A STUDY ON SERVICE QUALITY PERCEPTION OF CUSTOMERS ABOUT SELECT PUBLIC AND PRIVATE BANKS IN TIRUNELVELI DISTRICT

THESIS SUBMITTED TO

MANONMANIAM SUNDARANAR UNIVERSITY

IN PARTIAL FULFILMENT OF THE REQUIREMENTS

FOR THE AWARD OF THE DEGREE OF

DOCTOR OF PHILOSOPHY

By

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COMMERCE RESEARCH CENTER

ST.XAVIER'S COLLEGE (AUTONOMOUS)

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MANONMANIAM SUNDARANAR UNIVERSITY

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DECLARATION

I hereby declare that the thesis entitled "**A STUDY ON SERVICE QUALITY PERCEPTION OF CUSTOMERS ABOUT SELECT PUBLIC AND PRIVATE BANKS IN TIRUNELVELI DISTRICT"** submitted by me for the Degree of Doctor of Philosophy in Commerce is the result of my original and independent research work carried out under the guidance of **Dr. C. EUGINE FRANCO,** Associate Professor of Commerce, St. Xavier's College (Autonomous), Palayamkottai and it has not been submitted for the award of any degree, diploma, associateship, fellowship of any University or Institution.

Place : Palayamkottai   **(SHARMI. V.P.)**

Date : 18.05.2017   Signature of the Candidate

ACKNOWLEDGEMENT

I bow before *God the Almighty* for guiding me in the path of righteousness and for showering His Holy Spirit upon me to finish the research work in an excellent manner.

I extend my sincere and grateful thanks to **Dr. C. Eugine Franco.**, **M.Com., M.Phil., M.Ed., Ph.D.,** Associate Professor of Commerce, St. Xavier's College (Autonomous), Palayamkottai for his valuable guidance and encouragement to do the research work, without his help my research work have not got a fine look. My Ph.D research journey began with me being a novice researcher but he has moulded me so much and enriched me in the field of research.

I would like to thank the **college management of St. Xavier's College (Autonomous)** for given me an opportunity to do my research work. In a special way, I thank **Rev.Dr. Danis Ponniah, S.J. Rector, Rev.Dr.Antonyswamy, S.J, Secretary and Rev.Dr. Britto Vincent, Principal** for their encouragement and motivation to do my research in Commerce Research Center.

I would like to extend a very special thanks and express my deepest gratitude to the remarkable mentorship of **Dr. Felicia.,** Associate Professor of Commerce, Sarah Tucker College, Tirunelveli and **Dr. S. Bulomine Regi.,** Assistant Professor of Business Administration, St.Xavier's College (Autonomous), Palayamkottai. Words cannot truly express the feelings of gratitude that I have towards them. My sincere thanks to them for all the love, dedication, support and encouragement that they have given me during this research endeavour. I'm grateful for the amount of time that they

My sincere gratitude to 2016-17 batch M.Phil (Commerce), Research Scholars of St. Xavier's College (Autonomous), Palayamkottai for their interest in raising questions in various presentation of my research work.

In a special way, I thank **Jose Computers,** St. Xavier's Complex, Palayamkottai and its employees **Ms. D. Mary Roselin, Mr. M. Bharathi Raja and Ms. K. Sundari** for their timely help to bring out the thesis in a perfect manner on time.

Sharmi. V.P.

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LIST OF ABBREVIATIONS

ADR	American Depository Receipt
AIMCs	Amount of Information about Mobile Phone Credit Cards
ANOVA	Analysis of Variance
ASBA	Application Supported by Blocked Account
ATMs	Automated Teller Machine
BPO	Business Process Outsourcing
CBoP	Centurion Bank of Punjab
CBS	Core Banking Solution
CFA	Confirmatory Factor Analysis
CRM	Customer Relationship Management
e-Banking	Electronic Banking
EC	Economy
e-CRM	Electronic Customer Relationship Management
e-KYC	Electronic Know Your Customer
EF	Efficiency
EFT	Electronic Fund Transfer
ERP	Enterprise Resource Planning
e-SQ	Electronic Service Quality
EU	European Union
GIC	General Insurance Company
GOI	Government of India

HDFC	Housing Development Finance Corporation
HRD	Housing Resource Development
HSBC	Hong Kong and Shanghai Banking Corporation
IAMAI	Internet and Mobile Association of India
IB	Internet Banking
IBA	Indian Banks' Association
ICICI	Industrial Credit and Investment Corporation of India
IHB	International Hope Bank
IMRB	Indian Market Research Bureau
IOB	Indian Overseas Bank
IPO	Initial Public Offering
IRDBT	Institute for Research and Development in Banking Technology
IS	Information System
ISO	International Organization for Standardization
IT	Information Technology
KASBIT	Khadim Ali Shah Bukhari institute of technology
LIC	Life Insurance Corporation
LK	Lack of knowledge
LPG	Liberalisation, Privatisation, Globalisation
MB	Mobile Banking
m-banking	Mobile Banking
NEFT	National Electronic Fund Transfer

NFS	National Financial Switch
NPN	No Perceived Need
NRI	Non-Resident Indian
NYSE	New York Stock Exchange
OD	Overdraft
OTP	One Time Password
P	Product
PC	Personal Computer
PIN	Personal Identification Number
POS	Point of Sale
PSU	Public Sector Unit
PZB	Parasuraman, Zeithaml and Berry Model
RBI	Reserve Bank of India
RT	Reliability and Trust
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SBICI	State Bank of India Commercial and International Bank
SCM	Supply Chain Management
SEM	Structural Equation Modelling
SERVPERF	Service Performance
SERVQUAL	Service Quality
SPSS	Statistical Package for Social Sciences

SSBT	Self Service Banking Technologies
SST	Self Service Technology
SST	Self Service Terminal
SWIFT	Society for Worldwide Interbank Financial Transactional
TV	Television
UAE	United Arab Emirates
UK	United Kindom
US	United States
UTAUT	Unified Theory of Acceptance and Use of Technology
UTI	Unit Trust of India
VISA	Visa International Service Association

CHAPTER-I

INTRODUCTION AND DESIGN OF THE STUDY

"Customer service deserves an outlook that puts a check on targets sought to be achieved by customer service executives by way of a rigor of compliance with extant rules and regulations. Profit seeking is the basic ethos that governs any business entity but the same cannot and must not override the genuine demands and requirements of customers"[1].

- *Shri G Gopalakrishna*

1.1 INTRODUCTION

Service sector is the life line for the social economic growth of a country. At present, the largest and fastest growing sector which is globally contributing more to the global output and employing more people than any other sector. For most countries around the world, services are the largest part of their economy. The real reason for the growth of the service sector is due to the increase in urbanization, privatization and more demand for intermediate and final consumer services. Availability of quality service plays a vital role for the well being of the economy. The Indian service sector covers a wide range of activities, such as transportation, communication, trading, finance, real estate and health, among others. Amongst these, India's financial sector is diversified and is expanding rapidly. It comprises of commercial banks, insurance companies, non-banking financial companies, mutual funds and other smaller financial entities. Ours is a bank dominated financial sector and commercial banks account for over 60 per cent of the total assets of the

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[1] Shri G Gopalakrishna, Executive Director, RBI at "Axis Champions Awards" on October 1, 2013 @ Mumbai https://www.rbi.org.in/scripts/BS_SpeechesView.aspx?id=841

financial system. Indian Banking sector forms the backbone of the country's economy.

After nationalisation of banks in 1969, public sector banks came to occupy dominant role in the banking structure. Private sector banking services in India received a flip in 1994 when Reserve Bank of India encouraged in setting up of private banks as part of its policy of liberalisation of the Indian Banking Industry. Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. Private Banks have played a major role in the development of Indian banking industry. They have made banking more efficient and customer friendly. In this process, they have joined along with public sector banks out of compulsion and forced them to become more competitive. In these banks, most of the shares are in the hands of private owners.

