CHAPTER - II

Review of Literature
CHAPTER – II
REVIEW OF LITERATURE

2.0. INTRODUCTION

In the beginning the work towards services marketing was slow. In fact, not until 1970 was services marketing even considered an academic field. It then took 12 more years before the first international conference on services marketing was held in the United States in 1982. One of the reasons the field of services marketing was slow to grow within the academic community was that many marketing educators felt the marketing of services was not significantly different from the marketing of goods. Markets still need to be segmented, target markets still needed to be sought, and marketing mixes that catered to the needs of the firm's intended target market still need to be developed. However, a great deal has been written regarding specific differences between goods and services and their corresponding marketing implications. The majority of these differences are primarily attributed to four unique characteristics—intangibility, inseparability, heterogeneity, and perishability.

Services are said to be intangible because they are performances rather than objects. They cannot be touched or seen in the same manner as goods. Services are produced by people; consequently, variability is inherent in the production process. Rather, they are experienced, and consumers' judgments about them tend to be more subjective than objective. Inseparability of production and consumption refers to the fact that goods are first produced, then sold, and then consumed whereas, services are sold first and then produced and consumed simultaneously. For example, an airline passenger first purchases a ticket and then flies, consuming the in-flight service as it is produced.
Heterogeneity refers to the potential for service performance to vary from one service transaction to the next. This lack of consistency cannot be eliminated as it frequently can be with goods. Finally, perishability means that services cannot be saved; unused capacity in services cannot be reserved, and services themselves cannot be inventoried.

The sections that follow focus on each of these four unique characteristics that service industries share and that differentiate their marketing from the marketing of goods. Because services fall in many places along the continuum that ranges from tangible dominant to intangible dominant, as described by the scale of market entities, the magnitude and subsequent impact that each of these four characteristics has on the marketing of individual services will vary.

Consumer perception of service quality is a complex process. Good service to customers is one of the primary goals of service organizations like libraries and is the ability of any service provider to provide promised products/services. Due to increased global competition, private banks are put into lot of pressures to survive in the banking industry. This situation led the banks to think of the strategies to retain the customers by increasing the level of service quality. The key strategy for the success and survival of any business institution is the deliverance of quality services to customers. With the aim of sustaining long term relationships with their customers, many business men have changed their strategic focus to emphasize customer retention. Service quality is one of the integral parts in achieving competitive advantage in most service industries. Globalization has brought a change in terms of regulatory, structural, technological, environment in the banking industry which led to restructure their strategies for services offered to the customers. Therefore, multiple dimensions of service quality have been suggested. Research on service quality has been done from various aspects.
from a very long time; sufficient research has been contributed in developing the service quality concept.

2.1. SERVICE QUALITY IN BANKING

Parsuraman. A et al. (1985) in their study on “A conceptual model of service quality and its Implication for future research” mentioned that the attainment of quality in products and services has become a pivotal concern of the 1980s. While quality in tangible goods has been described and measured by marketers, quality in services is largely undefined and researched. The authors attempted to rectify this situation by reporting the insights obtained in an extensive exploratory investigation of quality in four service businesses and by developing a model of service quality. Propositions and recommendations to stimulate future research about service quality are offered.

Parsuraman. A. et al. (1988) in their study on “Servqual a Multiple – Item scale of measuring Consumer perception on service quality” described the development of a 22 item instrument called (SERVQUAL) for assessing customer perceptions of service quality in service and retailing organizations and discussed the conceptualization and operationalization of the service quality. Evidence of the scale’s reliability, factor structure, and validity on the basis of analyzing data from four independent samples is presented next.

Rust and Oliver (1994) in their article “The Dimensions of Service Quality: A Study of the Indian Retail Banking Environment” identified that the path to fill the

---

gap in the service quality literature by exploring the dimensions of customer perceived
service quality in the context of the Indian retail banking industry and initiated that
banks’ Managers can take to enhance employees’ skills and attitudes and instill a
customer-service culture.

Andreas Soteriou Stavros A. Zenios\(^4\) (1997) working paper titled “Efficiency,
Profitability, and Quality in the Provision of Banking Services” the models were
illustrated using data for the branches of a commercial Bank. Empirical results
indicated that superior insights can be obtained by analyzing operations, service
quality, and profitability simultaneously than the information obtained from
benchmarking studies of these three dimensions separately. Some relations between
operational efficiency and profitability and between operational efficiency and service
quality are investigated.

Chaisomphol Chaoprasert and Barry Elsey\(^5\) (2004) in their research work
titled “Service Quality Improvement in Thai Retail Banking and its Management
Implications” examined the commitment of service quality of banking and the rapid
growth in electronic banking. It was found that in Thailand the emphasis has been on
improving personal counter services. A model for investigating service in a retail
banking environment is also set out towards the service quality updation.

Shahril Shafie et al.,\(^6\) (2004) in their study on “Adopting and measuring
customer service quality in Islamic banks” found that Liberalisation, deregulation and

\(^4\) Andreas Soteriou Stavros A. Zenios (1997) Efficiency, Profitability, and Quality in the Provision of
Banking Services, Working Paper, Department of Public and Business Administration University
of Cyprus, Nicosia, CYPRUS.

\(^5\) Chaisomphol Chaoprasert & Barry Elsey (2004) Service Quality Improvement in Thai Retail
Banking and its Management Implications ABAC Journal Vol. 24, No.1 (January - April, 2004),

customer service quality in Islamic banks: A case study of bank Islam Malaysia Berhad.
technological advancement have led to an integrated banking industry. This created a highly competitive market place. Since the products and services provided by Islamic banks are generally undifferentiated to conventional banks, they have to been seen as banks that offer high quality products and services. For this reason the management of Islamic bank must be sensitive to its customers’ satisfactions when using their facilities. Applying CARTER model this study measured the perceptions of Malaysian Islamic bank’s retail customers and found that the level of satisfaction is significant.

**Sheetal B. Sachdev and Harsh Verma. V** (2004) in their study on “Relative Importance of Service Quality Dimensions: A Multi Sectoral Study” suggested that all the service quality dimensions are equally important. As no proper order of their important as could be established, the service performance in relation to the 'expectations' is poor in respect of nearly all the dimensions and in all the select services, and the nature of service does not seem to have a role in establishing an order of importance of the dimensions.

**Noriza Binti Mat Daud** (2005) in her study on “An Electronic Banking Model on Service Quality” dealt with electronic service quality (e-service quality) which is considered as the critical factor that gives impact online retailing. There are several service quality dimensions which are user friendly, linkage, appearance, structure and layout, content and information, reliability, security, efficiency, communication, support and incentives. Finding suggested several areas that banking organization should target for improvement. The areas include enhancing the capabilities of speed, being more sensitive with security issues, giving more attention to incentives, providing

---

the ability to translate into multiple languages, minimizing the floating period for the utility payment and providing no transaction fee when customers used online banking services and many more.

