

2 REVIEW OF LITERATURE

Parasuraman, Zeithaml, & Berry (1985) in their study found that services are intangible, perishable and can't be standardized. Hence the service operation requires a distinct operation to bring satisfaction to the users. On the basis of their study they developed a framework better known as SERVQUAL Model.

Cronin & Taylor (1994) authenticated the SERVQUAL scale as an important tool to study the quality of services in various sectors. After studying the scale they proposed another scale which is better known as 'SERVPERF' scale. This is considered as one of the important contribution of their study.

Anderson, Fornell, & Lehmann (1994) gave their observation through this study that satisfaction among the users of any service is the result of the standard of the service they receive while purchasing either goods or services.

Sachdev & Verma (2004) in their study revealed that in service is a trade-off in the modern time to make or break the relationship with the customers. Customers have the choices but not the providers so enhancing the efficiency of operations is a must.

Bhat (2005) studied to measure and compared service quality and customer satisfaction among private and public and foreign sector banks. The research objective of this study is value delivered by Indian banks which implies whether there is any difference between customer satisfaction and service quality among private, public and foreign banks. To study these objectives the researcher had taken a sample of 246 respondents, 82 from each sector.

A structured questionnaire was used to find out service quality level with 22 dimensions. The outcome of the study was that public sector banks are performing less on quality parameter in comparison to private sector banks. All the three banks performed well in tangibility factor, because tangibility having less gap score and people are more reliable on public sector banks. Researcher has concluded that foreign sector banks are better than public and private sector banks.

Tahir & Bakar (2007) investigated the level of quality of banking services in Malaysia. A sample of 300 respondents was selected from east coast of region. For this study SERVQUAL model was used.

Singh & Tripathi (2007) focused on Indian private sector banks and attempted to measure the gap in the service quality perception of both the service providers and customers. The researcher used descriptive study. A sample of 3 private banks has been selected, 10 respondents and one executive from each bank has been selected. The customers are selected on the basis of services of banks provided more than one year. The three banks were ICICI, IDBI and Centurion bank of Punjab selected from Lucknow and Delhi city. Random selection has been made from the list of all the private sector banks.

Munusamy, Chelliah & Mun (2010) while studying the customer satisfaction regarding the service quality in Malaysia, the researcher used SERVQUAL model to find out the satisfaction level of customer in Malaysia. A structured questionnaire was developed with multiple type questions. A scale was used with five level of strongly agree, disagree, no comment, agree and disagree. 140 copies of questionnaire were distributed. It was revealed

that the assurance dimension has more contribution in bringing satisfaction to the users than the reliability dimension.

Agathee (2010) in his study found that a huge gap exists between what customers perceived and what they expected when it was analyzed on the basis of two dimensions i.e. reliability and responsiveness. Customers are generally satisfied with the bank's physical facilities, equipment and appearance of personnel. The result shows that those falling in the highest income groups are dissatisfied.

Mishra, Sahoo & Mishra (2010) concluded that the banks of public sector have more challenge while competing with the private sector banks on various quality parameter of service. They need to revive their strategy for survival. This study may be taken as a hint in this direction to survive in stiff competition.

Hossain (2010) compared the quality of services provided by banks in Bangladesh. Total sample of 100 was considered with a self-administered. Random sampling was used to study the data. The result shows that all users had internet access and they are satisfied with these services.

Asgarian (2010) carried out a study to compare the satisfaction of users of public and private banks in Iran. This research aims to examine whether privatization increased competition in Iran's financial sector and created customer satisfaction. A sample of 220 customers has been selected for this study. A structured questionnaire has been prepared including three parts. First part included personal information; second part explains expectations and perception of clients about banks. SERVQUAL model is used to study.

This study revealed that customers place high expectations on reliability on bank services. In terms of assurance, the data revealed bank customers' expectations were not adequate.

Ahmad, Rehman, Saif, & Safwan (2010) carried out a study to investigate the quality of services being provided by Islamic banks as well as conventional banks. A stratified random sampling was used and the responses were collected using a structured questionnaire (modified version of Servqual scale). Descriptive statistics and t-test was used to know if there is any difference in perception among the customers regarding the standard of services.

Farokhian & Sadeghi (2011) studied quality of services through online banking. In this study different model based on different service quality has been used. Different kinds of dimensions were taken by researcher like; convenience, accessibility, accuracy, security, and usefulness bank image and website design. Researcher has used structural equation modeling. Researcher concluded that higher educational background used electronic services in Iran. The number of customers is high in governmental banks that are using electronic services. Researcher found that factor of accuracy, reliability, image impression of the bank and management and web design are mostly correlated with customer satisfaction. According to the results no difference was observed in general satisfaction with electronic banking between males and females.

