respondents in mass services confirmed that culture of service orientation including top management commitment to quality has permeated every part of the organization. It pointed out that limited employee empowerment was one of the methods to support service quality. Most of the studies in service quality management focus on customer survey, but this paper identified the need for strong support from top management and hence focused only on those factors which would automatically enhance the service quality.

**Alok Kumar Srivastava, Dr. P. Chatterjee** conducted a study to measure customer satisfaction regarding banking services in the city of Gorakhpur with special reference to State Bank of India. He also collected the data regarding the expectations and perceptions of customers based on the SERVQUAL scale. 305 respondents were chosen on the basis of stratified random sampling method. The respondents revealed that they were majorly dissatisfied with the services of the bank. Approximately 72% of the customer showed dissatisfaction especially due to the ‘responsiveness’ factor. These customers suggested that the bank is yet to instill confidence among the customers that it has the ability to provide excellent services dependably and accurately. Ranking was done determining the aspect contributing the most towards the overall
satisfaction of customers. The results revealed that the customers were highly satisfied with the availability of cash in the ATMs and the quality of currency notes in the ATMs being ranked 1st and 2nd. The features like security/safety/privacy and behavior of ATM personal were moderately satisfied. The respondents were not satisfied with the availability of complaint book, location aspect and number of ATMs in the city.

**Andreas Soteriou, Stavros A. Zenios (1997)** developed a general framework for combining strategic benchmarking with efficiency benchmarking for the services offered by banks. Three models—based on Data Envelopment Analysis (DEA) were developed in order to implement the framework in the practical setting of a bank’s branches: an operational efficiency mode, a quality efficiency model and a profitability efficiency model. The researchers linked operations, service quality and profitability in a common framework so that several drivers of performance could be benchmarked simultaneously. To conceptualize the quality efficiency model, the researchers used the five dimensions of SERVQUAL by Parasuraman et al as model inputs and service quality achieved as the model output. The same was measured in two parts; objective and perceptual. The objective terms referred to the measurable dimensions of service quality like waiting time, credit approval time and rates etc. whereas perceptual terms referred to reliability, empathy, responsiveness etc. the two stage model that was designed for quality check could analyze the process for delivering quality to clients in order to understand what are the standards of the objective characteristics that led to a perception of improved quality. The quality standards developed were based on both the capabilities of the branch given its resources, and the customers’ perceptions. Thus they tried to capture all the components of service profit chain so that the models could be applied for formulation of the service management strategy encapsulated in the triad operational capabilities- service quality-performance (C-SQ-P).

**Bhavesh Vanpariya, Parthasarathy Ganguly (2010)** examined the service quality in the banking industry of Kutch (Gujarat) by adopting both the scales SERVQUAL and SERVPERF. Also, the correlations of service quality with customer satisfaction, positive word-of-mouth and loyalty were examined. Data from sample of 293 respondents consisted of customers of various banks (public sector banks, co-operative banks and private banks), was collected using convenience sampling. To measure service quality, a questionnaire similar to Parasuraman et al. (1991) was developed. The questionnaire
contained 22 expectation items and 22 performance items. Expectation and performance items were measured on a seven point scale. To check the generalization of the five-factor conceptualization of service quality all 22 gap scores (P-E) items were factor analyzed with five-factor number imposed on factor extraction method along with principal axis factoring method with oblimin rotation. To examine reliability of the scale dimensions, coefficients alpha were calculated. To examine the validity of the alternative scales, the two most widely accepted forms of validity- convergent and Discriminant validity were measured. The results indicated that empathy was the critical dimension according to SERVPERF diagnosis whereas SERVQUAL showed the greatest gap in reliability dimension.

**Carol A Paradise** (1991), in her research examined the role and impact of leadership and management in a retail banking organization striving to create a service quality culture. It asserted the fact that with leadership and management in general, the service quality behavior of leaders differs from those of managers in their relationship to bank performance. It is imperative for the top management to have strong sense of commitment and also feedback from the customers both having a strong impact on service quality improvement. The results indicate the need for closer collaboration among the HR, marketing, and quality functions, and for a greater understanding of how these functions can work together to address the three pronged management challenge of people, performance and quality.