The Indian banking has finally worked up to the competitive dynamics of the "new" Indian market and is addressing the relevant issues to take on the multifarious challenges of globalization. Banks that employ IT solutions are perceived to be "futuristic" and proactive players capable of meeting the multifarious requirements of the large customer base. Private banks have been fast on the uptake and are reorienting their strategies using the internet as a medium. The Internet has emerged as the new and challenging frontier of marketing with the conventional physical world tenets being just as applicable like in any other marketing medium. The Indian banking has come from a long way from being a sleepy business institution to a highly proactive and dynamic entity. This transformation has been largely brought about by the large dose of liberalization and

economic reforms that allowed banks to explore new business opportunities rather than generating revenues from conventional streams i.e. borrowing and lending. The Reserve Bank of India acts as a centralized body monitoring any discrepancies and shortcoming in the system. It is the foremost monitoring body in the Indian financial sector. The nationalized banks i.e. government-owned banks continue to dominate the Indian banking arena.

Like any other financial services, the banking industry, too, is facing a competitive market that is changing rapidly. New technologies are being introduced and there is always a fear of economic uncertainties. In developing countries like India, it has become very important that banks determine the service quality factors, which are pertinent to the customer's selection process, as with increased competition, with the advent of international banking, the trend towards larger bank holding companies and innovations in the marketplace. Customers are now having greater difficulty in selecting one institution from another. In order to provide excellent service quality, identifying the underlying dimensions of the service quality construct is the first step in the definition and hence provision of quality service was emerged. Thus it should be a central concern for retail bank managers as well as service management academicians and practitioners to maintain effective customer service which helps the banks to build and maintain customer relationship that is the key success in current banking scenario. Better service quality typically can help to get higher market share and better returns. It is desirable for service providers to uncover what attributes consumers utilized in their assessment of overall service quality.

1.2 STATEMENT OF THE PROBLEM

Service has become a strong force now-a-days. Of service sector, the banking services play a vital role to satisfy the varied requirements of customers, both the government on one side and the public on the other. Banks, either public sector banks or private sector banks, are highly competitive with each other with their own objectives and attaining their objectives and targets. As far as, the public sector banks are concerned, they are under statutory obligations that they need to implement certain schemes from time to time announced by the Central Government and RBI. The coverage of customers throughout the country including all rural areas and villages are wide, the amount spent per customer is maintained at minimum because of wide coverage. Poor, middle class and higher income group of people are given equal importance in spite of their volume of transactions. The working atmosphere is also quite normal except in some public sector banks and are conducive in nature. Higher middle class and higher income group of people are given much importance by the private sector banks. These banks are usually concentrated in urban areas with spacious layout and adequate infra- structure facilities. The amount spent per customer is quite high because the coverage is limited in urban area. Individual attention and care will be given as the number of customers may be less when compared to PSUs and the formalities, procedures and time taken may be less, easy and simple for many of the transactions.

The above given information are some of the positive aspects of both the public sector and private sector banks. As these banks have their own objectives and way of attaining those objectives are different, the quality of services rendered may also vary. Formalities in processing credit applications and availing loans, interest

rates for deposits and loans, spacious layout, adequate staff at counters, visible display of information, coverage of geographical area, individual attention, attractive advertisements, creative plans and policies and the friendly approach of staff towards the customers are some of the common areas where the degree of satisfaction of customers may vary in case of public sector and private sector banks. As a result, need to study the customer satisfaction and the level of satisfaction of customers becomes inevitable as these factors affect the working of the industry in rendering fruitful and quality services and also for the up-liftment of the industry in general. Thus, it is the need of an hour to identify the customers' satisfaction level towards banking services and their perception on service quality aspects of banks. Hence, the present study made an attempt to the study the service quality perception of customers about select public and private sector banks in Tirunelveli District.

1.3 OBJECTIVES OF THE STUDY

The following are the objectives focused in the study:

1. To study the socio-economic conditions of the respondents in the study area.

2. To measure the customers' perception towards service quality of select public and private sector banks in Tirunelveli District.

3. To analyse the satisfaction level of the respondents in availing banking services of public and private sector banks in Tirunelveli District.

4. To compare the customers' perception towards service quality of public and private sector banks in Tirunelveli District.

5. To identify the problems faced by the respondents while availing banking services offered by public and private sector banks in Tirunelveli District.

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6. To offer suggestions for the better implementation and wide range of banking services to customers.

1.4 SIGNIFICANCE OF THE STUDY

Banking industry has undergone many changes in the recent past. Technological development and competition among banks have made commercial banks to think of new strategies to attract more customers and retain the existing customers. With the increased competition among banks, quality of service rendered and customer satisfaction play a crucial role in sustainability and profitability of banks. Measuring service quality and level of satisfaction of bank customers becomes inevitable in the present scenario. Hence, this study relating to the customers' perception and satisfaction in availing banking services is considered necessary.

1.5 SCOPE OF THE STUDY

In any service organization, the quality of rendering service is considered as an important element in order to meet the specific requirements of the customer. Banking industry is not an exception. Since, the advent of the New Economic Policy in 1991, the competition among the public, private and foreign banks are so crucial that each and every bank is trying to retain its customers and are striving to provide all such services expected or required for their customers. Only, when customers are satisfied, they can be retained. Hence, the quality of service rendered by the banks and the level of satisfaction of customers has to be measured certainly using proper instrument.

The researcher focused attention to identify the various service quality dimensions and its impact on customer satisfaction. In this research work, the researcher attempts to measure the awareness among the customers of public sector banks and private sector banks regarding various financial services and non financial services offered by banks, perception of the customers towards the service quality dimensions, their expectations towards various facilities offered by banks, their level of satisfaction towards various services offered by the banks. The researcher has also made an attempt to explore the relationship between the service quality dimensions and customer satisfaction. The study was carried out within the geographical limit of Tirunelveli District.

1.6 HYPOTHESES OF THE STUDY

The study considered the moderating effect of variables which included demographic factors: (i) Gender (ii) Age (iii) Income (iv) Education (v) Occupation (vi) Marital Status (vii) Type of Sector (viii) Number of years as customer. The review of literature indicated that the customers differ in their perception of service quality and its dimensions. The difference in the perception may be due to some demographic factors. To support the objectives of the study, the following null hypotheses have been formulated and tested:

Ho: There is no significant difference between male and female customers with respect to service quality, satisfaction and problems in availing banking services.

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Ho: There is no significant difference between married and unmarried customers with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference between savings and current accountholders with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference between public and private sector customers with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference among age groups with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference among educational qualification with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference among occupation with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference among monthly income with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference among number of year(s) as bank customer with respect to service quality, satisfaction and problems in availing banking services.

Ho: There is no significant difference among mean ranks towards factors determining the selection of bank.

1.7 METHODOLOGY

This section describes the methodology which includes the area of the study, period of study, collection of data, research design, construction of questionnaire and pilot study, sample design, proposed research model, field work, and framework of analysis and process of collected data.

1.7.1 AREA OF THE STUDY

Tirunelveli District has been chosen for the study considering the fact for the study that it is one of the pioneering districts in the southern region. (Appendix-II District Profile)

1.7.2 PERIOD OF THE STUDY

The required primary data were collected during the period from April 2016 to October 2016.

1.7.3 COLLECTION OF DATA

The study is based on both primary and secondary data. The primary data were collected from customers having account with the select eight banks for the study. The secondary data were collected from bulletins of RBI and IRDBT, books, bank official websites, bank magazines, reports, newspapers, journals and online resources.

1.7.4 RESEARCH DESIGN

Survey method using a pre-structured questionnaire was used for collecting primary data from the respondents because it offers more accurate means of evaluating information about the sample and enables the researcher to draw

inferences about generalising the findings from a sample to the population.[2] The study also made use of secondary data collected from published sources such as records and reports of RBI and IRDBT, books, bank official websites, bank magazines, reports, newspapers, journals and online resources.

