LITERATURE REVIEW:

Aayushi Gupta et al (2012) have investigated on the current levels of clients’ satisfaction and also tried to explore the factors that led to client satisfaction in Indian banks. Data from 400 respondents were collected from various branches of the prominent banks of India and the service quality, ambience and hygienic and involvement factors showed a positive relationship with relative clients’ satisfaction.

Angur et al (1999) have observed that the service – quality issues have long been neglected in developing economies when compared to information available about developed economies like the USA and Europe and this also applies to the banking industry.

Cronin et al (2000) had opined that there is strong evidence that service quality has either a direct influence on the behavioural intentions of customers and / or an indirect influence on such intentions, mediated through customer satisfaction.

Dixit Neha et al (2010) have in their paper investigated the factors that are affecting the acceptance of e-banking services among the adult customers and also indicate the level of concern regarding security and privacy issues in Indian context. The findings of the study depict many factors like security and privacy, trust, innovativeness, familiarity, awareness level increase the acceptance of e – banking services among the Indian customers. The findings further shows that inspite of their security and privacy concerns, adult customers are willing to adopt online banking if banks provide them necessary guidance in the matter. The bank management may segment the market on the basis of age group and obtain their opinion to enable imparting necessary guidance for use of online banking transactions. Interestingly, the study reveals that online banking has a very promising future, as emphasised by the majority (84%) of respondents.

Dutta Kirti et al (2009) have attempted to compare customers’ expectations and perceptions of service quality and bank performance between public, private and foreign
banks and the overall service quality of banks in India. The study also has highlighted the financial performance of the banks to confirm if banks are offering higher service quality and are also more profitable. The statistical analysis further reveals that there exists a gap between the customer expectations and perception in the banking sector. The expectations of Bank customer are higher than their perception. This gap varies cross the banking sector with public sector banks showing the widest gap and foreign banks showing a narrow gap. Factor analysis further showed that tangible, assurance, empathy and reliability dimensions are the explanatory variables predicting customers ‘satisfaction in India. Tangibles have the highest impact on overall customer satisfaction the largest discrepancy between the customer expectations and perceptions is in the terms of empathy which includes bank locations and ATM machines in convenient places and tele-banking and internet banking facility. The findings further show that customers of public sector banks are neutral about the service quality offered by the banks.

Ganesamurthy K et al (2011) have focused on the study related to the perception of the customer on Customer Retention Management of the Commercial banks and to distinguish the perception of the customers on Customer Retention Management of the private and public sector banks. Among the notable findings, it is observed that customers’ perception of Customer Retention Management practices in both the banking groups is almost the same. The results reveal that the total employee involvement, special events, empowered employees, usage of advanced technology, low charges and safety are better practiced in public sector banks and the remaining dimensions like market leadership in strategies, providing innovative services, individual customer care programs, effective complaint management system, customer centric approach, value added services and customer feedback are better practiced in private sector banks. The findings further revealed that customers’ perception of Customer Retention Management in banks does not vary irrespective of different demographic classification.

Gefan (2002) in his study on customer loyalty has observed that the service quality is the subjective comparison that customers’ make between the quality of service that they want to receive and what they actually get.
Haque Ahasanul et al (2009) have investigated the determinant factors of consumers’ perception on e-banking transactions in internet banking by Malaysian bank customers. The results of the study showed that service quality emerges as the important factor which affects customers’ e-banking operations. The study shows the service quality, although not significant, has positive impact on the customers’ perceptions, but they are not considering the factor as the stimulator of usage of e-banking. The study further made significant contribution to knowledge in relation to customers’ perception of the problem and prospects of e-banking. The study further provides an insight into the customers’ needs and wants which may be essential for Bankers in order to provide better services to customers, at the same time banks need more publicity about the security aspects in addition to rules and regulations related to security.