**Chantal Rootman** (2006) attempted to measure the influence of customer relationship management on service quality of banks. The study has been conducted in South Africa where banks were facing severe shortage of deposits from customers. This was due to the lesser saving orientation of customers as well as their inclination towards the more appealing unit trusts. in such a case the banks are concerned not only about maintaining customer base but also attract new ones with their superior service quality. Thus loyal clients can be ensured through sufficient customer relationship management (CRM) strategies and high levels of service quality. The researcher tried to investigate the variables that had an impact on customer relationship management in the banking environment and the influence of customer relationship management on banks’ service quality. The same was materialized using a self developed questionnaire based on SERVQUAL. It was administered to 250 clients each of four banks. The same was
followed by in depth interviews of the CRM managers of the banks. The data thus collected was put to various tests of validity, reliability and generalisability by performing various statistical procedures, factor analyses, and by calculating the Cronbach’s Alpha coefficients of items and factors. Data was processed by means of exploratory factor analysis, using the computer program BMDP4M. The theoretical model, thus developed emphasized the influence of selected independent variables (two-way communication, attitude, knowledge ability, efficiency of banking services) on the intervening variable (CRM) and the influence of the intervening variable (CRM) on the dependent variable (service quality). Customers’ expectations in online purchasing in Iran from the customers’ perspective. This study also examined the service quality gap by comparing customers’ expectations and their actual perceptions. The results of the study indicated that all of the service quality factors were important. “Access” was the most important factor among the others and respondents were not satisfied with current connection speed. Tangibility was rated as the most important dimension followed by assurance, reliability, responsiveness, and empathy. For quantitative data analysis, statistical tools of Microsoft excel and SPSS.

**Dr Mass Hareeza Ali, P M Dr Noor Azman Ali, P M Dr Alias Radam** (2010) attempted to validate the SERVPERF model in the tax collecting government agencies. The objective of the study was to identify the customers’ perceptions about those agencies and also find out the relative importance of factors contributing to the service quality offered by Malaysian tax-collecting agencies. The researcher modified the 22 item SERVQUAL questionnaire in order to suit the Malaysian respondents and culture. This questionnaire was based on the five service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy. A very strong argument has been given by the researcher for the use of performance-only measurement scale as compared to the very frequently used SERVQUAL scale which measures service quality on the basis of performance-expectation gap. The literature survey mentioned that SERVQUAL might be diagnostically sound but the reliability and validity of the difference score measures was still under debate. For examining the internal reliability of the items used, Cronbach’s alpha quotient was used. A measure of service quality was then formulated by calculating the different mean scores between the corresponding set of items (that is, perception minus expectation). Most of the dimensions in SERVQUAL
had negative gap resulting in a high level of dissatisfaction among customers regarding service quality of the above mentioned agencies.

Dr. Chaisomphol Chaoprasert and Dr. Barry Elsey (2004) examined the commitment to and emphasis within service quality in the Thai retail banking environment. He set out a model for investigating the service quality in retail banking after extensive study of changes in Thai banking environment. The very fact that banks in a particular country have similar products to offer, the differentiation can be created only by providing better quality services, would definitely contribute to the development of the banks. The respondents identified 23 types of customer service problems confronting banks in Thailand. They were classified into six major groups; staff, information technology, customer behavior, communication and cooperation, work process and others. Staff shortage and insufficient training were the major barriers to service quality improvement. The major reasons for improving services were identified as ‘competitive pressure, customer demands, banks policy, increase in customer satisfaction, increase in image, faster services. In order to solve the above mentioned problems, the banks concentrated on personal counter services rather than electronic services, although they emphasized on the need for electronic banking services in future and staff training. Again the need of top management’s cautious approach towards changing external environment is the key to service quality improvement. The researcher also demonstrated a relationship between the practice of change management and theory. He came up with a conclusion that major change is required not in the systems but in the part played by the people. He has quoted that, “the psychological power of hearts and minds to make things happen”. Thus the study proves to be a breakthrough in Thai banking as it provides ample literature and profound conclusions on service quality management.

Emin Babakus, Ugur Yavas, Osman Karatepe and Turgav Avci (2003), attempted to test the hypotheses that management commitment, service quality, job satisfaction and organizational commitment have a significant positive effect on service recovery performance in the banking industry. The study was conducted in 16 public and private retail banks. 415 employees were surveyed with a 30-item questionnaire. Exploratory and confirmatory factor analysis was carried out where all the hypotheses were not accepted showing significant dependence. Employee empowerment is coupled with the
responsibility and hence training and development should precede employee empowerment.