1.7.5 CONSTRUCTION OF QUESTIONNAIRE AND PILOT STUDY

The questionnaire used in this study was structured by the researcher herself. The respondents for the survey were identified through face to face contact in the bank branches. The pilot study was conducted and information from 80 (10×8) respondents was collected. Further, the researcher also contacted the bank employees to get the information needed for preparing the questionnaire. The researcher adopts SERVQUAL model to test the service quality perception of the customers towards banking services. The questionnaire was categorised into five parts. First part deals with demographic profile of the respondents, second part consists of basic information about the customers relationship with the bank, the third part of the questionnaire includes measuring the service quality of the customers availing banking services, the fourth part deals with satisfaction level of the respondents and fifth part consists of problems faced by the respondents while availing banking services. The findings of the pilot study enabled the researcher to design the study. The questionnaire was suitably revised in the light of the experience gained. The findings of the pilot study enabled the researcher to frame hypotheses and design of the study.

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[2] Creswell, J.W. (1994). *Research Design: Qualitative and Quantitative Approaches*. Thousand Oaks: Sage Publication

1.7.6 PROPOSED RESEARCH MODEL
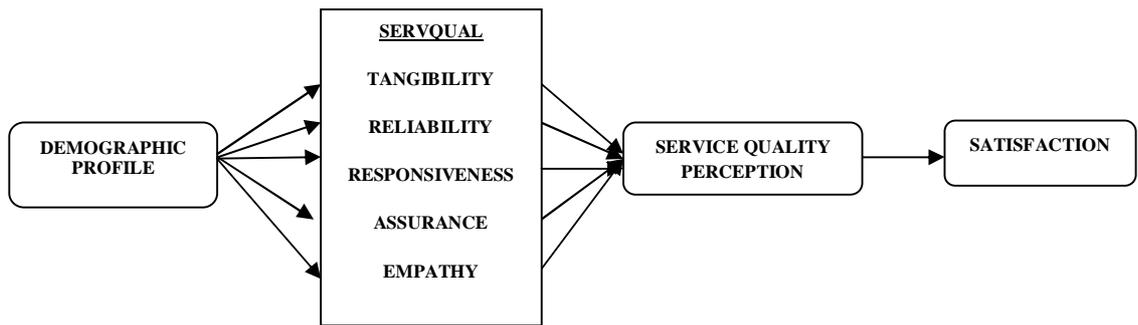
1.7.7 SAMPLE DESIGN

Details of customers from each bank could not be obtained from the banks due to banks' privacy issues and topic sensitivity. Therefore, the researcher decided to contact the respondents from the select banks' branches in the district. Simple random sampling method was adopted to select the branches and purposive sampling method was adopted to select the respondents. Customers who are availing banking services from the select banks are selected for the study.

1.7.8 SAMPLE SIZE

$$\text{Sample Size n} = (ZS/E)^2$$

Where

Z   = Standardized value corresponding to a confidence level of 95% = 1.96

S   =   Sample SD from pilot study of 80 sample = 0.509

E   =   Acceptable Error =5% = 0.05

Hence, Sample size = n = $(ZS/E)^2$

$$= (1.96*0.509/0.05)^2$$

$$= 398.11$$

Hence, Sample Size n= 400

The 400 respondents who were selected for the study are belonging to the following eight banks (i.e. 4 Public Sector Banks and 4 Private Sector Banks) which have been taken for the study. The banks were chosen based on the top public and private sector banks in India. Such categorisation of selected sample respondents is given in the following table:

Table No. 1.1
Classification of Sample Respondents

S.No.	Type of Bank	Name of the Bank	No. of Respondents
1	Public Sector	State Bank of India	50
2		Canara Bank	50
3		Indian Bank	50
4		Indian Overseas Bank	50
5	Private Sector	ICICI	50
6		AXIS	50
7		HDFC	50
8		Karur Vysya Bank	50
		Total	400

1.7.9 FIELD WORK

The field work for this study was carried out by the researcher herself. The researcher used the structured questionnaire for the collection of primary data. The data were collected at the branches of select banks in Tirunelveli District. Care was taken to ensure completeness and accuracy in collecting data.

1.7.10 FRAMEWORK OF ANALYSIS

The collected data were analysed with the help of SPSS 21. The statistical tools like Percentage Analysis, Mean, t-Test, ANOVA, Correlation, Friedman Test, Factor Analysis and SERVQUAL were used to test the significance of various aspects of measuring the satisfaction, problems and service quality of the customers availing banking services. In order to obtain the score of the service quality expectation and perception of customers, Likert Five Point Scaling Technique was used. The numerical weights given to the alternative responses are given in the below table.

Table No. 1.2

Numerical Weights Given to the Alternative Responses

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Positive	5	4	3	2	1
Negative	1	2	3	4	5

1.7.11 RELIABILITY TEST

The reliability test was used to find out the accuracy of the questionnaire. The following table shows the reliability test of variables using Cronbach's Alpha:

Table No. 1.3

Results of Reliability Test Using Cronbach's Alpha

Variables	No. of Items	Cronbach's Alpha
Measuring customers' service quality perception	22	0.767
Satisfaction level of the respondents	47	0.878
Problem faced by the respondents	14	0.859

1.8 OPERATIONAL DEFINTIONS

Service Quality

Service quality is the customer's judgment of overall excellence of the service or the difference between customer's expectation and the actual service performed or perceived.

SERVQUAL

Twenty Two item scales is used to measure the perception of service quality; whereas the SERVQUAL uses the scale twice. Once to measure the expected service quality and once to measure the perceived service quality.

Measuring Service Quality

SERVQUAL is used to measure service quality as a multi-dimensional construct across five dimensions: tangibility, reliability, responsiveness, assurance and empathy

Tangibility

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

Reliability

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

Responsiveness

This refers to the readiness of the service provider to provide timely services to their customers. This includes paying attention to the customers and dealing with the customer's complaints and problems in a timely manner. Responsiveness is being flexible with the customer and trying to accommodate the customer's demands and performing the service without delay.

Assurance

Assurance means the ability to deliver services at a professional level. This includes the employees' knowledge and courtesy which inspires confidence in them. Having trust and confidence in the employee leads to the customer having more trust in the banking company itself.

Empathy

The ability to understand customer needs and to give personal attention. This includes the ability to show the customer that the service provider cares about him/her because the bankers know how valuable he/she is to the business. It is being able to build a relationship with the customers, understanding their needs and providing them with personalized services.

1.9 LIMITATIONS OF THE STUDY

Each research work is subjected to certain limitations and this study is also not an exception. The present study has the following limitations:

❖ The responses for the study have been solicited from the District of Tirunelveli in Tamilnadu alone. The expectation and perception of the

customers in Tirunelveli may vary from those of the rest of the Districts in Tamilnadu and other states in India.

❖ The study may suffer from the element of biasness.

❖ The customers of eight banks were selected for the study to measure the service quality perception of the customers of public and private sector banks. As a result, the generalisation of the findings of the present research has to be done with utmost care.

❖ Furthermore, the sample was restricted to commercial banks. The other major banks like co-operative banks and foreign banks are excluded from the study.

❖ No published data were available on number of customers in the eight selected banks for the study and no banks provided such data to carry out the research work.

1.10 SCHEME OF THE REPORT

Chapter I   "Introduction and Design of the Study" includes introduction, statement of the problem, objectives, operational definitions, hypotheses and methodology of data used, collection of data, construction of questionnaire and pilot study, framework of analysis, limitations of the study and chapter scheme.

Chapter II   consists of a detailed review of previous studies in the area of measuring service quality of banks and other related studies conducted both in India and abroad for the purpose of identifying the research gap and to develop a theoretical framework for the study.

Chapter III provides an overview of service quality of the banks and profile of the study units.

Chapter IV throws and enlightens the measure of service quality using Descriptive Analysis which indicates demographic profile and specific information about the respondents.

Chapter V deals with analysing the data collected to understand the service quality perception, satisfaction and problems of the customers in availing banking services using Inferential Analysis.

Chapter VI reveals the measurement of service quality using SERVQUAL.

Chapter VII states the findings, suggestions and conclusion.