Heggade (2000) studied bank customer relationship in India. He analysed the responses of 11 different classes of bank customers including businessman, salaried, advocates and peasants. He analysed customers’ views on the one hand and employees’ views on the other. The paper concluded that there is a low correlation among the different occupations and satisfaction from services in the Public Sector Banks (PSBs).

Kaujalgi (1999) in his paper has commented that foreign banks already have the advantage of good automation experience in several banking applications. He further observed that Information Technology (IT) plays a significant role in providing better customer service, presumably at a lower cost.

Kumar Lakshmi et al (2011) have made an attempt to understand technology diffusion in the banking sector in India by analyzing ATM technology as a proxy for capital and teller as a proxy for labour by using CES Production function model and found that the degree of substitutability of the teller by the ATM is high, while the ATM is not the perfect substitute.
Madhukar G Angoor et al (1999) had examined the applicability of alternative measures of service, quality in the developing economy of India and had accessed related issues in that context and had further suggested that the SERVQUAL and SERVPERF provides greater diagnostic information than the SERVPERF scale, although SERVQUAL and SERVPERF have identical convergent validity, SERVPERF appears to have higher discriminant validity than SERVQUAL.

Panigrahy (2000) observed that the advent of private sector and foreign banks had also been instrumental in providing greater benefits and new service options to customers.

Pathrose (2001) asserted that banking the world over is undergoing a rapid and radical transformation due to the all – pervasive influence of IT and breath taking developments in the technology of telecommunications and electronic data processing.

Rai Alok Kumar (2009) has focused on the service quality gaps existing with the offerings of the leaders of the public and private sector banks of India viz. SBI and HDFC Bank. An attempt has also been made to identify the weak links of select banks and enable the banks to understand the areas of their strengths and weaknesses and work upon to infuse efficiency and effectiveness. Based on the study conducted, it is revealed that both the said banks which are the largest in their ownership category have not been able to make their customers very happy.

Selvan V et al (2010) have examined customers’ awareness and satisfaction about e - banking at ICICI Bank. It is observed from the results that awareness level of college level education group respondents is high while the same is the case for the respondents having income of above Rs 10,000 and in the case of satisfaction level of respondents; the difference is significant between small and large size families.

Shastri (2001) analysed the effect and challenges of new technology for banks. Technology has brought a sea change in the functioning of banks. The earlier manual system of preparation of vouchers is slowly being automated thereby saving a lot of time...
and effort: the use of Automated Teller Machines (ATMs) and introduction of IT is more than in the past, especially in the post – VRS scenario.

Singh (2004) appraised customer services of PSBs and concluded that the level of customer services and satisfaction is determined by the branch location, design, variety of services, rates and changes, systems and procedures, attitudes and responses. His study is purely concerned with the customers of PSBs.

Singh Jaspal et al (2011) have made an attempt to identify the factors affecting satisfaction level of customers of selected Indian Universal banks and to analyze the impact of these factors on customer satisfaction. The findings of this study revealed that there are 7 determinants of customer satisfaction i.e. Employee responsiveness, appearance of tangibles, social responsibility, services innovation, positive word of mouth, competence and reliability. The results further showed that the level of customer satisfaction is influenced by 3 factors – social responsibility, positive word of mouth and reliability. With an effective customer satisfaction and research program banks may get more business, gain opportunities and would be able to place themselves at a competitive advantage.

Singhal Divya et al (2008) have in their work explored the major factors responsible for internet banking based upon the customers’ perception on various internet applications. 81% of respondents felt that internet banking is very convenient and flexible banking while they have also agreed that it gives benefits like no queuing in bank with any time anywhere banking facilities besides, transaction related benefits. Further it is observed that majority (63%) of the internet banking customers either agrees or strongly agrees that digital signature is the best security feature.

Sureshchandar G S et al (2003) have critically examined the service quality issues (from the customers’ perspective) with respect to a developing economy – India. The three groups of Banks in India (Public sector, private sector and foreign banks) have been compared with respect to each of the five factors of service quality. The three groups of
banks in India seem to vary significantly in terms of the delivery of the five service quality factors. From the customer perceptions of service quality, the technological factors (core service and systematization of the service delivery) appear to contribute more in differentiating the three sectors while the people – oriented factor (human element of the service delivery) appear to contribute less to the discrimination. Also foreign banks seem to be performing well followed by private sector banks and public sector banks.