E Mubarak Ali, G.S David Sam Jaykumar and P L Senthil (2011) investigated into the service quality of Indian Bank in Thanjavur District where the five dimensions of the SERVQUAL instrument along with demographic and rational profile were tested using exploratory analysis. Confirmatory Multiple Regression Analysis was the statistical tool used analyze the contribution of various dimensions to the overall service quality. And then the 22 items of the SERVQUAL were put to exploratory factor analysis so as to reduce the same and extract the most significant ones to the service quality to and the conclusions reinforced the importance of ‘empathy’ as the key factor to influence and enhance customer loyalty.

Hasan, Kerr (2003) surveyed in a similar fashion in various service organizations. A new framework was developed for quality management where total of nine dimensions were linked with organizational performance. They were identified as top management commitment, employee involvement, training, supplier quality, quality cost, service design, quality techniques, bench marking and customer satisfaction. E questionnaires were mailed to the respondents which were pretested using content, validity, construct validity and criterion related validity. Factor analysis along with rotated varimax solution was examined to determine the usefulness of the factors. To find out the relationship between independent and dependent variable (organizational performance), a regression analysis was carried out. The results revealed that top management, customer satisfaction and employee involvement are the most independent variables in terms of organizational performance. It was hence proved that top management is the major driving force behind quality drive and customer satisfaction.

Hazlina Abdul Kadir, Nasim Rahmani and Reze Masinaei (2011) attempted to analyze the impact of service quality on customer satisfaction. He conducted a research of online customers via E-SERVQUAL model and also for ATM users. A study of 500 Malaysian customers was undertaken through questionnaires. It was aimed at understanding the perceptions and experience with their banks. The original SERVQUAL was modified for this purpose and new dimensions of online banking were added to the same. In case of E-SERVQUAL, the results of two-way ANOVA revealed that the dimensions of responsiveness, customization and flexibility were unable to
respond to customer’s needs. In case of SERVQUAL, the dimensions of tangibility and responsiveness led to dissatisfaction of the customers. The demographic interconnection revealed that Indian Malaysians were the least satisfied with privacy of online transactions. The customers were highly satisfied with the ease of navigation in case of online banking.

Isaiaho O. Ugboro and Kofi Obeng (2000) conducted a study surveying organizations across different sectors that have adopted TQM to determine the relationship between top management leadership, employee empowerment, job satisfaction and customer satisfaction. 250 responses were analyzed for which alpha coefficients and correlation coefficients were calculated yielding positive correlations among them. A prescriptive outline was provided for implementation of the observed variables for successful TQM programs.

Jaspal Singh and Gagandeep Kaur (2011) conducted an empirical study of selected Indian banks to identify the determinants of customer satisfaction. Two banks each of private and public sector were selected for the survey. 32 items selected for the survey were incorporated in a questionnaire which was administered to 200 customers. A demographic profile of customers was also undertaken for the study. This item scale was subjected to factor analysis using principal component method with varimax rotation. They identified nine factors namely responsiveness, tangibles, service innovation, social responsibility, reliability and accessibility, assurance, pricing and other facilities, problem solving capability and convenient working hours of the bank. They recommended that in this world of evolving customer expectations, their satisfaction should be the key concern for all banks where the above mentioned determinants play a justifiable role. Customer dissatisfaction will put the bank at a competitive disadvantage.

Kumaran C (2011) performed a research aimed at analyzing the satisfaction levels of the customers of ICICI Bank holding ATM cards in Tiruvarur district with respect to some aspects such as the service quality of ATM personnel, location, sufficient number of ATMs in the district, regularity in working of ATMs, their impact on overall performance and their opinions on various other related issues. This study is a type of exploratory research using random sampling technique. A random sample of 120 customers was selected. Both primary and secondary data were used for the purpose.
Lakavath Mothial (2010) tried to identify the factors that would determine customer focus. He developed a 31 item questionnaire consisting factors relating to customer focus. These questionnaires were administered to the managerial staff of 18 public and private sector banks. A total of 258 questionnaires were later factor analyzed with likelihood factor extraction and varimax rotation. The researcher strongly believed that service excellence can only be a result of customer centric staff and organizational culture. The private sector banks selected under study were found to be less customer-centric than their counterpart public sector banks. Senior managers displayed a greater sense of customer orientation than middle level managers. He suggested that employee empowerment as well as benchmarking can help the private banks sustain in the long run.