CHAPTER-II

REVIEW OF LITERATURE

2.1 INTRODUCTION

Secondary data are the data which are collected by some person for research purpose or any other reason and which can be either published or unpublished in magazine, journal, books, etc. These data form a strong foundation for further research which might be carried out by research scholars for obtaining a research degree or to solve an immediate problem in an organisation or society or to create awareness among the general public for social reasons. In the field of marketing, secondary data play a vital role to compare and contrast the past history relating to price, sales volume and sometimes customer tastes and preferences also.

In this present study, the researcher has made an attempt to measure the service quality of the banking sector and level of satisfaction of the customers in private and public sector banks in Tirunelveli. To support the topic under study, the researcher has scrutinised some of the Indian and foreign literature which were carried out by other researchers in the same field in the near past in order to identify the relationship between service quality dimensions, customer satisfaction and problems faced by customers while availing banking services of public sector and private sector banks.

2.2 REVIEW RELATING TO SERVICE QUALITY

Quality of service in any organization is very essential for growth and survival. In this competitive environment, each and every organization is striving to retain its customers in order to earn profit. Most of the bank product's developments are easy to duplicate and they can only distinguish on the basis of price and quality. Therefore customer's perception over service quality is gaining importance now-a-days. Hence, the researcher has thoroughly studied the importance of service quality through the following literature:

Parasuraman A, Valarie A. Zeithaml and Leonard L. Berry (1985)[1] carried out an extensive exploratory investigation of quality in four service business organisations and developed a model of service quality. The research revealed ten dimensions that consumers use to form expectation about services and perception about services. The research also pinpointed four key areas or gaps on the service provider's side that are likely to affect service quality as perceived by consumers.

Parasuraman A, Valarie A. Zeithaml and Leonard L. Berry (1985)[2] identified ten determinants of service quality namely reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding and tangibles and found that high quality contributes significantly to bottom-line performance.

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[1] **Parasuraman A, Valarie A Zeithaml and Leonard L Berry,** "A conceptual model of service quality and its implications for future research", The Journal of Marketing, Volume 49, No.4, 1985, pp.41-50

[2] **Parasuraman A, Valarie A Zeithaml and Leonard L Berry**, "Quality counts in services too", Business Horizons, May-June 1985, pp.44-52

Parasuraman A, Valarie A. Zeithaml and Leonard L. Berry (1988)[3] developed a 22-item instrument (called SERVQUAL) for assessing customer perceptions of service quality in service organizations, the procedures used in constructing and refining a multiple-item scale to measure the construct and the scale's reliability, factor structure, and validity on the basis of analyzing data from four independent samples are presented and concluded the paper with a discussion of potential application of the scale.

Parasuraman A, Valarie A. Zeithaml and Leonard L. Berry (1988)[4] laid down the most important findings of defining the components of service quality, organizational factors that can undermine service quality and the ways to enhance quality throughout a service organization.

Parasuraman A, Valarie A. Zeithaml and Leonard L. Berry (1993)[5] developed a conceptual model that depicts the nature and determinants of customer expectations of service. The model specified three different types of service expectations: desired service, adequate service and predicted service. They have also discussed about seventeen propositions about service expectations and their antecedents.

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[3] **Parasuraman A, Valarie A Zeithaml and Leonard L Berry,** "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality", Journal of Retailing, Volume 64, No.1,1988, pp.12-40

[4] **Parasuraman A, Valarie A Zeithaml and Leonard L Berry,** "The service-quality puzzle", Business Horizons, Sep-Oct 1988, pp.35-43

[5] **Parasuraman A, Valarie A Zeithaml and Leonard L Berry,** "The nature and determinants of customer expectations of service", Journal of the Academy of Marketing Science, Volume 21, No.1, 1993, pp.1-12

Parasuraman A, Valarie A. Zeithaml and Leonard L. Berry (1994)[6] responded to the concerns raised by Cronin and Taylor (1992) and Teas (1993) about the SERVQUAL instrument and the perceptions – expectations specification invoked by it to operationalize service quality. They have offered a set of research directions for understanding of service quality assessment.

Parasuraman A, Valarie A. Zeithaml and Leonard L. Berry (1994)[7] identified unresolved issues and developed three alternative questionnaire formats to address the customers and discussed on the empirical study that evaluated the three formats in four different sectors.

From the above reviews, it is evident that quality of service plays a vital role in attaining satisfaction. It is also clear that service quality has a direct and strong impact on customer satisfaction. Only when the customer's perception towards service quality is positive it leads to customer satisfaction.

2.3 REVIEW RELATING TO SERVICE QUALITY DIMENSIONS BASED ON FOREIGN STUDIES

The pioneers of the SERVQUAL have conducted many researches regarding the service quality dimensions and finally came out with an instrument which is considered the most valid instrument for measuring the quality of service in service industries. Many authors had conducted researches using this SERVQUAL instrument to find the perceptions of the customers towards customer satisfaction.

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[6] **Parasuraman A, Valarie A Zeithaml and Leonard L Berry, "**Reassessment of expectations as a comparison standard in measuring service quality: implications for further research", Journal of Marketing, Volume 58, Jan 1994, pp.111-124

[7] **Parasuraman A, Valarie A Zeithaml and Leonard L Berry**, "Alternative scales for measuring service quality: A comparative assessment based on psychometric and diagnostic criteria", Journal of Retailing, Volume 70, No.3, 1994, pp.201-230

Assessing the quality of service is done through various aspects, attributes and dimensions of service like the area where the bank is located, role of bank employees in rendering the service, safety and reliability of transactions, technology related services, etc. Following are some of the reviews that focus their attention towards the importance of various service quality dimensions viz. tangibility, reliability, responsiveness, assurance and empathy.

Walfried M. Lassar, Chris Manolis and Robert D. Winsor (2000)[8] examined the effects of service quality on customer satisfaction from two distinct analysis viz. SERVQUAL and Technical/Functional Quality. These two service quality measures are compared and contrasted the ability to predict customer satisfaction. This research examined the potential utility of employing separate measures for customer satisfaction from the perspectives of both technical and functional aspects of the service delivery process. The paper explored the theoretical and practical insights of the findings, including potential strengths and limitations of current service quality models with regard to their ability to define and explain the quality/satisfaction relationship.

Minjoon Jun and Shaohan Cai (2001)[9] in their article "The key determinants of Internet banking service quality: a content analysis" the research paid focus on the issues associated with internet banking service quality. Customer anecdotes of critical incidents in internet banking were content-analyzed. Identified a total of 17 dimensions of internet banking service quality, which can be classified

[8] **Walfried M. Lassar, Chris Manolis, Robert D. Winsor, (2000)** "Service quality perspectives and satisfaction in private banking", Journal of Services Marketing, Vol. 14 Iss: 3, pp.244 – 271 http://www.emeraldinsight.com/ doi/abs/10.1108/08876040010327248

[9] **Minjoon Jun, Shaohan Cai, (2001)** "The key determinants of Internet banking service quality: a content analysis", International Journal of Bank Marketing, Vol. 19 Iss: 7, pp.276 - 291

into three broad categories – customer service quality, banking service product quality, and online systems quality. The derived dimensions include: for customer service quality, ten dimensions such as reliability, responsiveness, competence, courtesy, credibility, access, communication, understanding the customer, collaboration, and continuous improvement; for online systems quality, six dimensions such as content, accuracy, ease of use, timeliness, aesthetics, and security; and for banking service product quality, one dimension of product variety/diverse features. Also revealed that, in terms of frequency of references to the 17 dimensions no substantial differences exist between internet-only banks and traditional banks offering internet banking service. The most frequently mentioned dimensions, as the main sources of satisfaction or dissatisfaction, were reliability, responsiveness, access, and accuracy. Some suggestions and recommendations were provided to improve the internet banking service quality and, in turn, customer satisfaction.