**Anbazhagan. B** *(2007)* in his thesis on “Service quality in commercial banks in Madurai” found that the result of the study that service quality of private sector banks is better than that of public sector banks. The poor service quality among the nationalized banks is mostly because of deficiency of empathy and reliability.

**Astrid A. Dick** *(2007)* in his article “Market Size, Service Quality, and Competition in Banking” found that the nature of bank competition across markets is strikingly similar. First, markets remain similarly concentrated regardless of size. Secondly the number of dominant banks is roughly constant across markets of different size; it is the number of fringe banks that increases with market size. Third, service quality increases in larger markets and is higher for dominant banks. Then he suggested the banks to use fixed-cost quality investments to capture the additional demand when market size grows, thereby raising barriers.

**Norailis Ab. Wahab** *(2008)* in his study on “Dimensions of service quality and service climate: A study of bank customers and employees in four local Malaysian banks” produced nine dimensions of service quality (Automated Teller Machine; corporate image; customer interaction and customer service; online and phone banking; physical feature and facilities; products and services; rates and charges; management and staff) and eleven dimensions of service climate (benefit, bonus, reward and salary;

---

corporate image; customer service; facilities; organization; department and branch; management; organization output; products and services; workforce; myself. There were significant relationships between service quality and service climate dimensions. Respondents’ characteristics influenced the strength of the relationships between dimensions, service quality and service climate.

**Deenadayalan. S** (2009) in his study on “Customers preference for quality services in public and private sector banks of Dindigul District” analysed that almost in all the dimensions, the perceived level of service quality was far lower than the desired level. The service gaps were found to be more in the cases of public sector banks.

**Saraswathi.S** (2009) in her study on “Perception of Customers on the Performance of the Private Banks - A Study with Servqual” examined the effectiveness of the SERVQUAL’s five dimensions in the banking sector and measured service quality perceived by the customers. The SERVQUAL scale is administered to measure the customer’s perception on service quality. The findings revealed that dimensions ‘Tangibles’ and ‘Assurance’ were the dimensions perceived high by the customers while the dimension ‘reliability’ is perceived low compared to other dimensions. Correlation matrix revealed that the high correlation exists between ‘understanding the specific needs of customers’ and ‘staff giving customers’ best interest at heart’ which means these two factors are important for the customers in perceiving the service quality provided by the private banks.

---

12 Deenadayalan. S (2009) “Customers preference for quality services in public and private sector banks of Dindigul District” Ph.d Thesis (X5-253) MKU, Madurai

Raja. C\textsuperscript{14} (2009) in his thesis titled on “A study of customers’ services rendered by the private sector commercial banks in Madurai District” suggested that banks should ensure their competitive edge in future. They have to fight with rivals in terms of the quality of their customer services. Therefore a strategic planning approach for designing an appropriate customer service must be adopted.

Rajaram. S\textsuperscript{15} (2009) in his study on “Measurement of Service Quality Dimensions - a Multi Sectoral Study” confirmed that the previous research findings on the casual relationship among service quality, customers’ satisfaction and customer loyalty in various sectors.

IrfanYousaf\textsuperscript{16} (2009) in their research paper on “Achieving Service Quality Through its Valuable Human Resources: An Empirical Study of Banking Sector of Pakistan” focused on the banking sector of Pakistan. It is concluded that quality in service sectors strongly depends on employees’ commitment with the organization for providing superior services to the customers to enhance customers’ satisfaction based on training and development to enhance employees’ skills and learning abilities to perform their tasks efficiently and effectively.

Annie Rose C. Paraan\textsuperscript{17} (2010) in her thesis on “Attributes of quality service offered by private universal banks in Baguio city” made use of the descriptive comparative method to analyze and compare the different perceptions of bank

\textsuperscript{14} Raja. C (2009) “A study of customers’ services rendered by the private sector commercial banks in Madurai District” Ph.d, Thesis (X5-254) MKU, Madurai,
\textsuperscript{15} Rajaram S (2009) “Measurement of Service Quality Dimensions- a Multi Sector Study” Ph.d Thesis (X:8-111) MKU, Madurai
\textsuperscript{17} Annie Rose C. Paraan (2010) “Attributes of quality service offered by private universal banks in Baguio city” Saint Louis university.
customers regarding the quality attributes of the services offered by private universal banks, the perceived relationship between the quality attributes and the services offered including the extent of influence of the environment factors that affected the services offered by the private universal banks. The various bank customers were significantly unsimilar in their perception of the relationship between quality attributes, and the services offered. The internal environment factors of inadequate promotion and advertising as well as inadequate communication and feedback significantly affected the services offered by the universal banks.

**Daing Maruak Sadek** (2010) in their article “Service Quality Perceptions between Cooperative and Islamic Banks of Britain” indicated that the mean comparison for all 6 dimensions were compared and shown that the Compliance issues were very important for IBB customers. On the other hand, the highest ranked between IBB and CB were found, where the customers of IBB chose No interest paid nor taken on saving, and loan as a preferred items, and CB customers preferred to choose Run on ethical value as the highest rank and also demonstrated that the similarities were found where almost all the items in Assurance have a similar ranking in both of banks.

**Tooraj Sadeghi** (2010) in their article on “Measuring Banks’ Automated Service Quality: A Re-Examination and Extension in an Islamic Country” validated a measurement model for customer satisfaction evaluation in e-banking service quality based on different service quality models and theories such as Technology Acceptance Model (TAM), Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB) and also provided a model with 7 factors on the following dimensions:

---


convenience, accessibility, accuracy, security, usefulness, bank image and web site design. Some of these factors have a significant statistical difference between males and females. These dimensions are determinants of customer’s quality perception in e-banking services and this paper presents new directions in a service quality research and offers new directions to researchers and managers in providing service quality improvement.

**Najat Abdullrahim** (2010) in his research on “Service Quality of English Islamic Banks” developed a modified SERVQUAL model for measuring service quality in English Islamic banks. The resulting instrument is intended to help the managers of Islamic banks based in England to measure their service quality and focus their attention on the service quality dimensions that matter most to Muslim customers.

**Uma Sankar Mishra** (2010) in their study on “Service Quality Assessment in Banking Industry of India: A Comparative Study between Public and Private Sectors” pointed out that a small step in understanding the multidimensional construct of service quality and its implications in competitive environment attempted to extract few dimensions of service quality as perceived by bank customers and compares with five major dimensions already extracted in past literature.