M.Kailash (2011) evaluated customer perceptions on service quality of retail banks are Tamil Nadu using SERVQUAL model. Firstly the researcher collected demographic information of the respondents and analyzed an association between various demographic variables and customer perceptions. Then to test the service quality dimensions, the 23-item instrument developed by Parasuraman was used by the researcher. His survey concluded that customers’ perception regarding bank services was highest in the ‘tangibles’ area and minimum in the ‘responsiveness’ area. It was also noticed that age and education did not have any impact on the customer perceptions. But income group did make a difference in the perceptions. The fixed income group had higher perceptions of service quality than flexible income groups. In order to gain a competitive edge banks need to give importance to innovative and personalized products and competitive pricing.

Madhukar G. Angur, Rajan Nataraajan, John S. JaheraJr (1999) examined the applicability of four alternative measures of service quality in a developing economy of India. 143 customers of two major banks(one public sector bank and other a private sector multinational bank) were approached with a structured questionnaire framed using 22 statements representing expectations of customers as well as performance of their banks. The four scales SERVQUAL, SERVPERF, importance weighted SERVQUAL and importance weighted SERVPERF were analyzed using confirmatory factor analysis. Exploratory factor analysis was also conducted in order to check whether the concept of service quality was multidimensional. The results indicated that
SERVQUAL was more helpful in addressing specific areas of service deficiency than SERVPERF. Although SERVQUAL and SERVPERF have identical convergent validity, SERVPERF appeared to have higher Discriminant validity than SERVQUAL.

Mohammed Alamgir, Mohammad Shamsuddoha conducted an in depth analysis of all the available literature of service quality dimensions in the banking sector. The aim of this study was to identify all the possible service quality dimensions and design a possible comprehensive approach in designing a new instrument. A Library research method (Archive) was used in this study. Different books, journals, periodicals and online papers were observed by the researchers to find out different issues in service quality dimensions in this connection. Mostly secondary data was compiled in this study and this data was collected from focused countries’ literatures, textbooks, e-journals, government publications etc. The researchers tabulated all the dimensions of Lewis, Parasuraman et al, Avkiran and Sureshchander et al for comparative analysis and consequently proposed the new BANKSERV instrument. On compiling various literatures, the researchers could propose the dimensions as; tangibles, staff conduct, communication, credibility and access to teller machines. Also the BANKSERV instrument could capture the comparison of perceived performance with expectations in a battery of single statements in order to remove the massive data collection task in case of SERVQUAL instrument.

Mohammed Hossain and Shirley Leo (2009) conducted an analytical study based on primary data regarding service quality perceptions in the Qatari Retail banking industry. On the basis of scholarly studies, they designed a questionnaire consisting of four dimensions namely reliability, competence, tangibles and empathy, which cover 18 parameters. The degree of perception of customers on the 18 parameters was quantified by using a 5 point Likert scale. The same was tested for reliability and validity using Cronbach’s alpha quotient. With the help of Z tests and descriptive statistics were used to rank the number of items in priority so far customer perceptions were concerned.Again the perception was highest in tangibility area and lowest in competence area. The parameter ‘customer support’ was poor in ranking that means the bank did not pay attention to customer support and that was the cause of major dissatisfaction. Thus the study proved to be useful to selected Qatari banks as it
revealed the weak areas and instigated the management to work for the health of the same.

**Monica Bedi** (2010) investigated the relationship between service quality, overall customer satisfaction and behavioral intentions across public and private sector banks of Northern India. A total of 700 customers from 17 banks were approached for the purpose of the study. The survey was undertaken to identify the importance of factors in choosing a commercial bank and the perceived usefulness of bank services among public and private bank customers. T-tests were carried out in order to test the hypothesis that service quality perception, customer satisfaction and behavioral intentions differ across private sector banks and public sector banks. Finally, regression analysis and correlation analysis were carried out to clarify the relationship between service quality and customer satisfaction and behavioral intentions. The results indicated a higher quality of perceived service in private banks than of public banks. Again overall customer satisfaction was higher in case of private banks. Product convenience, assurance, reliability, responsiveness and product availability are significant predictors of customer satisfaction in private sector banks whereas responsiveness, product convenience, assurance, reliability and empathy are significant predictors of customer satisfaction in public sector banks. The results of correlation analysis also confirmed that higher overall satisfaction was associated with higher propensity to recommend whereas lower with switching intention.