Faye X. Zhu, et.al, (2002)[10] in their research on "IT-based services and service quality in consumer banking", explores the impact of information technology (IT) on service quality in the consumer-banking sector. It proposes a service quality model that links customer perceived IT-based service options to traditional service dimensions as measured by SERVQUAL in the context of customer perceived service quality and customer satisfaction. The model also incorporates several variables affecting customers' perceptions of IT-based services, and was tested by a structural equation modeling approach using sample data

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[10] **Faye X. Zhu, Walter Wymer, Injazz Chen, (2002)** "IT-based services and service quality in consumer banking", International Journal of Service Industry Management, Vol. 13 Iss: 1, pp.69 – 90 http://www.emerald insight.com/ doi/ abs/10.1108/ 0956423021 0421164

collected from retail bank customers. The results indicate that IT-based services have a direct impact on the SERVQUAL dimensions and an indirect impact on customer perceived service quality and customer satisfaction. The analyses also show that customers' evaluations of IT-based services are affected by their preference towards traditional services, experiences in using IT-based services, and perceived IT policies.

Charles Chi Cui, Barbara R. Lewis, Won Park, (2003)[11] in their research on "Service quality measurement in the banking sector in South Korea", discussed that there have been numerous studies on measures of service quality, such as SERVQUAL and SERVPERF, in a variety of contexts, but the validity of these instruments in Asian markets is under-researched. The present study was focused in South Korea and data on expectations, perceptions and important measures were collected from 153 bank customers. Confirmatory factor analyses revealed that the measurement scales lacked validity with the South Korean sample, and principal component analyses revealed that SERVQUAL and SERVPERF were not uni-dimensional. An amended SERVQUAL type scale showed three factors similar to the original SERVQUAL analysis, and an amended SERVPERF type scale showed two factors, with most of the original items converged on different conceptual dimensions.

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[11] **Charles Chi Cui, Barbara R. Lewis, Won Park, (2003)** "Service quality measurement in the banking sector in South Korea", International Journal of Bank Marketing, Vol. 21 Iss: 4, pp.191 – 201 http://www.emeraldinsight.com/doi/abs/10.1108/026523203104791 87

Zhilin Yang, Minjoon Jun, Robin T. Peterson, (2004)[12] presented a research paper on "Measuring customer perceived online service quality: Scale development and managerial implications". The purpose of this paper is to set forth a reliable and valid means of measuring online service quality based on a broad conceptual framework which integrates theory and conceptualization in customer service quality, information systems quality, and product portfolio management, into online service quality. An ethnographic content analysis of 848 customer reviews of online banking services was employed to identify salient online service quality dimensions. The most frequently cited online service quality attributes, along with literature review and personal interview results were utilized to develop the survey questionnaire. Subsequent to the pre-test, a Web-based survey was undertaken to verify and test the online service quality model. A confirmatory factor analysis produced six key online service quality dimensions: reliability, responsiveness, competence, ease of use, security, and product portfolio. This paper includes a discussion of the managerial and theoretical implications of this online service quality model.

Huseyin Arasli, Salime Mehtap-Smadi, Salih Turan Katircioglu, (2005)[13] conducted a study on "Customer service quality in the Greek Cypriot banking industry". The study helps to measure the service quality perceptions of Greek Cypriot bank customers and to examine the relationship between service quality,

[12] **Zhilin Yang, Minjoon Jun, Robin T. Peterson, (2004)** "Measuring customer perceived online service quality: Scale development and managerial implications", International Journal of Operations & Production Management, Vol. 24 Iss: 11, pp.1149 –1174 http://www.emeraldinsight.com/doi/abs/10.1108/01443 570410563278

[13] **Huseyin Arasli, Salime Mehtap-Smadi, Salih Turan Katircioglu, (2005)** "Customer service quality in the Greek Cypriot banking industry", Managing Service Quality: An International Journal, Vol. 15 Iss: 1, pp.41 - 56

customer satisfaction and positive word of mouth, in the light of changing bank market dynamics due to EU accession. A total of 260 retail bank customers responded to a Greek translated version of SERVQUAL. After descriptive and factor analysis, multivariate regression analysis was used to estimate the impact of service quality dimensions on overall customer satisfaction and the impact of satisfaction on positive word of mouth. The SERVQUAL scale proved to be of a three-dimensional structure in this study. Results revealed that the expectations of bank customers were not met where the largest gap was obtained in the responsiveness-empathy dimension. Reliability items had the highest effect on customer satisfaction, which in turn had a statistically significant impact on the positive word of mouth. There were some difficulties in conducting interviews, which may have restricted the potential sample size. Future research could be directed at how the service is delivered by front-line employees. Findings of this study will help Greek Cypriot banks to redefine their corporate image to one that is customer-focused and emphasizes service quality. The findings will also be important for other countries that need to restructure their banking system as a prerequisite to EU membership. This study assesses the five-factor fit of the much debated SERVQUAL instrument to a new country setting, that of Cyprus, who's already developed banking system, has undergone significant restructuring prior to EU accession.

Essah Ibrahim, Matthew Joseph and Kevin Ibeh (2006)[14] explored the key factors of the electronic service quality perceptions of banking customers in UK and to evaluate the perceptions and actual performance of banks. The results revealed that the customers' perceptions on e-SQ were modest. This study aims to explore the key factors of the electronic service quality (e-SQ) perceptions of UK banking customers and to evaluate the customers' perceptions of their banks' actual performance on the identified e-SQ dimensions. A survey has been used to collect primary data and 135 usable questionnaires were used in the analysis. Questionnaire items were developed through a two-stage process involving a review of the main measurement scales employed in previous studies and two focus group interviews to identify a series of attributes for assessing electronic banking service quality. Factor analysis procedure was employed to identify the underlying structure among the explored e-SQ attributes. Exploratory factor analysis uncovered six composite dimensions of electronic service quality, including the provision of convenient/accurate electronic banking operations; the accessibility and reliability of service provision; good queue management; service personalisation; the provision of friendly and responsive customer service; and the provision of targeted customer service. Further, analysis using importance-performance analysis revealed that the UK customers' perceptions of their bank actual performance on these revealed that e-SQ dimensions were largely modest. Generally relate to the one industry focus, the exploratory factor analysis employed, and the rather generalized view of electronic banking adopted. Future research should aim to improve on these

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[14] **Essam E. Ibrahim, Matthew Joseph, Kevin I.N. Ibeh, (2006**) "Customers' perception of electronic service delivery in the UK retail banking sector", International Journal of Bank Marketing, Vol. 24 Iss: 7, pp.475 - 493

by replicating the study in multi-industry settings, assessing the stability of the revealed factor structure, and examining whether particular e-SQ factors vary in importance across different technology types. This study has drawn on a sample of 135 UK retail banking customers in exploring the key dimensions of the relatively new electronic service quality (e-SQ) construct, and evaluating how the survey respondents perceive their respective banks' performance on those critically regarded e-SQ dimensions.

Abu Shanab E, Pearson J.M (2007)[15] investigated the key determinants of the adoption of internet banking in Jordan. The author attempted to validate the appropriateness of the Unified Theory of Acceptance and Use of Technology (UTAUT) within the context of internet banking. The results of this study indicated that UTAUT provides a good foundation for future technology acceptance research. The three main predictors, viz. performance expectancy, effort expectancy, and social influence were significant and gender moderated the relationships between the three independent variables and the dependent variable (behavioral intention).