**Ushad Subadar Agathee** (2010) in his article “An Assessment on Service Quality in the Mauritian Banking Sector” determined that the relationship between

---

service quality and customer satisfaction in the Mauritian Banking Sector, using the SERVQUAL model. The result indicated the huge gap between customer’s perception and expectation for reliability and responsiveness. And also showed that those falling in the highest income groups are more likely to be unsatisfied with the banks’ services.

**Ananth. A and Arulraj.A**\(^{23}\) (2011) in their study on “A Study on Banking Service Quality in Nagapattinam District, TamilNadu” attempted that the various service quality dimensions of banking. They identified the mediating effect of service quality on banking and showed the hypothetical regression model of BANKQUAL mediated model. They also analysed the overall service quality of the banking sector, identified the mediating factor for satisfying the customer in banking sector and also found the relationship between the dimensions of banking service quality and their influence on the mediating factor.

**Gluma Saban**\(^{24}\) (2011) in their research paper titled on “Managing Service Quality with BSQ Index” designed and validated that a new measuring instrument of service quality, and to establish a national service quality index for the banking sector. The new Bank Service Quality (BSQ) Index is expected to be an important complement to traditional measures of economic performance. A factorial analysis suggested that service quality has three dimensions namely ‘Systemization’, ‘Reliable Communication’ and ‘Responsiveness’. Specific strategies are recommended for the design of an efficient service delivery process for the banking institutions.

**Kailash. M**\(^{25}\) (2011) in her study on “An evaluation of customer perception on service quality in retail banking”, evaluated that the service quality in retail banking in

---


Vijayawada city, based on different levels of customers’ perception. The result indicates that customers’ perception is maximum in the tangibles area and minimum in the Responsiveness area. Enhancing customer experience is a crucial component of attracting and retaining customers in order to grow and protect a profitable business.

2.2. SERVICE QUALITY GAP ANALYSIS IN BANKING

Arash Shahin, Monireh Samea\textsuperscript{26} (2010) in their research work on “Developing the Models of Service Quality Gaps: A Critical Discussion” have critically reviewed the model of service quality gaps and developed in order to make it more comprehensive. The developed model has been verified based using a survey on 16 experts. Compared to the traditional models, the proposed model involves five additional components and eight additional gaps.

Nilamvasava, Laxmandodiya\textsuperscript{27} (2010) in their study on “Analyzing the gap between management perception and customer perception with respect to the services offered in retail banking by different banks” explored that the services and products offered by the banks to individual customers in order to understand the perception of the management with respect to services offered by banks. They also analyzed whether there is a gap between the customer and management perceptions about the services offered by the banks.

Prabaharan.B\textsuperscript{28} (2011) in their study on “Service Quality Gap Analysis in Private Sector Banks Customers’ Perspective” evaluated that the customer perceptions


\textsuperscript{27} Nilamvasava, Laxman dodiya (2010) “Analyzing the gap between management perception and customer perception with respect to the services offered in retail banking by different banks”, N.R. institute of business management, Ahmedabad.

of service quality in selected private sector banks. The result showed that the dimension of service quality such as Empathy and Accessibility has more gap, as the customer expectations are high to their perceived service. The result also indicated that Empathy-Reliability-Assurance positively influences the service quality. The study implied that bank should reduce the service gap to deliver superior quality of service to retain existing customers as well as to attract new customers.

Tooraj Sadeghi, Atefehbemani (2011) in their article “Assessing the Quality of Bank Services by Using the Gap Analysis Model” investigated that the five dimensions of services quality and their relationship with customers' understanding of services quality. Based on the researches performed by Parasuraman et al, services quality is derived from the difference between customers' understandings and expectations which is shown by gap No. 5 in gap analysis model.

2.3. CUSTOMER SATISFACTION IN BANKING SERVICES

Dwan Iacobucci, Amy Ostrom (1995) in their article “Distinguishing service Quality and Customer satisfaction” have proved that service quality and customer satisfaction are important concepts to academic researchers studying consumer evaluations and to practitioners as a means of creating competitive advantages and customer loyalty. Focusing on consumers' understanding and use of the words quality and satisfaction they have made respondents report whether or not they think quality and satisfaction differ, and if so, on what dimensions or under what circumstances.

Dongmei Zhang (2009) in his research paper “Customer Switching Behaviour in the Chinese Retail Banking Industry”. revealed that Price, Reputation,
Service Quality, Effective Advertising, Involuntary Switching, Distance, and Switching Costs have an impact on customers’ bank switching behaviour. The results also revealed that the Young Age and High Income Groups are more likely to switch banks. In general, the results of this research allow service marketers and practitioners to develop and implement services marketing strategies to decrease customer defection rates, and in turn, increase bank profits.

Jannatul Mawa Nupur\textsuperscript{32} (2010) in his research paper titled “E-Banking and Customers’ Satisfaction in Bangladesh: An Analysis” explored the impact of variables of e-banking on customer satisfaction in Bangladesh. The study showed that these factors are the core service quality dimensions for customer satisfaction in e-banking. The study also revealed that reliability, responsiveness and assurance have more contribution to satisfy the customers of e-banking in Bangladesh.

Hor Wai Mun\textsuperscript{33} (2010) in their article “Service Quality Delivery and Its Impact on Customer Satisfaction in the Banking Sector in Malaysia” focused that the measurement of customer satisfaction through delivery of service quality in the banking sector in Malaysia. Reliability has negative relationship but it has no significant effect on customer satisfaction. Tangibles have positive relationship and have significant impact on customer satisfaction. Empathy has positive relationship but it has no significant effect on customer satisfaction. Responsiveness has positive relationship but no significant impact on customer satisfaction. The study highlights implications for marketers in banking industry for improvement in delivery of service quality.


Kazi Omar Siddiqi\textsuperscript{34} (2010) in his research paper titled on “Interrelations between service quality attributes, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh” studied that the interrelationships between service quality attributes, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh. The study sought to identify the most important attributes in bank settings, which may be used to review characteristics of the banks as experienced by customers. The result shows that all the service quality attributes are positively related to customer satisfaction and customer satisfaction is positively related to customer loyalty in the retail banking settings in Bangladesh. This study suggested that SERVQUAL [Service Quality Model] is a suitable instrument for measuring the bank service quality in the Bangladeshi context. Therefore, bank managers can use this instrument to assess the bank service quality in Bangladesh.

Muhammad Asif Khan\textsuperscript{35} (2010) in his article “An Empirical Study of Automated Teller Machine Service Quality and Customer Satisfaction in Pakistani Banks” investigated the significant dimensions of ATM (automated teller machine) service quality and its effect on customer satisfaction. Regression results indicated that convenience, efficient operation, security and privacy, reliability and responsiveness are significant dimensions of ATM service quality, and that ATM service quality positively and significantly contributes toward customer satisfaction. The study makes a significant contribution to the quality management literature because few empirical studies are available dealing with this aspect of the banking sector in Pakistan.