**Muhammad Mudassar Abbasi, M Mushtaq Khan and Kashif Rashid** (2011) in their paper focused on the relationship among employee empowerment, service quality and customer satisfaction in the banking sector of Pakistan. Most of the studies in service quality management investigate into customer’s view point. But they discovered a strong correlation between employee empowerment and service quality. It was reinforced from the results of various studies that employees will only be successful in dealing with the customers when the management gives the authority and necessary support to them, which is termed as “employee empowerment”. A conceptual model was constructed on the basis of studies of Goodale et al(1997), Moore et al (1998), Ugboro and Obeng(2000), Lee et al.(2000), Yagil (2006), Naeem and Saif(2008) and Ueno (2008) with three variables i.e. employee empowerment, service quality and customer satisfaction. Data was collected through a survey by using simple random sampling
technique from the middle and lower management staff and the customers of the private sector banks of Abbotabad, Pakistan. Descriptive statistical analysis, reliability analysis, factor analysis and correlation analysis were conducted to test the hypothesis. The results suggested that firms must practice employee empowerment approach so that the employees are in a better position to deliver the right kind of service, which ultimately results in customer satisfaction. One set of structured questionnaire was used to collect primary data for the study. Data was analyzed by using descriptive statistics. Mean levels of satisfaction of the respondents were calculated. Weighted Average Scores were also calculated using SPSS between various aspects of ATMs regarding their level of satisfaction.

Osman M. Karatepe, Ugur Yavas, Emin Babakus (2005) reported to construct a scale to measure the service quality in context of the retail banking industry in North Cyprus. They adopted a multi stage, multi phase and multi sample approach for scale construction and scale validation. They developed a 20 item four dimensional scale with sound psychometric properties. The four items included service environment, interaction quality, empathy and reliability. The authors stressed the need of development of culture specific scales and also drew attention towards the drawbacks of the SERVQUAL scale as well as the herculean task of data collection which is the major hindrance of the SERVQUAL. They also concentrated on the performance only criteria for determining customer perceptions about service quality of the banks. Data for the initial refinement of the 31-item instrument were obtained from a sample of 115 customers of a large bank as they exited the bank after completing a transaction there. This was later followed by the second part that included 3 single item measures; overall service quality, overall customer satisfaction and purchase intention. The data was put for reliability analysis and later on exploratory factor analysis (principal components with varimax rotation).

Paul Boselle and Ton Van Der Wiele (2001) attempted to empirically test the relationship between Human Resource management and Total quality management. The questionnaire survey used in 2000 in The Netherlands covered approximately 200 items, which were grouped around: personal information [age, gender, and type of contract], perception of employees on HRM/TQM policies, and result variables, e.g. overall job satisfaction and intention to leave the organization. The same was put up to 2300 employees of Ernst and young. The analysis revealed that a positive perception of
individual employees on the HRM/TQM concepts lead to a higher level of satisfaction and less intentions to leave the organization. ‘Co-operation within units’, ‘leadership’ and ‘salary’ showed strong significant effects on employee satisfaction. Low scores on salary, insight in goals and objectives, co-operation within and between units, leadership and customer focus all seemed to stimulate the employee to look for another employer. The factors that could control the employee turnover rate were identified as; demanding jobs [co-operation and customer focus], supportive management and a coaching style of management [leadership], clear views on the objectives of the organization [insight in goals] and a good payment structure [salary].

Paul Purnendu, Bose K Swapan and Dhalla S Rizwan investigated into the parameters of high quality performances and their possible interrelationships in the Indian banking environment. They used a framework of the European Quality Award (EQA) and a model of perceived quality of customers to understand the relationship between quality management, performances and customer satisfaction. The above model has nine criteria; leadership, policy and strategy, personnel management' resource management, process management, employee satisfaction, customer satisfaction, effects on society and organizational results. With the help of Principal Component Analysis and varimax rotated component matrix, only 5 of them were identified as key concerns i.e. leadership and strategy, external process management, internal process management, effects on society and technology. Further they compared high and low performers in total quality management progress and business performers. This comparison proved the importance of leadership and process management as the explanatory variables for TQM and Management and resource management for business results. Hence a clear relationship was suggested between TQMP and perceived service quality. Subsequently, the effect of progress in TQM on financial performance was seen as efficiency, related to managerial and cost related variables.