Muslim Amin and Zaidi Isa (2008)[16] in their article "An examination of the relationship between service quality perception and customer satisfaction: A SEM approach towards Malaysian Islamic banking" attempted to examine the relationship between service quality perception and customers' satisfaction in Malaysian Islamic banking using the SEM approach. Design/methodology/approach

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[15] **E. AbuShanab, J.M. Pearson, (2007)** "Internet banking in Jordan: The unified theory of acceptance and use of technology (UTAUT) perspective", Journal of Systems and Information Technology, Vol. 9 Iss: 1, pp.78 - 97

[16] **Muslim Amin and Zaidi Isa (2008)** in their article "An examination of the relationship between service quality perception and customer satisfaction: A SEM approach towards Malaysian Islamic banking" International Journal of Islamic and Middle Eastern Finance and Management 1(September):191-209 · August 2008 DOI: 10.1108/ 17538390810901131

– This model starts with SERVQUAL measurement scales consisting of six dimensional structures: tangibles, reliability, responsiveness, assurance, and empathy, and plus the compliance dimensions to measure Malaysian Islamic banking service quality. Respondents are the customers (Muslim and non-Muslim) who visit the bank counters. They must have an account with one of the full-fledged Islamic banking and dual-banking systems. Findings – The results showed that the proportion of Malaysian Muslims' awareness of the Islamic banking products and services were high compared to non-Muslim customers. The majority of the Islamic banking customers were satisfied with the overall service quality provided by their banks. The findings suggest that the standard model of Islamic banking service quality dimensions should consist of the six dimensions and good determinants of satisfaction. The relationship between service quality and customer satisfaction was significant. Further research should be considered in order to gather more information regarding service quality and customer satisfaction dimensions in the context of Malaysian Islamic banking industry. Practical implications – The six dimensions of SERVQUAL represent a valid instrument to measure service quality in Malaysian Islamic banking. Providing financial counseling to attract Muslim customers to use more Islamic banking products and services is critical, where 60 per cent of the Malaysian population is Muslim. There is a potential target market for Islamic banking that needs to be concerned. Originality/value – This research is important in line with the obvious cross-cultural and religious differences between these two key customer segments; Muslims and non-Muslims. In the Malaysian context, there is a strategic dimension that needs to be understood.

Michel Rod, Nicholas Ashill, Jinyi Shao and Janet Carruthers (2009)[17] examined the relationship among three dimensions of service quality that influence the overall internet banking service quality and its effect on customer satisfaction in New Zealand. The results indicated that there is a significant relationship between online customer service quality, online information service quality, banking service product quality, overall internet banking service quality and customer satisfaction.

Johra Kayeser Fatima, Mohammad Abdur Razzaque (2010)[18], in their research article," Understanding the role of Service quality, Customer involvement and Rapport on Overall Satisfaction in Bangladesh Banking Service" mentioned that growing competition among Bangladeshi banks makes it imperative for bank management to explore the impact of service quality and customer involvement on satisfaction during face-to face interactions between the front-line bank employees and customers. This paper reports the findings from a survey on bank customers on these issues and tests a number of hypotheses pertaining to them. Research findings will help understand the impact of service quality, customer involvement, and most importantly, the effect of rapport on overall satisfaction in the face-to-face banking, the most conventional banking mode in Bangladesh.

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[17] **Michel Rod, Nicholas J. Ashill, Jinyi Shao, Janet Carruthers, (2009)** "An examination of the relationship between service quality dimensions, overall internet banking service quality and customer satisfaction: A New Zealand study", Marketing Intelligence & Planning, Vol. 27 Iss: 1, pp.103 - 126

[18] **Johra Kayeser Fatima, Mohammad Abdur Razzaque (2010)**, in their research article," Understanding the role of Service quality, Customer involvement and Rapport on Overall Satisfaction in Bangladesh Banking Service" http://www.anzmac.org/_conference_archive/ 2010/pdf/anzmac10Final00356.pdf

Lo Liang Kheng et.al (2011)[19] in their research work on "The Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia" discussed that the emergence of new forms of banking channels such as Internet banking, Automated Teller Machines (ATM), phone banking and also maturing financial market and global competition have forced bankers to explore the importance of customer loyalty. Therefore, studies need to focus on the changing role of the banking system and its dynamic financial market. The underlying model of SERVQUAL (Parasuraman et al., 1988) with five dimensions was used by this research to evaluate the impact of service quality on customer loyalty among bank customers in Penang, Malaysia with customer satisfaction mediating these variables. The findings show that improvement in service quality can enhance customer loyalty. The service quality dimensions that play a significant role in this equation are reliability, empathy, and assurance. The findings indicate that the overall respondents evaluate the bank positively, but still there are rooms for improvements.

Sivesan. S (2012)[20] in his article "Service Quality And Customer Satisfaction: A Case Study - Banking Sectors In Jaffna District, Sri Lanka" stated that the study was undertaken with the objective of finding out the impact of the service quality on customer's satisfaction in banking sectors. For this study, quality of services is evaluated by reliability, functionality, responsiveness, service design

[19] **Lo Liang Kheng et.al (2011)** "The Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia" http://www.ccsenet.org/journal/index.php /ijms/article/ viewFile/ 8110/6148

[20] **Sivesan. S (2012)** "Service Quality And Customer Satisfaction: A Case Study - Banking Sectors In Jaffna District, Sri Lanka" International Journal of Marketing, Financial Services & Management Research Vol.1 Issue 10, October 2012, ISSN 2277 3622 http://indianresearchjournals.com/pdf/ IJMFSMR/2012/October/1.pdf

and assurances, and also reviewed with help of the GAP (SERVQUAL) analyze this was established by Zeithaml, Parasuramn and Berry. Customer satisfaction is appraised by service facility and accessories, convenience and supporting service, customer value, customer loyalty. The present study initiated the impact of the service quality on customer satisfaction with the samples of 143 customers of banking. The study found that the correlation value between service quality and customer satisfaction is 0.767. It is significant at 0.01 level. There is positive linear relationship between the service quality and customer satisfaction. According to the regression analysis, 58.8 per cent service quality impact on customer satisfaction. Finally, service quality influences on customer satisfaction. The study further points out that keen attention should be paid to polish service quality. Because, service quality is inter related with customer satisfaction.

Mei Mei Lau, et.al (2013)[21] conducted a study titled "Measuring Service Quality in the Banking Industry: A Hong Kong Based Study". The goal of this study is to identify the interrelationships between service quality, customer satisfaction and customer loyalty in the retail banking sector in Hong Kong. The study also aims to find out the most important attributes of service quality in retail banks which can be used to evaluate the characteristics of banking service quality as perceived by customers. A sample of 119 retail banking customers was drawn from the Hong Kong and Shanghai Banking Corporation (HSBC) in Hong Kong. The questionnaire developed for this study was based on a SERVQUAL model that identified the influence of five dimensions (i.e. tangibility, responsibility, reliability,

[21] **Mei Mei Lau, Ronnie Cheung, Aris Y. C. Lam and Yuen Ting Chu (2013)** "Measuring Service Quality in the Banking Industry: A Hong Kong Based Study" Contemporary Management Research Pages 263-282, Vol. 9, No. 3, September 2013 doi:10.7903/ cmr.11060

assurance and empathy) in banking service environments on customer satisfaction. The results indicate that the five SERVQUAL dimensions have a positive influence on customer satisfaction. Tangibility, responsibility, reliability and assurance were more significant in contributing to customer satisfaction, while empathy was the least significant. This study suggests that SERVQUAL is a suitable instrument for measuring service quality in the retail banking sector in Hong Kong. Hence, banking industry practitioners can consider this instrument as a tool to assess and help improve their service quality

Isuri Dharmaratne Roche (2014)[22] in his article "An Empirical Investigation of Internet Banking Service Quality, Corporate Image and the Impact on Customer Satisfaction- with Special Reference to Sri Lankan Banking Sector" discussed that the technology advancement has modified fundamentals of marketing theories, particularly the banking sector. Internet banking has emerged as the most critical form of customer interaction, encompassing the structural changes required by the banks to compete within the financial markets. With the emergence of digital channels, banks are confronted with margin pressures and intense competition. In addition, the customer's quest for personalized services has intensified with the implementing of internet banking. Service quality is a pre-requisite for customer satisfaction and in a virtual environment, the task becomes even more challenging to banks. Despite the explosive growth in internet banking globally, some countries

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[22] **Isuri Dharmaratne Roche (2014)** in his article "An Empirical Investigation of Internet Banking Service Quality, Corporate Image and the Impact on Customer Satisfaction; With Special Reference to Sri Lankan Banking Sector" Journal of Internet Banking and Commerce, August 2014, vol. 19, no.2 https://www.icommercecentral.com/open-access/an-empirical-investigation-of-internet-banking-service-quality-corporate-image-and-the-impact-on-customer-satisfaction.pdf

still lag behind the implementation process. Security concerns persist as a salient feature and may be detrimental for the growth of the internet banking. In sequence with prior studies conducted in other countries, corporate image is envisioning as a control dimension of service quality. The present study explores the decipherable antecedents of customer satisfaction and the deviation in fundamentals, with the inclusion of corporate image, in the Sri Lankan Banking Sector.