\textsuperscript{34} Kazi Omar Siddiqi (2010) “Interrelations between service quality attributes, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh” International Trade & Academic Research Conference (ITARC) - London.

Deepika Upadhyaya\textsuperscript{36} (2011) in her study on “Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India” emphasized the role of technology to improve quality and hence customer satisfaction. The study intends to promote a better theoretical understanding and recognition of the complexities to service quality and its measurement with respect to life insurance.

Shamsher Sing\textsuperscript{37} (2011) in his study on “Customer Satisfaction Analysis of Information and Communication Technology Channels in Banking Sector” examined the adoption and impact of ATM, internet banking and tele-banking services on customer satisfaction and retention by leading Indian banks. He proved that ICT channels have positive impact on the customer satisfactions.

Surabhi Singh, Renu Arora\textsuperscript{38} (2011) in their study on “A Comparative Study of Banking Services and Customer Satisfaction in Public, Private and Foreign Banks” attempted to study the customers’ perception of quality of services, both transaction based and IT enabled in terms of its constituent factors in public sector, private sector and foreign banks. The study showed that the customers of nationalized banks were not satisfied with the employee behaviour and infrastructure, while respondents of private and foreign banks were not satisfied with high charges, accessibility and communication.


Vibha Arora\textsuperscript{39} (2011) in their article “Dimensionality of Service Quality and its Critical Predictors to Customer Satisfaction in Indian Retail Banking”, investigated the various dimensions of service quality and how these dimensions determine customer satisfaction in Indian banking sector. Multivariate regression analysis was used to see the impact of service quality dimensions on customer satisfaction. Reliability and service interaction were found to be significant variables to customer satisfaction in India.

Vijay M. Kumbhar\textsuperscript{40} (2011) in his study on “Customers’ satisfaction in ATM service: An empirical evidence from public and private sector banks in India” provided that a preliminary comparative investigation of the customer satisfaction in ATM service of public and private sector banks in India. Empirical evidence indicates that customers perception about Efficiency, Security and Responsiveness, Cost Effectiveness, Problem Handling and Compensation and Contact service related to ATM service is low in both public and privates sector banks Therefore both types of banks should be aware about these aspects of ATM service to enhance customers’ satisfaction.

2.4. TECHNOLOGY AND INNOVATION IN BANKING

Wolfinlanger, Gilly\textsuperscript{41} (2002) in their article “Dimensimalizing measuring and predicting quality of the E-banking experience” found four online mobile service quality dimensions through four group reliability, privacy security and customer

\textsuperscript{39} Vibha Arora (2011) Dimensionality of Service Quality and Its Critical Predictors to Customer Satisfaction in Indian Retail Banking, International Journal of Multidisciplinary Research Vol.1 Issue 5, September 2011, ISSN 2231 5780


\textsuperscript{41} Wolfinlanger and Gilly (2002), “Dimensimalizing measuring and predicting quality of the E-banking experience”, working paper, marketing science Institute, Cambridge, CA.
service. They found that reliability and fulfillment are the strongest prediction of customer satisfaction.

**Chanaka Jayawardhane**\(^{42}\) (2004) in his article “Measurement of Service Quality in internet Banking: The development of an instrument” showed that service quality in e-banking can be measured using twenty-one parsimonious measures spread across five dimensions, namely, access, website interface, trust, attention and credibility. The article discussed the importance of these findings for practitioners and for future research on service quality in Internet delivered services.

**Chun Wang Zheng Wang**\(^{43}\) (2005) in his study on “The Impact of Internet on service Quality in the Banking Sector” showed that the Internet is a convenient tool available whenever and wherever customers need it. He also found that the Internet has improved the factors in service quality like responsiveness, communication and access and suggested to banking managers to allocate their resources on the dimensions i.e., reliability, responsiveness, security, communication and access to improve service quality.

**Delgado**\(^{44}\) (2006) in their study “How the Internet affects output and performance at community banks” found that internet banks show significant technology based scale economics, however no conclusive evidence exists that internet banks access experience effects as a result of the heavy usage of the internet technology. As internet banks get larger the profitability gap with traditional banks shrinks.

---


Hatice Jenkins45 (2006) in their thesis titled on “Adopting Internet Banking Services in a Small Island State: Assurance of Bank Service Quality” examined the factors affecting the adoption of internet banking services by domestic commercial banks in a sparsely populated small island. They developed the process of introducing internet banking as an assurance to their customers that they would be able to maintain a competitive quality of service in the future, hence avoid losing their customers to the branches of foreign banks.

Marcus Aronsohn Hussein Charif46 (2006) in his research work titled “E-banking and Service Quality Online” indicated that several aspects showing that the interviewed banks have implemented the main part of the theories but may further improve their Internet banks and suggested to maintain high service quality online they must put more effort into their e-banks.

Mojdeh Ghezelayagh47 (2006) in his study on “Prediction of Customer’s Attitudes Towards using Internet Banking In Iran” provided the evidence for different factors including: Ease of Use, Usefulness, Need for interaction, Risk and Cost with different degrees of intensity influence attitudes toward using Internet banking. He offers an explanation of the varying degrees of acceptance found among different types of customers, the study demonstrated that multiple factors need to be considered when introducing new technology into the service encounter and that the salient factors may vary and their stages in the adoption process.

Vasya Kenova, Patrik Jonasson\(^{48}\) (2006) in their thesis titled “Quality Online Banking Services” analysed the modified theoretical model for measuring quality of online banking services including four quality dimensions namely Service Performance, Website Characteristics, Communication and Efficiency. Based on the modified theoretical model, customer satisfaction with different aspects of the online banking services has been evaluated.

Rajesh Kumar Srivastava\(^{49}\) (2007) in his study on “Customer’s perception on usage of internet banking” revealed that education, gender, income play an important role in usage of internet banking. Not much research has been done on these areas as they were focused more on the acceptance of technology rather than on people. The research corroborated the conceptual framework stating that if skills can be upgraded there will be greater will to use internet banking by consumers. Inhibitory factors like trust, gender, education, culture, religion, security, price can have minimal effect on consumer mindset towards internet banking.

Wen-Jang Jih\(^{50}\) (2007) in their article “Consumer Factors Affecting Adoption of Internet Banking Services An Empirical Investigation” examined the usages of Internet banking services, investigated the nature and sources of customers’ perceived risks, and tested hypotheses with regard to impacts of perceived risks on Internet banking adoption. Using primary data collected in Taiwan, the study finds significant relationships among involvement, familiarity, perceived risks, perception of measures for reducing perceived risks, and customer willingness to adopt Internet banking.


services. The findings have significant implications for practice and research in Internet banking.