Rahmath Safeena, Hema Date and Abdullah Kammani (2011) researched into the factors influencing the consumer’s adoption of internet banking (IB) in India and hence investigated the influence of perceived usefulness (PU), perceived ease of use (PEU) and perceived risk (PR) on the use of internet banking. The survey was conducted among students selected through convenience sampling. 116 questionnaires were put
to descriptive analysis, reliability analysis and factor analysis. Three factors were generated, which explained 76.11% of the variability of the data. The extracted factors were then rotated using variance maximizing method (Varimax). The factors identified were PU, PEU and PR. The dependent variable IB use was formed by summing up the use of basic and other banking services. PU and PEU had a positive impact on use of IB and PR had a negative impact on IB. Hence it was recommended to reduce such risk factors.

Rengasamy Elango and Vijay Kumar Gudep (2006) conducted an analysis to examine the level of awareness among customers and to identify the best sector that provided excellent customer service. A well structured 39 item questionnaire was used to collect the views of respondents across the three banking sectors. The survey instrument included various dimensions, pertaining to quality of customer services in terms of banking personnel, convenient working hours, web based services, error free value-added services and efficient grievance redressal system etc. apart from the basic statistical tools such as measures of central tendency. The authors also used factor analysis and the one way ANOVA classification. This helped in extracting the relevant factors and analyzes the differences in perceptions of customers across the three sectors. Foreign banks and private sector banks secured first rank in four out of eight extracted factors which signifies the commitment of the bank in keeping themselves abreast with the changing trends both in customer awareness and technological advancement. The public sector banks lagged behind in all the eight factors compared. Though they have a large customer base, they lack in the efforts to retain them. In order to enjoy greater preference they need to introduce innovative and modern value added personalized offerings.

Sandip Ghosh Hazra and Kailash B L Srivastava (2009) studied the impact of service quality on customer loyalty, commitment and trust in the Indian Banking Sector. Their main objective was to study the strength of association between service quality and customer satisfaction, loyalty and trust. The other part of the study consisted of evaluation of perceptions of customers of private and public sector banks and discovers the degree of difference and the factors affecting the same. A 43 item questionnaire was used wherein service quality was measured by 22 item scale adapted from Parasuraman et al. Customer loyalty was measured by a 13 item scale adopted from
the Behavioral Intentions Battery (BIB) developed by Zeithaml et al. Customer commitment and customer trust was measured by a 4 item scale each adopted and modified from Gabarino and Johnson (1999) and Walter et al (2003). As all the above variables are multi dimensional, factor analysis was used to explore the major factors. The results identified the importance of four factors; assurance-empathy, reliability, tangibles and security. Customer commitment emerged as a single factor which was independent. Consequently, the researchers worked on examining the strength of association between independent and dependent measures by multiple regression analysis. Implications of the study show that banks should go for loyalty programs and provide better quality services in order to retain customers and get their commitment. The overall results regarding service quality of the private sector banks displayed a lack of ‘reliability’ factor whereas for public sector banks, the ‘tangibility’ aspect was missing. A strong correlation was seen between assurance-empathy factor and customer loyalty and commitment.

Sanjay K Jain and Garima Gupta (2004) attempted to study the diagnostic ability of the two scales: SERVQUAL and SERVPERF. They tried to fill in the void between the two by checking the validity and methodological soundness of the same in Indian context. Data for making comparisons among the unweighted and weighted versions of the two scales were collected through a survey of the consumers of the fast food restaurants in Delhi. 300 students and lecturers of different colleges and departments of the University of Delhi spread all over the city of Delhi were approached using the personal survey method, Parasuraman, Zeithaml and Berry’s (1988) 22-item SERVQUAL instrument was employed for collecting the data regarding the respondents’ expectations, perceptions and importance weights of various services attribute. In addition to the above mentioned 66 scale items (22 each for expectations, perceptions, and importance rating), the questionnaire included items relating to overall quality, overall satisfaction, and behavioral intentions of the consumers. The single-item direct measures of overall service quality, namely, ‘overall quality of these restaurants is excellent’ and overall satisfaction, namely, ‘overall I feel satisfied with the services provided’ were used. The SERVPERF scale emerged as a better choice as it was found capable of providing a more convergent and Discriminant valid explanation of service quality construct. It was also found to be the most parsimonious measure of service quality. But so far the diagnostic ability of the scales was assessed, the SERVQUAL
scale was found to be superior to the rest. It could provide key areas of shortfalls so that managerial intervention could be sought.