Siew-Peng Lee and Sedigheh Moghavvemi (2015)[23], in their article "The Dimension of Service Quality and Its Impact on Customer Satisfaction, Trust, and Loyalty: A Case of Malaysian Banks" described that banking is an important industry in a nation but with the intense competition of various banks available, it is the services provided that crucially distinguishes the banks. Previous studies have examined the relationship between service quality, customer satisfaction, perceived value, loyalty, trust and image. These studies adopted the SERVQUAL model to measure service quality in banks which may be five dimensional. This study proposes to measure service quality by applying six dimensions: tangibles, empathy, reliability and security, price, online banking and convenience. These six dimensions are used to examine the relationship between service quality, perceived value, customer satisfaction, bank image, customer loyalty and customer trust among bank customers in the Klang Valley, Malaysia. Data were analysed by Structural Equation Modelling (SEM) in order to test all the relationships between the variables in the model. The findings support the proposed hypotheses, which are

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[23] **Siew-Peng Lee and Sedigheh Moghavvemi (2015**), "The Dimension of Service Quality and Its Impact on Customer Satisfaction, Trust, and Loyalty: A Case of Malaysian Banks" Asian Journal of Business and Accounting 8(2), 2015 http://ajba.um.edu.my/ filebank/published_article/ 9101/ AJBA %208(2)_4.pdf

consistent with the theoretical framework. The results indicate that the dimensions of tangibles, empathy, reliability and security and online banking have a significant positive relationship with perceived value. The analyses show that service quality, customer satisfaction, bank image and trust are important determinants of loyalty.

Iberahim. H, et. al. (2016)[24] in their study on Customer Satisfaction on Reliability and Responsiveness of Self Service Technology for Retail Banking Services" stated that Self Service Technology (SST) is a required feature in retail banking industry. The interface facilitates communication between human and machine is important in our daily lives as a result of the swift technology advancement. Automated-Teller Machine (ATM) has been one of the best options for Self Service Terminal in catering retail banking services. The purpose of this study is to examine the current level of ATMs service quality as one of the main ATM service points of a Malaysian bank. The objective of the study is to investigate the relationship between the reliability and responsiveness of ATM services with customer satisfaction and verify the determinants for service enhancement. Data were collected through questionnaire survey of 271 respondents and observations at the service point. Data were analysed using SPSS. Result of survey suggests the relationships of three out of four elements of service quality dimensions (consistency, dependability and timeliness) are important to maximising customer satisfaction.

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[24] **Iberahim.H. N.K. Mohd Taufik. A.S. Mohd Adzmir. H. Saharuddin (2016)** Customer Satisfaction on Reliability and Responsiveness of Self Service Technology for Retail Banking Services" vol.37, 2016 pp.13-20 http://www.sciencedirect.com/ science/ article/pii/S2212567 116 300867

Bujar Pira and Enliat Shala (2017)[25] in their study on "The Evaluation of Service Quality in the Growing Banking Sector in Kosovo" mentioned that service quality is one of the important factors in determining the success or failure of internet banking. In order to survive in the highly competitive corporate banking industry, it is crucial for banks to understand the expectations of customers. Also in order to sustain competitive advantage in the banking industry, it is important for banks to understand the service quality dimensions that are perceived as most important by customers. Moreover, banks should understand the impact of those dimensions on overall perceived service quality and customer satisfaction. This research aims to find out the most important service quality dimensions for ProCredit Bank from customers' perspective. Also using the gap score analysis, this research aims to examine the service quality gaps for ProCredit Bank. Basing on the gap scores, the research aims to find out how much customers are satisfied with the services. Findings and results of the research indicate significant difference between expectations and perceptions of ProCredit Bank customers in Kosovo. Interestingly, responsiveness was found as the most important service quality dimension for customers of ProCredit Bank. Moreover, implications for bank are discussed and recommendations are suggested for further research.

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[25] **Bujar Pira and Enliat Shala (2017)** "The Evaluation of Service Quality in the Growing Banking Sector in Kosovo" International Journal of Current Engineering and Technology E-ISSN 2277 – 4106, P-ISSN 2347 – 5161 Vol.7, No.1 (Feb 2017), http:// inpressco. com/ wp-content/ uploads/ 2017/01/Paper519-24.pdf

2.4 REVIEW RELATING TO SERVICE QUALITY DIMENSIONS BASED ON INDIAN STUDIES

Preethi (2000)[26] conducted an exploratory study to develop a service quality model. The overall discussions of service quality revealed that it is more difficult for the customer to evaluate service quality. Service quality perceptions result from a comparison of consumer expectations with actual service performance and evaluation of quality is made on the outcome of a service as well as the process of service.

Minjoon Jun and Shaohan Cai (2001)[27] in their research identified 17 dimensions of internet banking service quality which are classified into three categories namely customer service quality, banking service product quality and online systems quality. The results revealed that reliability, responsiveness, access and accuracy were found to have impact on customer satisfaction.

Sureshchandar et al (2002)[28] in their study examined the relationship between service quality and customer satisfaction in Indian banking sector. These were found to be independent but closely related. Both constructs vary significantly in core services, human element, systematization of service delivery, tangibles and social responsibility.

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[26] **Preethi S.K**, 'Financial Services – gearing upto meet the challenges of the New Millennium' in Raghavachari M and Ramani KV (Eds). Delivering Service Quality: Mac Millan Indian Ltd., New Delhi, 2000, pp.160-166

[27] **Minjoon Jun and Shaohan Cai**, "The key determinants of Internet banking service quality: a content analysis", Emerald publishing, Issue 19, 2001

[28] **Sureshchandar, G.S., Rajendran, C., and Anantharaman, R.N. (2002).** Determinants of customer-perceived service quality: a confirmatory factor analysis approach. Journal of Services Marketing, 16(1), 9-34.

Sureshchandar G.S, Chandrasekharan Rajendran, Anantharaman R.N. (2003) [29] focused on investigating the critical factors of customer perceived service quality of banks in India. The study was conducted to compare and contrast the three groups of banks in India with respect to the service quality factors from the perspective of the customers. They found that customers in developing economies seem to keep the "technological factors" of services as core service and systematization of the service delivery as the yardstick in differentiating good and bad service while the "human factors" play a lesser role in discriminating the three groups of banks.

Sachdev, Sheetal B. et al. (2004)[30] attempted to examine the role of nature of service in knowing the order of importance of service quality dimensions. SERVQUAL tool is used to measure the difference between perception of delivered service and expected quality of service. The methods used to find the relative importance of service quality attributes and to establish consistency in their order of importance are zone of tolerance, regression and direct evaluation. The study found that tangibility is assessed at least important and empathy as the second least in banking services marketing. Zone of tolerance and direct evaluation methods were used to reach this finding.

[29] **Sureshchandar G S, Chandrasekharan Rajendran and Anantharaman R N,** "Customer perceptions of service quality in the banking sector of a developing economy: a critical analysis", International Journal of Bank Marketing, Volume 21, Issue 5, 2003
[30] **Sachdev, Sheetal B. and Verma, Harsh V. (2004).** Relative importance of service quality dimensions: A multi sectoral study, Journal of Services Research, Vol. 4, No. l, April-September, pp 59-8 1.

Mushtaq A. Bhat (2005)[31] found that high service quality contributed significantly to profitability and productivity. The results of the study led to the conclusion that service quality of foreign banks is comparatively better than that of Indian banks and there are service quality variations across demographic variables.

Atul Dhyani, Batra G.S. and Jaskaran Singh Dhillon (2006)[32] revealed that the "commitment" is very strong in foreign banks, because of its consistent delivery of quality service. Whereas in private sector banks the quality of service is also improving, but the cost of delivering the services is more compared to the actual service rendered. Public sector banks lack "commitment" in delivery of quality service.

Purohit H.C and Avinash D. Pathardikar (2007)[33] said that the perceptions of the consumers on different banks differ due to the behavior of the individual employees or officers. The five dimensions of SERVQUAL were observed as ideal in all the banks except reliability of the employees.