Rahaman (2011) studied the service quality on PCB (private commercial banks) in Bangladesh. The researcher used service quality model to study the quality of private commercial banks. This study highlighted service quality gap as associated with external customer services especially in PCB's. Problem of PCB (private commercial banks) is

facing competition with NCB'S (national commercial banks) and FCB (foreign commercial banks) in Bangladesh. In this study research tried to find out impact of service quality and customer satisfaction of PCB'S, to measure the satisfaction level of customers in PCB'S. The researcher mainly used quantitative and survey study method as a technique. In this, study 310 customers were randomly selected in Dhaka city. Data was collected from the customers of branches. To analyze the data SERVEQUAL method was used. The researcher suggested that bank should keep their records accurately. It should provide service on time, customer should feel safe, convenient hours should be provided to customers.

Farokhian & Sadeghi (2011) while studying the satisfaction gap found that there are gaps related to knowledge, customer understanding, customer priorities and performance and promises. It was suggested that staff must improve quality like provide training courses, continuous different workshops and cooperation with customers.

Mishra, Mishra, Praharaj & Mahapatra (2011) used customer relationship management to know the level of satisfaction. A structured questionnaire has been designed. A sample of 337 was used. The result shows that banks of public sector are doing better while providing value to the customers than private banks. Regarding promises and administrations private sector banks were found better than public sector banks.

Santhiyavalli (2011) used SERVQUAL scaling in his study which was based on primary data collected from e- banking customers of SBI. A sample of 300 respondents has been taken with structured questionnaire 22 statements. Researcher found that reliability,

responsiveness, empathy and tangibility were more responsible for 90% customer satisfaction level.

Lohani & Shukla (2011) compared services of various banks the result shows that services provided by private sector bank are better than public sector bank. It was suggested that public sector bank should focus on increasing the service quality and update their information technology so that the customers can be provided better services.

Pandya & Sandhe (2012) in this study tried to understand the level of customer satisfaction of banking sector. Exploratory and descriptive research was conducted to judge the service quality of banks. Researcher used stratified sampling out of which 40% respondents belonged to service sector, 30% business. For this study, primary data was collected with structured questionnaire. Questionnaire was categorized into two parts, first part demographic profile second part questionnaire weight given for five attributes. Sample size was 200. SERVQUAL model was adapted to measure service quality levels for nationalized and private banks. Researcher concluded that quality level of nationalized banks was lower than private banks. In nationalized banks reliability and assurance were given the maximum weightage while responsiveness was given maximum weightage by the private banks. Researcher had found limitation of the study because the research was conducted only in the city of Vadodara and two banks represented private and nationalized banks. The perceived quality levels in nationalized were lower than those in private banks.

Muyeed (2012) evaluated the service quality of banking especially for retail users. The study has been conducted in Bangladesh. The study is based on primary data collection. A sample of 250 customers has been selected in the northern district of Kushtia. Four banks

were considered for the study. The SERVQUAL scaling was modified to meet the objective of the study. The result showed that the customers are not satisfied with the charges and fines being imposed by the banks.

Kumar & Manjunath (2012) studied customer satisfaction of ICICI bank in Mysore city. Data is collected through a structured questionnaire with 152 respondents in Mysore city. For analysis of data SERVQUAL model was used to find out the satisfaction level of ICICI customer. Demographic information revealed that 23% customer were young, 59% were male. For this study one sample t- test and regression analysis was used. Researcher found that there is a need to monitor and maintain the service quality from time to time. The study revealed that ICICI bank had positive relation with customer.

Haq & Muhammad (2012) disclosed from this study that customer satisfaction vary according to the nature of services and person to person. Customers of private sector are more satisfied than others based on their locations and IT usage. Public sector banks were liked for their reputation and credibility only. It was advised that both the sectors must work upon the suggested points.

Ramachandran & Chidambaram (2012) attempted to summarize the result on customer satisfaction towards the service of a bank. Five different perspectives studied namely service encounter, waiting time of customer to get the service, role of intermediaries, quality of services provided and customer complaints towards the bank. Researcher found gap and suggested that they should monitor the services.

Bootwala & Gokhru (2012) was to know the perception of customers for service quality of public, private and foreign sector banks. The researcher used descriptive research to analyze. In this paper, researcher has taken eight dimensions for the study. Researcher found that bank should be looking carefully at each one of the dimensions where customer perceives receiving different service that expected.