**Saumitra N. Bhadur, K.R. Shanmugam** (2008) examined the ownership-performance literature in the context of Indian banking sector during the post reform period (1992-2007). The data was compiled from various issues of banking statistics published by the RBI. A sample of 64 banks belonging to four ownership groups, the SBI (8), Nationalized bank group(19), private domestic group(19) and foreign private group(18) were included in empirical analysis. A total of 1024 observations were put to panel data research for the purpose of analysis. The results indicated that both private and foreign groups outperformed their public counterparts with reference to 4 performance indicators namely return on Asset, operating profit ratio, operating cost ratio and staff expense ratio. The private banks showed an underperformance only in Net Interest margin. The foreign banks group displayed an overall positive score as compared to private and public banks. Thus it was concluded that the competitiveness created by reform measures helps the poorly performing banks to do well in generating profits.

**Sheetal B. Sachdev and Harsh V. Verma** (2004) conducted a multi - sectoral study investigating into the relative importance of service quality dimensions. The study explains that key lies in improving the service selectively, paying attention to more critical service attributes/dimensions as a part of customer service management. Allocating resources in the fashion that is consistent with customer priorities can enhance the effectiveness in the service operations. In the banking industry assurance was identified as the most important dimension of service quality. Also most of the banks under survey had given undue importance to tangibility rather than focusing on other service quality dimensions. A special note was made about the influence of technology in service quality improvement but the very fact that the acceptance of the same is in the evolving stages in Indian customers makes the task complicated. The other important suggestion was customer segmentation which can help them divert the efforts in the right direction.

**Sunayna Khurana** (2009) conducted a study on managing service quality while using internet as a distribution channel which is a challenge to the service provider. A considerable growth is witnessed in people’s preferences towards internet banking and hence this study aimed to identify the same and explore those service quality dimensions that would lead to customer satisfaction. A structured questionnaire was
administered to 100 internet banking users of public and private banks in Hissar district. ANOVA and F tests were conducted for analysis through SPSS. The maximum loadings were interpreted based on the variables and named as efficiency, responsiveness, fulfillment, privacy of personal information and easiness to use was found to be the core service quality dimensions of internet banking.

Suresh Chandar et al (2002) identified the critical dimensions of total quality service after a thorough review of the prescriptive, conceptual, and empirical literature on TQM and TQS. Keeping the features of service organizations in focus, the following dimensions were found to be critical to quality management in service organizations: Top management commitment, Human resource management, Technical system, Information and analysis system, Benchmarking, Continuous improvement, Customer focus, Employee satisfaction, Union intervention, Social responsibility, Servicescape and Service culture. After identifying the above mentioned key issues, a study was conducted to measure the level of implementation of the same in public, private and foreign banks. The results indicate a very good score for foreign banks which implemented 10 out of 12 dimensions. The only dimensions which were not addressed were social responsibility and union intervention. The private sector banks scored high on continuous improvement. They are structurally more flexible and hence implementation of newer techniques would be very smooth. The public sector banks had a greater score on social responsibility. The union intervention was very high in public sector banks and hence implementation of TQS was tough for such state owned banks. Though, the indices for Indian banking indicated a mediocre level of implementation, especially public sector banks that have to go a long way in TQS implementation.

Thomas Ogoro Ombatti, Peterson Obara Magutu, Stephen Onserio Nyamwange and Richard Bitange Nyaoga (2010) tried to establish a relationship between technology and service quality in the Kenyan Banking industry. A cross sectional survey was designed to collect the data from customers using e banking services (internet, mobile and ATM). The questionnaire was given to a sample of 120 respondents. The frequency and percentage proportions were used to establish relationships between technology and service quality. Later, means were calculated to determine the strength of perceived relationships. This was followed by correlation analysis and cross tabulation of the customer scores across different banking channels. The findings revealed the following dimensions; security, convenient location of ATM, efficiency,
ability to set accounts, accuracy, user friendliness, ease of use, complaint satisfaction and 24*7 availability. The researchers also explained the need of customer feedback for strategic planning and allotment of resources based on the importance/performance grid.