Mohammed N. Chaker\textsuperscript{51} (2008) in their article titled “Customers' perception of online banking in Qatar” expressed that how customers perceive using online banking in Qatar, which will enable bank managers to understand the major factors that influence customers' decision to use or not to use online banking. Understanding the symptoms of the problem of why there is a low rate of IB usage can help managers to come up with a right solution to improve their IB service as well as to increase the rate of IB usage.

Salim Al-Hajri, Arthur Tatnall\textsuperscript{52} (2008) in their article titled on “Technological innovation and the adoption of internet banking in Oman” considered that various factors that might act to determine whether a given technology is likely to be adopted by the banking industry in a development such as Oman, by comparison with a developed country like Australia. Based on a consideration of each bank manager’s perceptions of four factors that might affect their decisions to adopt, or not adopt Internet technologies: Relative Advantage, Organisational Performance, Customer/ Organisational Relationship and Ease of Use. It thus addresses the question: What are the enablers and the inhibitors of Internet technology adoption in the Omani banking industry compared with those in the Australian banking industry.

Khurana\textsuperscript{53} (2009) in his study “Managing service quality: An Empirical study on internet banking” identified that the service quality factors in internet banking are


responsiveness, reliability, efficiency, privacy of information and easiness to use. The demographic variables have a significant association with the level of perception on online banking service quality.

Siba Sankar Mahapatra\textsuperscript{54} (2009) in their study on “Service quality evaluation in internet banking: an empirical study in India” showed that customers are satisfied with quality of service on four dimensions such as reliability, accessibility, privacy/security, responsiveness and fulfillment, but least satisfied with the ‘user-friendliness’ dimension. The empirical findings not only prioritise different parameters but also provide guidelines to bankers to focus on the parameters on which they need to improve.

Ali Haider Mohammad Saifullah Sadi\textsuperscript{55} (2010) in his article “The Prospects and User Perceptions of M-Banking in the Sultanate of Oman” investigated that the level of adoption of Information and Communications Technology (ICT) in the banking sector and to assess the prospects of M-banking in Oman. The findings showed that most of the banks and the telecoms operators have the strengths to offer better qualities of electronic and mobile services to the residents of Oman.

Hernan E. Riquelme\textsuperscript{56} (2010) in his study on “Internet Banking Customer Satisfaction and Online Service Attributes” identified which customer service and online attributes predict overall satisfaction. The study was to determine if satisfied customers use more online banking features than less satisfied customers and identified characteristics of less satisfied customers. The findings suggested that satisfaction can


be generated through improving courtesy, content, timeliness and product and services offered.

Abdullah, Hema Date\textsuperscript{57} (2010) in their study on “Customer Perspectives on E-business Value: Case Study on Internet Banking” analysed that the Information Technology is considered as the key driver for the changes taking place around the world. The evolution of e-banking started from the use of Automatic Teller Machines (ATMs) and telephone banking (tele-banking), direct bill payment, electronic fund transfer and the revolutionary online banking. This study determined the consumer’s perspective on internet banking adoption.

Salim Al-Hajri\textsuperscript{58} (2010) in his research work “The Adoption of e-Banking: The Case of Omani Banks explored what are the enablers and the inhibitors of e-banking adoption in the Omani banking industry. Four perception issues were explored: relative advantage organizational performance, customer relationship, and ease of use. The findings revealed that all these four perceptions issues jointly provided an excellent understanding of what were the enablers and inhibitors of e-banking adoption in the Omani banking industry.

Thomas Ogoro Ombati\textsuperscript{59} (2010) in their article “Technology and service quality in the banking industry Importance and Performance of Various Factors” Considered that the Electronic Banking Services” established the relationship between technology and service quality in the banking industry in Kenya. The findings revealed


\textsuperscript{58} Salim Al-Hajri (2010) ph.d thesis “The Adoption of e-Banking: The Case of Omani Banks” Higher College of Technology, Muscat, Oman

that, secure services as the most important dimension, followed by convenient location of ATM, efficiency (not need to wait), ability to set up accounts so that the customer can perform transactions immediately, accuracy of records, user friendly, ease of use, complaint satisfaction, accurate transactions and operation in 24 hours.

Xina Yuan\(^60\) (2010) in his article “Present and Future of Internet Banking in China” illustrated that the history and explosive growth of Internet banking services in China. He discussed the characteristics of Internet banking in China and determined that Chinese Internet banking transactions tend to be comparatively business-related, and that current Internet banking users skew young, highly-educated, and wealthy. This study discussed the potential market for Internet banking services in China, and three factors that may influence the development of Chinese Internet banking. It proposed two marketing suggestions regarding the expansion of the Chinese Internet banking market.

Aqeel Feroze, Asma Basharat\(^61\) (2011) in their research on “Security Analysis of Mobile Banking Services in Pakistan” introduced that the latest method used for transfer of money in Pakistan along with security analysis of two major branch less banking services as both of these services are using SMS massaging system of GSM as basic instrument to carry out their transactions. Comparison of currently available mobile banking and money transfer services is also presented in tabular form.

Hazlina Abdul Kadir\(^62\) (2011) in their research titled on “Service quality analysis: An application on online banking and ATM facilities” identified that the effects of services offered by Malaysian banks through online media and ATMs on


\(^{61}\) Aqeel Feroze and Asma Basharat (2011) “Security Analysis of Mobile Banking Services in Pakistan”

\(^{62}\) Hazlina Abdul Kadir (2011) “Service quality analysis: An application on online banking and ATM facilities”
customer satisfaction. The analysis which is tried to identify the relationship between demographic factors and the study’s outcome. Finally, the study determined which factors have the most effect and which factors have the least effect on customer satisfaction level.

2.5. FACTORS DETERMINING SERVICE QUALITY OF BANKING

Bolton (1994) in their research on "Factors Influencing Customers' Assessments of Service Quality and Their Invocation of a Service Warranty" made a first effort to understand the factors affecting customers' decisions to invoke warranties, and to distinguish this behaviour from the factors affecting customer perceptions of service quality. The results suggested that customer perceptions of the service and the decision to customers' attributions about the service failure and their perceived control of the service process as represented by specific service attributes.

Robert Johnston (1997) in his article “Identifying the critical determinants of service quality in retail banking: importance and effect” provided that the managers with an empirically derived framework to help them assess the likely impact of any service quality initiative. Research suggested that certain actions, such as increasing the speed of processing information and customers, are likely to have an important effect in terms of delighting customers, however other activities, such as improving the reliability of equipment, will lessen dissatisfaction rather than delight customers and that it is more important to ensure that the dissatisfies are dealt with before the satisfiers.