Kumari & Rani (2012) tried to identify the perception of customers of banks through the five factors. A sample of 350 respondents has been prepared for this study. Convenient sampling is used to collect the data. Demographic characteristics yielded significant differences at 0.5%. ANOVA and t- test is used to analyze the demographic profile. The researcher found that customer perception can be considered as the key contrast to the overall performance of bank. Most of the respondents were found happy the services of the banks they use.

Jain, Gupta, & Jain (2012) carried out a study to analyze the level of perception among the users of banks and found that responsiveness was the most important factor. Private sector bank (HDFC) ranked higher on the basis of reliability in comparison to other banks. It was advised that the banks should also take steps to increase the skill of their human capital by training them to serve the customers.

Hassan, Mukhtar, Ullah, Shafique, & Rehmna (2012) carried out a study to find out the factors affecting the quality of service in internet banking. A sample of 120 customers was taken for the study with variables like; modification of product, credibility of the service provider, joint efforts, accessibility, mode of networking, etc. Chi square test was used to

analysis the data and it was found that all the variables studied have great impact on customer perception. They encourage the customers to use internet banking.

Saraswathi (2012) also used SERVQUAL instrument to study the level of quality of service being offered by banks. To evaluate the quality of services SERVQUAL instrument has been used. A sample of 226 customers was taken for the study done in Andhra Pradesh. The ratio of the respondents in this study was found to be 51 percent vs 49 percent for males and females. The outcome of the study was that tangibility won over empathy when compared for measuring the quality of service. This indicates that the banks that invest more in their equipment bring more satisfaction in service quality.

Banerjee & Sah (2012) tried to improve their service quality to make customers satisfied. The questionnaire has been developed on the basis of SERQUAL instrument as developed by Parasuraman. The structured questionnaire consisted of two sections i.e. expectation and perception was administered to 230 respondents. Researcher found that the chance of getting satisfactory service is more with the private banks. Researcher finally concluded that customer expectations are high with private banks and level of satisfaction is also high with the private sector banks.

Malik, Mushtaq, Naseem, & Malik (2012) tried to study the linkage, if any, between satisfaction of customers and quality of service being offered by different banks. For this study a cross sectional surveys was conducted and data is collected from 437 customers. The respondent were asked to respond on five point Likert scale. Correlation and regression analysis were done to know the relationship between service qualities, customer satisfaction and behavioral intention. The result shows that female deals with bank less in

comparison of man. Customers of private sector banks were found more satisfied as compared to public sector banks.

Doddaraju (2013) conducted a comparative study to analyze the level of satisfaction in various banks. This study was carried out in Andhra where the number of public banks is more in comparison to private. A structured questionnaire was prepared and administered to 300 customers. In this research, random non-probability sampling method was employed. The output of the study says that the bank should focus in skilling the human capital to bring more satisfaction among its clientele. It was also observed that banks should increase the tangibility (physical infrastructure) in their banks so that it can be a reason for attraction for the customers.

This study was carried out in Ghana by Okoe, Adjei & Osarenkhoe in 2013 to assess the quality of services provided the banks. A sample of 400 was taken to know the services of banks. A structured questionnaire was developed to know the response of customer. One sample t-test was used to find the gap between expectation and perception of the users of and it was found that there is huge gap exists in that area. However, no customer shown the dissatisfaction but it was opined that quality of service in banks play an important role in developing the customer base.

Patidar & Verma (2013) concluded that service quality of private sector is better as compared to public sector banks. For this study the researcher used a SERVQUAL model to know the quality of services adopted by government and private banks. Two banks each from government and private sector was chosen for the study and 200 respondents 100 from each sector were contacted. As an outcome it was noticed that dimensions related to

physical infrastructure bring more satisfaction among the customers. That is the reason private banks are able to score more on these parameters in comparison to public banks. It was finally opined that satisfaction level of users of private banks is higher than government banks.

Sudhamani & Kalyanarman (2013) concluded that the customer satisfaction is dynamic. Bank needs to provide convenience banking facility anytime. In this study, researcher had taken 100 respondents from 4 branches of HDFC bank. Researcher, used convenience sampling, had taken 25 respondents from each branch. A structured questionnaire was used to study the customer perception. It was divided into two parts first consisted demographic analysis and second part was designed to measure the service attribute. One way ANOVA and percentage analysis were exploited for this study. Researcher had taken two objectives to study the customer perception about service quality in private sector bank and the second was to identify the areas that banks needs to improve quality of services. Researcher found that customer was satisfied with services like location of ATM facility, providing internet banking facility, availability of cheque box, account balance inquiry, printed statement of transaction. Researcher found that quality of services of HDFC bank is satisfactory and the suggestion was given that credit card facility should be improved. Researcher had recommended for future scope that research could be in rural areas.