**Uma Shankar Mishra, Kalyan Kumar Sahoo, Satyakam Mishra and Sujitkumar Patra** (2010) made a comparative study of service quality perceptions of customers of private and public sector banks. Close to 400 customers were questioned for the same with SERVQUAL questionnaire. The data regarding both the perceptions and expectations of customers was collected. The gaps between the two were identified. The gap (P-E) score was positive for tangibility and reliability of public sector banks indicating satisfaction and was negative for responsiveness, assurance and empathy which indicated dissatisfaction as indicated by the t-values calculated by the researcher. Most of the problems were staff related. In the private banks the service quality gaps were positive for reliability whereas negative for assurance. The major cause of dissatisfaction was insincerity of employees in solving customer complaints. As the problems were staff related, the importance of employee empowerment is highlighted.

**Usha Arora and Bhavna Vashishat** (2011) investigated into the perceptions of borrowers regarding service quality dimensions of retail banking with special reference to credit schemes. In this study, total service quality was measured in the selected dimensions with the help of a structured questionnaire filled by borrowers of selected banks (3 public sector banks and two private sector banks) of Haryana.51 items were selected covering various dimensions of perceptions of customers regarding credit schemes of banks. Principal component analysis economized the variables from 51 to 11 and then they were further classified in five categories; a) product features b) office services c) pre sale services d) post sale services and e) behavioral response. The SERVPERF score, which is the overall score for service quality, was obtained by averaging the mean scores of all the dimensions and multiple comparisons were also carried out. The Punjab National Bank showed best results in all the dimensions. It concluded that people look for customization of products, trained staff and feedback system for better customer complaint handling. A special emphasis was made by ‘A’ class borrowers for door to door services. The importance of benchmarking for quality improvement was also revealed in the study.
Vibhor Jain, Dr. Sonia Gupta, Smrita Jain (2012) attempted to examine the perceptions of customers of SBI Bank in the region of Moradabad. These dimensions contribute to the assessment of the service quality in any setting. A construct ‘SERVPERF’ based upon the model was used to ascertain the service quality in different banks under study. The statements in the construct were one-dimensional and performance based, which incorporated the statements of ‘SERVQUAL’ model. The questionnaire was administered to the customer’s sample size of 100 respondents. After the ascertaining of the validity, the data was analyzed to reach at conclusions regarding the customer’s perceptions of service quality. The individual mean scores for five dimensions were compared with average mean scores. The analysis of the private sector banks clearly identified Reliability and Responsiveness as the most relevant factor of quality perception, as it had the highest value among the dimensions. Empathy had a minimum score in the private sector, which certainly was a big factor contributing towards the lower quality perception of the private sector banks. Comparison of individual scores with the average mean value also confirmed the above average perceptions in public sector banks, as three out of five dimensions had a higher score than average values. In case of private sector banks, only two dimensions had higher than average values. This proved that public sector banks enjoyed a better quality perception among their customers. The study revealed that ICICI bank and HDFC Bank provide better quality service in Moradabad region with reference to private banks.

Research Gap:
Majority of the studies on service quality management explain the use of SERVQUAL instrument as the best instrument to study the customer perceptions regarding problems of service quality. The very fact that it is a rigorously tested scale does not negate its importance in today’s world. On the other hand authors and practitioners are working to build up a model for total quality management. This TQM philosophy encompasses a wide range of activities for upgrading quality levels. This generates a huge gap between practice and theory. The customers, especially in India judge the service providers from their experiences during their encounters. More importantly the constant use of sophisticated technology has positively influenced the service quality levels in foreign countries. In India though the customer’s pace of acceptance has been little sluggish, yet the service providers are doing their best to disseminate the usefulness of such electronic methods and upgrade quality levels. This change justifies the use of technical quality as a variable to measure service quality. In the traditional methods the only mode
of upgrading service quality levels is to train the service providers. The employees need to be their brand ambassadors. The service encounter with employees leaves an important impression in the minds of the customers which can prove fruitful for businesses of service providers. Hence employee empowerment can trigger the mission for better service quality management. Since the previous studies fail to incorporate the newer aspects, the present one aims to triangulate the impact of such new facets of service quality and provide a workable solution to manage service quality. This would lead to a satisfying service encounter and thus generating profitable and satisfying customer relationships. The facets of the research model are justified in Chapter 3. Following is the conceptual model of the research:

3.1 Conceptual Model of the Research