Peter Geita\textsuperscript{65} (2003) in his research project titled “An investigation of the factors affecting service delivery in commercial banks in Kenya” investigated that the factors affecting quality service delivery at commercial banks in Kenya. The study further sought to establish problems facing commercial banks in service delivery. The findings of the study were that training and attitude are equally significant in improving service delivery while hiring practices do not affect employee service delivery significantly. Commercial banks will benefit from the findings as they can use the results of the study to improve service delivery. The government will benefit in that it will formulate policies that will guide the banking industry and setting standards to the benefit of the customers.

Zhang Guozheng, Zhou Faming\textsuperscript{66} (2007) in their working paper “Factors Affecting Customer’s Interactions with E-Bank: An Empirical Analysis in China” explored that the major considerations interacting with e-bank and systematically measures factors affecting customer’s interactions with e-bank services. The results showed that customer trust had the strongest relationship for users’ intention to process transaction online. The second important affecting factor of interaction intention is perceived usefulness, following by ease of use and perceived Security.

Godwin Chigozie Okpara\textsuperscript{67} (2009) in his article “A Synthesis of the Critical Factors Affecting Performance of the Nigerian Banking System” determined that the factors impacting most on the performance of the banking system in Nigeria. The result revealed that factors such as undue interference from board members, political crises,


undercapitalization and fraudulent practices are the most critical factors inhibiting the efficient performance of the Nigerian financial institutions

Beh Yin Yee, Faziharudean T.M.68 (2010) in their study on “Factors Affecting Customer Loyalty of Using Internet Banking in Malaysia” attempted to develop a model based on the usage of Information System, with the purpose to investigate factors influencing customer loyalty towards Internet banking websites. The results indicated that service quality and perceived value are not significantly related to customer loyalty. Service quality was found to be an important factor in influencing the adoption of the technology, but did not have a significant influence in retention of customers. The findings have provided an insight to the internet banking providers on the areas to be focused on in retaining their customers

Hanudin Amin69 (2010) in his article “Factors Affecting the Decisions of Tabung Haji Customers in Malaysia to Use ATM Banking: An Empirical Investigation” provided that a preliminary investigation of the factors that determine whether Malaysia’s Tabung Haji customers in Eastern Malaysia will use or not a new facility introduced by the institution, namely ATM banking. And introduced the concept Tabung Haji ATM Banking (TAB). Provided directions for the future study and also provide new information in a new introduced financial innovation at Tabung Haji.

Norazah Mohd Suki70 (2010) in his article “An Empirical Study of Factors Affecting the Internet Banking Adoption among Malaysian Customers” examined that the factors influence the Internet banking adoption among Malaysian consumers. The

results showed that Hedonic oriented Internet banking sites; followed by the perceived Importance of Internet banking to banking needs and Compatibility all significantly affect the adoption of Internet banking by Malaysian consumers. Trainability has the weakest influence for consumer Internet banking adoption beside Complexity, Risk, and Utilitarian oriented Internet banking sites. The results explored that information about Internet banking services and its benefits is a critical factor influencing the adoption. The findings made a contribution in terms of understanding the factors that can contribute to the adoption of Internet banking by Malaysian consumers.

Kuldeep Sandhu\(^1\) (2010) in their research on “Factors influencing the adoption and usage of online services in Saudi Arabia” perceived Complexity was found to be the most significantly related factor affecting e-service adoption in Saudi Arabia, followed in turn by Privacy and Compatibility. Quality of the Internet and its relative advantage also had a notable affect on e-service usage and adoption in Saudi Arabia.

Wiesław Urban\(^2\) (2010) in his thesis on “customers’ experiences as a factor affecting perceived service quality” verified that if the intensiveness of prior customers’ experiences with the same services provider and other providers affect service quality. Empirical research concluded that customer’ experiences specified by lengths of relationships with a service provider and frequency of service use do not influence whole aspects of service quality.

Ahmed Audu Maiyaki\(^3\) (2011) in his article “Factors Determining Bank’s Selection and Preference in Nigerian Retail Banking” investigated that the relative

---

\(^1\) Kuldeep Sandhu (2010) “Factors influencing the adoption and usage of online services in Saudi Arabia” *The Electronic Journal on Information Systems in Developing Countries*, 1, 1-32.


importance of the factors determining the selection and preference of banks by retail customers. It also found that some factors highly influence the customers’ choice of banks. Similarly, it was also revealed that customers show high preference for some banks as against others. Managerial implications were discussed and finally, recommendations were proffered.

Seyyed Javad Mousavian\textsuperscript{74} (2011) in their thesis titled “Behavioral Factors Tend to Use the Internet Banking Services identified that various factors influence the behavior tends to use internet services by customers is internet banking. These results indicated that the impact of various factors on the orientation behaviour perceived ease, perceived usefulness, perceived security to use internet services banking vary by customer.

2.6. CUSTOMER RELATIONSHIP MANAGEMENT IN BANKING

Mohammad Al-hawari, Tony Ward\textsuperscript{75} (2005) in their study on “The Role of Automated Banking Service in Customer Retention” indicated that a significant influence of bank automated service quality on retention rates. In particular, ATMs and telephone banking played a vital role in retaining customers, while internet banking was not found to have a significant role. It is essential for bank managers to focus on automated service quality in order to increase retention rates. These delivery methods require banks to continue to encourage customers to use bank automated delivery services.

Permitasaha, Yannizhao\textsuperscript{76} (2005) in their thesis titled “Relationship between Online Service Quality and Customer Satisfaction” gained that a better understanding

\textsuperscript{74} Seyyed Javad Mousavian (2011) “Behavioral Factors Tend to Use the Internet Banking Services Case Study: System (SABA), the Melli Bank, Iran, Ardabil” International Journal of Business Administration Vol. 2, No. 3; August 2011


\textsuperscript{76} Permitasaha, Yannizhao (2005) Ph.d thesis “Relationship between Online Service Quality and Customer Satisfaction. Lulea University of technology.
of the service quality dimensions that affect customer satisfaction in the Internet banking sector from a consumer perspective. Five service quality dimensions were selected to be tested in the Internet satisfaction. Nine service quality dimensions in Internet banking were identified (i.e. efficiency, reliability, responsiveness, fulfillment, privacy, communication, personalization, technology update, and logistic/technical support). The quality performances of all the nine dimensions were shown to have a strong impact on customer satisfaction. Efficiency, reliability, responsiveness, fulfillment, privacy was found to be the core service quality dimensions in Internet banking.