Thampy et al (1999) commented that the entry of private sector banks and foreign banks, subsequent to the recommendations of the Narasimhan Committee, have increased many fold the expectations of the customers in all areas relating to customer service.

Uppal R K (2012) has made an attempt to study and highlight the customer perceptions regarding e-banking services through a survey conducted in Oct 2008 of 1200 respondents, among 3 Bank groups viz. Public sector, private sector and foreign banks. The major findings of these study is that customers of all bank groups are interested in e-banking services, but at the same time they are facing many problems regarding e-banking services like inadequate knowledge, poor network, lack of infrastructure, unsuitable location, misuse of ATM cards and difficulty in opening an account etc.

Uppal R K (2008) has analysed the quality of e-Banking services in the changing environment on the basis of 5 point likert–type scale with different statistical tools such as rated average method and ranking. The study concludes that most of the customers of e-banks are satisfied with the different e – channels and their services, but the lack of awareness is a major obstacle in the spread of e – banking services. It is further observed through the responses of respondents that the future of e-banking services is bright and that this e-channels will definitely help in the transformation of banking in a positive manner.

Uppal (2006) with stratified sampling of 500 bank customers, explained the impact of computerization on th satisfaction of customers of all bank groups and concluded that customer services are quite better in fully computerized banks and further in e – banks in partial and non – computerized banks.
Varghese and Ganesh (2003) analysed customer services in PSBs and old private sector banks based on the responses of 776 customers of 10 PSBs and 13 old private sector banks operating in Kerala. They found that there is no difference between the two types of the bank branches.

Venkadasala Moorthy A (2011) has made an attempt to ascertain, what an ideal customer service is while ensuring that the customer is aware of the risk in the respective products. It is further highlighted that the customer satisfaction is a measure of how product, service, support and engagement are able to meet the customer expectation. The Researcher has suggested that the bank should make the customer aware of the terms and conditions, should have proper redressal mechanism while aggressively promoting credit/debit cards/other electronic channels, the customers should have proper awareness and knowledge of these products/services. It has been concluded stating that fair treatment to all customers should be considered as an important factor in customer service.

Vidya M et al (2012) have explored the crucial factors responsible to meet the threat of competition and retain customer base of the Indian scheduled commercial banks by assessing the extent of utilization of banks’ services by their customers while ascertaining the customer satisfaction through structural equation model (SCM). The study revealed that there are vast opportunities as well as challenges for Value Added Services provided by banks in India and that due to technological innovations and significant change in demographic profile of customers, there is huge market potential lying ahead. It is further revealed that the awareness level of Value Added Services is restricted to only a certain section of the society.

In addition to the above, the Researcher has reviewed -


**Reports** - Trend and Progress in Banking (RBI), Banking Statistics (IBA), Lead Bank Report, economic surveys, Annual Reports of select Banks, other published Reports.

**Business dailies** – Economic Times, Business Standard, Business Line, etc.

Besides, the Researcher will be reviewing other sources of information like RBI Reports, Lead Bank Report, Economic surveys, Annual Reports of select Banks, published Reports, Business dailies and Reference books.

The websites of few of the Public Sector Banks have been visited with focus on their various e-Banking product/services, customer education series, FAQ’s etc.

The researcher is in the process of collecting/reviewing published Reports on study made by Public Sector Banks viz. Bank of India and Indian Overseas Bank etc on their Customer satisfaction, Quality of Customer Service etc to identify the problem areas and to ascertain the level of satisfaction presently their customers have, to ultimately compare with the findings of current study.

The Researcher also plans on having interviews with the customer on the topic, so that the current study can take off from that point and reach a conclusion and accordingly a recommendation can be given to Bank for implementation.