Hassan, Malik, Imran, Hasnain & Abbas (2013) studied to determine the level of satisfaction of banking sector in Pakistan. A sample of 180 customers has been taken for this study. The research has been conducted in different banks in six cities in the area of northern Punjab of Pakistan. Correlation matrix revealed that there is a positive relationship between all attributes of service quality, customer satisfaction and customer loyalty. The

outcome of the study says that empathy and responsiveness have high correlation with satisfaction of the customers. So the banks should focus on increasing the quality of these dimensions.

Appannan, Doraisamy & Hui (2013) identified customer's perception on the service quality dimensions in commercial banks in Butterworth, Penang. In this study, researcher has selected 210 customers from banks which were located at Butterworth, Penang. The three banks selected were Public bank, CIBM bank and May bank. The outcome points out that the dimension of responsiveness plays a vital role in bringing the satisfaction among the users.

Lau, Cheung, Lam, & Chu (2013) studied the relationship between various dimensions related to quality. The study has been conducted in Hong Kong. A structured questionnaire has been prepared based on SERVQUAL model was distributed to 118 respondents of retail banking. The ultimate outcome of the study was that physical infrastructure plays vital role in influencing the satisfaction level of the customers.

Coetzee, Zyl, & Tait (2013) investigated the levels of perceived service quality among 550 clients and 559 branch contact personnel in retail banks in South Africa. SERVPERF instrument was used in this study. Descriptive statistics was used to analyse the 29 statements of service quality. The result shows that client respondents generally scored higher than the bank respondent group. Average scores for all the dimensions were higher for the client respondent group. The result suggests that banks are successfully promoting high levels of service quality. In quick decision making, there are some problems. Most important dimensions of service quality were physical infrastructure of the branch. The

result also shows that the successful retention of clients and the implied loyalty to the bank improved the brand awareness.

Nimako, Gyamfi, & Wandaogou (2013) examined customer satisfaction with internet banking service quality in Ghanaian banking industry. For this study self-administered questionnaire has been prepared. A sample of 200 respondents has been taken. The study has been conducted on two banks, namely Merchant Bank Ghana and Ghana Commercial Bank. One way ANOVA was used to determine differences in satisfaction among demographic group and Kruskal-Wallis ANOVA was used to determine the satisfaction level. The result shows that there is variation in the quality of services being provided. Customers from Merchant Bank Ghana are more satisfied in comparison of Ghana Commercial Bank. The result also suggested that customer satisfaction levels are high in high income group customers.

Moguluwa & Egene (2013) also used SERVQUAL scale for investigating the level of satisfaction in banks in Nigeria. The sample size was restricted to 40. The outcome of the study revealed that the assurance dimension leads over reliability while measuring the level of satisfaction on the basis of parameters. Tangibility also ranked higher while measuring the quality of services. Positive relationship between empathy and satisfaction of the customers.

Nair & Nair (2013) in his study disclosed that customer being a human being with dynamic nature can't be satisfied on all the fronts of quality parameters. SERVQUAL model was used to analyze this study. The study was conducted in Coimbatore district with 52 banks. There were 26 Public sector banks, 23 private sector banks and 3 foreign banks.

The study has been conducted to Public and Private sector banks only. The result shows that reliability got highest score in perceived level of service quality in selected banks. Second highest score is being obtained from empathy. It provides personal attention to customers. Reliability got the highest average score. The researcher concluded that perceived level of service quality is less than the desired level.

Rahman, Chowdhury & Kabir (2013) carried out this study regarding the customer perception and expectation about service quality in government sector banks. In this research customer was having five to nine year experience to evaluate the banking services. The rationale of this study was to know the customer satisfaction offered by the banks and also find out the gap between customer perception and expectations. Researcher has taken Janta Bank Ltd as a sample bank. A sample of 75 customers has been taken in Chittagong city, Bangladesh. The result found that all the age groups were dissatisfied with the services. Customers were more assured with assurance, responsiveness and empathy. Bank should improve service standards in courtesy, ability of employees inspire trust and confidence.

Ali & Zouh (2013) investigated how service quality is perceived by customers. For this study researcher has taken three districts of Pakistan namely Peshawar, Karachi and Islamabad. A sample of 1000 have been taken. Convenience sampling is used to decide the sample size. From 1000 questionnaire 520 were returned by the respondent. The questionnaire was based on Likert scale ranging from one to five. Finding revealed that service quality is positively perceived by the customers of Islamic banks.