Swarnalatha. C (2006) in her research work titled on “A study on Total Quality Management in public sector banks in Madurai Region” identified that the Total Quality management should concern both management and the employees service operations should not waste the customers’ valuable time. The choice between "speed" and "smiles" remain an issue in services redesign. But the real Challenge is how to make banking services fast and friendly.

Mak, Vichet (2007) in his research on “Relationship among Service Quality, Customer Satisfaction and Customer Loyalty: A study of Commercial Banks in Cambodia” conducted that the relationship among service quality, customer satisfaction, and customer loyalty of Cambodian Commercial banks. This study used translated version of the SERVQUAL instrument questionnaire. After descriptive and factor analysis, multivariate regression analyses were performed to study the impact of banking service quality on both customer satisfaction and customer loyalty of Cambodian Commercial banking industry setting.

---


Devi. R.S.\textsuperscript{79} (2009) in her study on “Customer Relationship Management in Banking Sector in Virudunagar District” examined that the CRM in both private and public sector banks revealed that in this competitive era any banking industry can sustain the victory only by satisfying the desires of the customers through CRM.

Deepak Salve, Anil Adsule\textsuperscript{80} (2011) in their study on “Customer Relationship Management in Banks” highlighted that the different ways and means to adopt CRM strategy which will enable bank to enjoy good customer experience, competitive differentiation and thereby long term growth. Banks need to be careful when they spend CRM budget on smart, fast and focused initiatives that will satisfy more customers, more of the time.

2.7. CUSTOMERS’ PERCEPTION ON E-BANKING

Schneider\textsuperscript{81} (1985) in their article “Employee and customer perceptions of service in banks: Replication and extension” found that significant relationships were reported between branch employees' perceptions of organizational human resources practices and branch customers' attitudes about service. Employee attitudes and customer attitudes were related to their own and one another's turnover intentions.

Harker, John B.\textsuperscript{82} (1992) in their article “Employee and customer perceptions of service in banks: teller and customer service representative ratings” provided that a unique opportunity to examine the link between employee and customer perceptions towards service quality of banks.

\textsuperscript{79} Devi. R.S. (2009) “Customer Relationship Management in Banking Sector in Virudunagar District” Ph.d Thesis (X5-203) MKU, Madurai


DaeSoo Kim (2003) in their article “Customers’ perceptions of online retailing service quality and their satisfaction” revealed that some important findings about online service quality. Identified six key online retailing service quality dimensions as perceived by online customers: reliable/prompt responses, access, ease of use, attentiveness, security, and credibility and discovered a significantly positive relationship between overall service quality and satisfaction. Important managerial implications and recommendations are also presented.

Divya Singhal, Padhmanabhan. V (2008) in their study on “A Study on Customer Perception towards Internet Banking: Identifying Major Contributing Factors” explored that the major factors responsible for internet banking based on respondents’ perception on various internet applications. It also provided a framework of the factors which are taken to assess the internet banking perception.

Nina Mesiranta (2008) in their study on “Consumer perceptions of Internet banking in Finland: The moderating role of familiarity”, examined that the role of expertise – measured in terms of use frequency and length of use – in moderating consumer perceptions of dimensions of internet bank services. The results revealed that consumers’ perceptions differed in four of seven dimensions of internet bank services when examined along the criterion of expertise. The most interesting result is that security is not a concern for any of the user groups. Also, an interesting finding is that the dimensions of status, personal finances and investment proved to be U-shaped.

85 Nina Mesiranta (2008) Consumer perceptions of Internet banking in Finland: The moderating role of familiarity, Business papers, e-Publications@bond, Bond University, Finland.
Abu Umar Faruq Ahmad\textsuperscript{86} (2009) in their study “Quality Perception of the Customers towards Domestic Islamic Banks in Bangladesh”, found that alongside religion being the rigorous factor for choosing Islamic banking, there are other factors which are significant to the customers when selecting a service provider. The study revealed alongside religion, factors like depositors' desire to achieve highest return, convenient financial transactions system, consistency in service with uniformity, and higher cost-benefit implications were substantial to clients for choosing their intended services.

Mohammed Hossain, Shirley Leo\textsuperscript{87} (2009) in their article “Customer perception on service quality in retail banking in Middle East: the case of Qatar” evaluated that 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 indicated that customers’ perception is highest in the tangibles area and lowest in the competence area. Owing to the increasing competition in retail banking, customer service is an important part and bank managers should be rethinking how to improve customer satisfaction with respect to service quality. This paper made an useful contribution given that there are only a few studies dealing with the assessment of service quality in banking environments.

Tuvshintugs Orgikhorloo\textsuperscript{88} (2010) in their research on “An analysis on the customer perception on the quality of service and effectiveness of retail website as marketing tool in ulaanbaatar,” revealed that the customer purchase intention has

\begin{footnotesize}
\textsuperscript{86} Abu Umar Faruq Ahmad (2009) Quality Perception of the Customers towards Domestic Islamic Banks in Bangladesh, \textit{Journal of Islamic Economics, Banking and Finance}, Volume-5 Number-1


\end{footnotesize}
higher positive effects on retail website features in Mongolia. The results also showed it is important for the retail company to develop and improve their retail websites throughout the entire periods in order to increase the customer purchase intention either through website or direct from the retail companies. Retail website is an integral component of marketing tool for retail companies as it can bring about improvement in sales strategy and performance of the organization.

Ambiga Dev. P, Malarvizhi.V\(^{89}\) (2010) in their study on “Customer’s Perception of E-Banking: Factor Analysis” investigated that the level of awareness among the customers on the use of e-banking and their expectations from e-banking. From the findings of the study, it was inferred that the customers are satisfied with the quality of e-banking services. But they face technical as well as administrative and procedural problems. Further to promote e-banking services, it is of importance that the banks must ensure quality in customer service. ‘Quality in work’ and Satisfactions of the customers are the two key words, which must be given sternest attention to promote a product.

Khuram Shahzad Bukhari\(^{90}\) (2010) in their study on “Customer’s criteria for selecting an Islamic bank: evidence from Pakistan” attempted to identify the conditions under which Islamic banks can successfully compete with conventional banks by understanding customer attitudes towards Islamic banking products. Suggested that there is a lack of awareness about basic conventions of Islamic financing options among respondents and customers of both the pure Islamic banks and conventional banks with Islamic bank branches do believe that the bank’s staff lacks ability to

---


\(^{90}\) Khuram Shahzad Bukhari (2010) Customer’s criteria for selecting an Islamic bank: evidence from Pakistan, University Of Malaysia
provide credible information about religious compliance of Islamic banking financial services.

Pandit C. Bilamge\textsuperscript{91} (2011) in his study on “A Comparative Study of Customer Perception towards Services rendered by Public and Private Sector Banks” discussed that the issues relating to customer services in both the ICICI and SBI Banks. In order to understand the customer perception towards services rendered by both the banks, many attributes such as cooperation & Behavior of staff, ATM services, Basic facilities, cheque collection time etc. were considered. ICICI bank is much ahead of SBI bank in providing quality services to their customers.

Ashish shashikanth Jani\textsuperscript{92} (2012) in her study on “A Study on Consumer Perception on the use of E-Technology in the retail banking sector: A Comparative Study of public sector and private sector banks” identified that the factors affecting consumer preference for the use of technology in retail banking, assessed the relative importance of these factors in terms of consumer perception and compared the consumer perception in terms of different technology provided by public and private sector banks.

2.8. APPLICATION OF DISCRIMINANT ANALYSIS

Sachdev and Verma\textsuperscript{93} (2002) in their article “Customer Estimations and Service Quality Dimensions Consistency” indicated that customers do have two estimation levels, namely ‘desired’ and ‘adequate’, and they differ significantly in


banking. The customers ‘desired’ estimations are enduring in nature and ‘adequate’ estimations are much flexible and closer to the level of service performed. The customers consider all the stated dimensions of service quality namely tangibles, reliability, responsiveness, assurance and empathy important to them as both their ‘desired’ and ‘adequate’ estimation levels have been found greater. The comparison of performance mean scores with ‘would’ estimations in respect of the two services provide that bankers need to improve and manage the service quality on all of its stated aspects because customers’ even minimum acceptable level of performance is not being served.

Hasanbanu\textsuperscript{94} (2004) in her article “Customer Service in Rural Banks: An Analytical Study of attitude of Difficult type of Customers towards Banking Services”, revealed that the customers expect speed, courtesy and concern from the bank. The system followed in banks needs a review for simplifying the various forms and proceedings for sanctioning loan. The important estimated services in rural banks are courteous service, bank premises, prompt service, accuracy and introduction and payment on term deposits.

Sultan Singh\textsuperscript{95} (2004) in his article “An Appraisal of Customers Service of Public Sector Banks”, identified that the level of customer service and satisfaction of determined by branch location and design, variety of services, rates and changes, systems and procedures, delegation and decentralization, mechanization and computerization, competitive efficiency, complaint redress and very importantly, staff skills, attitudes and responses.


Chinedu B Ezirim\textsuperscript{96} (2005) in his study “Empirical Investigation of Customer’s Choice of Retail Banks in Nigeria”, identified that the key factors accounting for customer’s choice of retail banks in Nigeria are security of environment of banking operation: size and financial strength of the retail bank; speed of service delivery; liquidity and safety of deposits; and accuracy of any efficiency in customers’ accounts management. Others include convenience on the part of the customers in terms of case transactions, availability of parking space and possibility of transactions during normal and past-normal banking hours.

Clement\textsuperscript{97} (2005) in his study “Service Quality Gap Models: A Re-examination and Extension” found the service quality gaps in sixteen dimensions namely management perceptions, service quality strategy, service design and service quality specifications in terms of customers estimation, service gaps, quality supportive financial function, internal communication, co-ordination, organizations in the value system, service delivery, external communication, contact personnel’s perceptions of customer’s estimations, human element, consumer perceptions and service quality evaluation.

Joshua, Koshi\textsuperscript{98} (2005) in their article “Estimations and Perceptions of Service Quality in Old and New Generation Banks-A Study of Selected Banks in the South Canara Region” found that the ICICI has outperformed the other three selected banks namely UTI bank, Corporation bank and Karnataka bank in providing quality service. It is seen that the performance of the new generation banks across all the service quality


\textsuperscript{98} Joshuva and Koshi (2005), “Estimations and Perceptions of Service Quality in Old and New Generation Banks-A Study of Selected Banks in the South Canara Region”, \textit{Indian Journal of Marketing}, 35 (9), September, pp.1-11}
dimensions is better than that of old generation banks in the region. The total average gap score of new generation bank is comparatively lesser than the score seen in old generation bank.

Shajahan\textsuperscript{99} (2005) in his study “A Study on the Level of Customers Satisfaction on various models of banking services in India” identified that the important discriminant variables among the highly dissatisfied, highly satisfied and just satisfied groups in banking are their attitude on account summary, debit card and delivery channel. The two key benefits of the availability of web services and CRM package are productivity front and customer intimacy.

2.9. SERVICE QUALITY AND BEHAVIOURAL INTENTION

Venetis, Chauri\textsuperscript{100} (2000) in their study “The Importance of Service quality on customer intention: An Empirical Study of Business Service Relationship” identified that service quality enhances customers’ inclination to buy again, to buy more, to buy other services, to become price sensitive and to tell others about their formal experiences.

Chaudhuri, Holbwok\textsuperscript{101} (2001) in their research “The Chain of effects from brand trust and brand effect to brand performance: the role of Brand Loyalty” suggested that behavioural or purchase loyalty consisted of repeated purchases of the brand, whereas attitudinal loyalty included a degree of dispositional commitment in terms of some unique value associated with the brand.


Chumpitaz (2004) in their article “Service quality and Marketing performance in Business to business markets: existing the mediating role of client satisfaction managing service quality” revealed that the service quality has a positive effect on the bottom line performance of a firm and thereby on the competitive advantages could be gained from an improvement in the quality of service offering, so the perceived service exceeds the service level desired by customers.

Arup, Bivraj (2012) in their study “CRM Environment: State Bank of India” attempted to explore the casual relationship between service quality and behavioral consequences, especially, attitudinal loyalty and prosperity to switch, in the CRM- driven banking environment of the State Bank of the India. They found that the CRM at SBI have a positive impact on attitudinal loyalty especially through the service quality of SBI. At the same time it has a negative impact on prosperity to switch among the customers in SBI.

David, Narsis (2011) in their study “Physical and Core Service Quality: State Bank of India” used the structural equation modelling approach to test the linkages between the service quality, customer satisfaction and customer commitment at the State Bank of India. They found that the service quality of state bank of India gives a positive impact to the satisfaction and commitment of customers. They also revealed the importance of mediating role of service quality in between core, physical service quality and customer satisfaction.


2.10. CONCLUSION

Review of past literature on service quality helped in the generation of idea, formulation of hypotheses, and selection of various tools for analysis and to arrive at meaningful conclusions. There are many studies available on customers perception towards service quality in banking. No doubt, all these studies have stimulated and encouraged to chalk out a design for this study, which encompasses a wider field than any of the studies referred to. This topic “Customers’ Perception towards Service Quality of Banking Sector” is a new attempt in this study area.