Rather (2013) compared Indian public and private sector banks through customer experience and customers satisfaction. The numbers of respondent were 400. A structured questionnaire has been prepared. The questionnaire has been used to collect primary data from customers. The questions asked to the respondent were like service personnel, service offering, facilitating service and many more. To compare the performance of independent T test for mean one way analysis is used to know the results. The result shows that 68% of customer preferred to public sector bank and 31% preferred private sector banks. The researcher concluded that both public and private sector banks are striving very hard to win the customers. Private sector banks understand the customer needs very quickly with well understood Indian customers. So both public and private sector banks faced opportunity and threats generated by each other.

Gill & Arora (2013) attempted to understand the factors influencing customer satisfaction. The study was based on primary data. A sample of 200 was taken for this study. One hundred customers each were taken from private and government banks. The selected public sector banks are Punjab and Sindh bank and Union Bank of India. The other private sector banks are HDFC and IDBI bank. The data was collected from these cities namely Amritsar, Jalandhar and Ludhiana. Independent sample t-test was used to compare the performance of banks. The outcome of the study was that private banks need to earn the faith of the customers whereas government sector banks need to improve the technology.

Camilleri, Cortis, & Fenech (2014) focused on customer perceptions in Maltese retail finance service quality and internet banking. Researcher used two questionnaires for this study. The first questionnaire was to know customer perceived service quality and distributed among computer literate persons through email based survey. Second

questionnaire was based on the attitude of bank customers towards internet banking. One hundred twenty users of banking services were contacted to take the feedback about the quality of services of banks. The study concluded that most of the customers were satisfied with the services of the banks they use. Reliability and access rated higher on the parameters of customers while assessing the quality of service of any bank.

Adhikari & Nath (2014) examined the value and service quality to retain the customers. In competitive business environment, retaining of customers are necessary with new customers. Researcher focused on customer satisfaction and with customer satisfaction existing customer loyalty could be increased. A primary survey has been conducted in Silchar town of Assam. A structured questionnaire is distributed among sixty customers to know the perception level. Five point of scale is used to know satisfaction level. The result shows that customers are satisfied with assurance dimension immediately followed by responsiveness dimension. Whereas, the mean scores of the other three dimensions namely tangibility, reliability and empathy are very close to each other.

Gautam & Singh (2014) found service quality gaps (customer expectation and perception) in public and private sector banks. A structured questionnaire base on SERVQUAL scaling was used with a sample size of 150 respondents. The study has been conducted in Delhi-NCR. The sample is extended to more than 250. T –test is used to analyze the data. The outcome revealed that gap in the expectation and perception is more in public banks than in private banks. For tangibility physical facilities equipment, external appearances of stores are needed to improvement. In foreign banks the gap is negative for reliability, tangibility and responsiveness. Bank should improve these dimensions.

Franklin & Arul (2014) in their study tried to examine the gap between the quality being extended by private and government banks. The banks which are surveyed were SBI, Indian Overseas bank, ICICI bank and HDFC bank is selected from Chennai city. The objective of this study was to know the expectation and perception level of customer also to find the gap in the quality of services provided by banks. The study revealed that expectations of private sector banks customers are high in comparison of public sector bank. The result shows that perception of actual service experienced is also more among private sector banks. It means private sector banks customers are highly satisfied as compared to public sector banks. The service gap in reliability is almost equal in both the banks.

Irulappan & Venkatachalam (2014) evaluated the performance of banks to know the opinion of customers on quality of services offered by bank. The selection is done randomly and 6 banks from government sector and 5 from other. The study was based on primary and secondary data. The result revealed that services provided by private sector banks both in perceived level or desired level was higher. The service quality gaps of public sector banks were found to be in favorable position. The gap score was lower in tangibility, a responsiveness dimensions. For private sector banks reliability, assurance empathy was favorable. The researcher concluded that the reliability dimensions as the most important factor for banking sector. This shows that personal care taken by employees that will determine the success of a bank. Bank should understand the strength and weakness to improve the quality services.

Kathiresan & Sudalayandi (2015) focused on customer expectation through service quality provided by banks. Customers' needs and expectations have been changed. This study has been conducted in Tirunelveli. The aim of this study is to evaluate the links between customer expectations and development of progress. Descriptive research has been used. The primary data is collected with structured questionnaire using Likert scale. The gap score shows that highest level of dissatisfaction is observed in that banks don't conform to their promises; the employees were too busy to respond their request and others. Personal attention was also the main problem. The researcher suggested that all banks need to take care of all the dimensions of service quality. Skilled employees and latest technology will be focused to increase the customer satisfaction. For private banks to improve the reliability, bank should be clear in their terms and condition.