Sadiq Sohail M and Nassar M.Shaikh (2008)[34] measured the quality of service from customers' perspective for internet banking and discussed how banks can be competitive by providing quality services. The analysis identified three factors that influence users' evaluation of service quality of internet banking services which are "efficiency and security", "fulfilment" and "responsiveness".

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[31] **Mushtaq A Bhat,** "Corelates of service Quality In banks: An Empirical Investigation", Journal of Services Research, Volume 5, No.1, Apr – Sep 2005, pp. 77 – 97

[32] **Atul Dhyani, Batra G S and Jaskaran Singh Dhillon,** "Customer Commitment Vs. Relationship Marketing in Banks", Paradigm, Volume 10, No.2, July – Dec 2006, pp. 17 - 24

[33] **Purohit H C and Avinash D Pathardikar,** "Service Quality Measurement and Consumer Perception About the Services of BankingInstitution", Indian Journal of Marketing, Mar 2007, Volume XXXVII, No. 3, pp. 12 - 18

[34] **Sadiq Sohail M, Nassar M Shaikh,** "Internet banking and quality of service: Perspectives from a developing nation in the Middle East", Online Information Review, Vol 32, Issue 1, 2008

Usha Lenka, Damodar Suar and Pratap Mohaparta (2009)[35] examined whether service quality increases the customer satisfaction and loyalty in Indian commercial banks. The results suggested that better human, technical and tangible aspects of service quality of the bank increase customer satisfaction and human aspects of service quality influence customer satisfaction more than the technical and tangible aspects. They concluded that customer satisfaction leads to customer loyalty.

Swati Anand and Kailash Saklani (2010)[36] evaluated the service quality of I-banking services in Delhi from customer's perspective. It was observed that customers are satisfied with the reliability, accessibility, privacy/security, responsiveness and fulfilment but least satisfied with the dimension 'user friendliness'. They developed a seven-dimensional model using regression analysis for measuring the overall service quality of I-banking. The result indicated that 'Privacy/Security' and 'Fulfilment' are not contributing significantly towards the overall service quality. They also observed that the opinion of male and female of business class differs from the other classes.

Mubarak Ali E, David Sam Jaykumar G.S and Senthil P.L (2011)[37] conducted a study to find the impact of various services rendered and the overall service quality in Indian banks. The results of the analysis indicated that the quality

[35] **Usha Lenka, Damodar Suar and Pratap KJ Mohapatra, "**Service quality, customer satisfaction and customer loyalty in Indian commercial banks", Journal of Entrepreneurship, March 2009, Volume 18, No.1, pp.47-64

[36] **Swati Anand and Kailash Saklani,** "Customer's Perception regarding Service Quality of Internet Banking – An Empirical Study in Delhi", Journal of Banking, Information Technology and Management, Volume 7, No.1, Jan-Jun 2010, pp.43-52

[37] **Mubarak Ali E, David Sam Jaykumar G S and Senthil P L,** "Service Quality of Indian Bank in Thanjavur District: Evidence from Survey Data", The IUP Journal of Bank Management, Volume X, No.2, 2011, pp.77-94

and appearance of the materials (tangibility), the quality of records from reliability point of view of service quality, employees' willingness, as a variable of responsiveness, courtesy of employees from assurance point of view, followed by their behaviour and knowledge and understanding the specific needs of customers from empathy point of view contributes more to the overall service quality.

Rama Mohana Rao K and Tekeste Berhanu Lakew (2012)[38] conducted a study to examine the service quality perceptions of customers of public sector and private sector banks in the city of Visakhapatnam, India. The researcher used SERVQUAL model with 42 items pertaining to the five dimensions of service quality viz. Tangibility, Reliability, Assurance, Responsiveness and Empathy for the study and found that the reliability and assurance dimensions of service quality scored the highest ratings while the tangibles dimension got the lowest score. The study also found a strong dissimilarity in service quality perceptions between customers of private sector and public sector banks.

Sunny Bose and Nitin Gupta (2013)[39] studied the difference in service quality between public sector banks and new generation private sector banks in India based on SERVQUAL scale. The results revealed that the new generation private banks provide better quality of service when compared to the public sector banks.

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[38] **Rama Mohana Rao K and Tekeste Berhanu Lakew**, "service quality perceptions of customers: A study of the customers' of public sector and private sector commercial banks in India", International Journal of Research in Commerce and Management, Volume No.2, Issue No.11, Nov 2012, pp.13-16.

[39] **Sunny Bose and Nitin Gupta,** "Customer perception of services based on the SERVQUAL dimensions: A study of Indian commercial banks", Services Marketing quarterly, Volume 34, Issue 1, 2013

Mukta Dewan and SadhanaMahajan (2014)[40] conducted a study on the Perceived Service Quality and its Dimensions in Private Sector Banks". The purpose of conducting this research was to explore how the customers of the private sector banks perceive the various dimensions of service quality. This research was mainly based on primary data which had been collected through a well-structured questionnaire (adapted from the PZB model of service quality). The questionnaire had been distributed to 300 respondents. This paper makes a useful contribution as there are very low number of studies that have been conducted in India on such dimensions like tangibility, reliability, responsiveness, assurance and empathy. This research showed that perception of service quality varies from person to person and bank managers need to conduct more researches in order to evaluate perceived service quality more strongly.

Mehul Patel (2015)[41] in his article "Impact of Bank Service Quality on the Customer Satisfaction in Indian Banking Sector" reveals that the routine of maintaining long-term relationship with clients has been demonstrating to be beneficial for the corporation of any range, be it profitability or loyalty, irrespective of the sectors they belong to. In today's extremely competitive environment, organizations should protect the long-term involvement of the clients and hence should seek the ways through which the customer loyalty toward the systems will be devised. This research paper focuses on the some issues of the Indian banking

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[40] **Mukta Dewan, Dr SadhanaMahajan (2014)** A Study of the Perceived Service Quality and its Dimensions in Private Sector Banks IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 16, Issue 2. Ver. I (Feb. 2014), PP 44-51. http://iosrjournals.org/iosr-jbm/papers/Vol16-issue2/Version-1/F016214451.pdf

[41] **Mehul Patel (2015)** in his article "Impact Of Bank Service Quality On The Customer Satisfaction in Indian Banking Sector" Zenith International Journal of Business Economics & Management Research   ISSN 2249- 8826 ZIJBEMR, Vol.5 (4), APRIL (2015), pp. 79-87 http://www.zenith research.org.in/

industry. This research paper trying to establishes relationship between service quality dimension and customer satisfaction and found that empathy, assurance and responsiveness were the main contributors which make impact most and reliability and tangibility were not statistically significant.

Revathi. S and Saranya A.S (2016)[42] in their article "Dimensions of Service Quality and Customer Satisfaction: Banking Sector" suggested that changes in economic environment have generated an increased interest on customer service in banking sector. Customer satisfaction was identified as a leading indicator of future behaviour and financial performance in this sector. An attempt has been made to relate Service Quality and Customer Satisfaction with the sample of 673. The data was collected through questionnaire from customers of Public Sector Banks, Private Sector Banks, and Foreign Banks in Chennai. The analysis used for the study was correlation, t-test and ANOVA. The results indicated that there is a positive relationship between the dimensions of service quality and customer satisfaction.

Biju John. M (2017)[43] in his article "Dynamics of Service Quality in the Indian Banking Sector" stated that in this modern era of global competition, factors such as customer expectation and customer satisfaction vitally contributes towards the success of any industry and the Indian banking industry is not an exception. It is the responsibility of banks to satisfy the customers in order to retain them for their

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[42] **Revathi. S and Saranya A.S (2016)** in their article Dimensions of Service Quality and Customer Satisfaction: Banking Sector International Journal of Advanced Scientific Research & Development Vol. 03, Spl. Iss. 03, Ver. I, Sep' 2016, pp. 55 – 66 https://www.ijasrd. org/in/ wp-content/ uploads/2016/09/BBM107.pdf

[43] **Biju John. M (2017)** in his article "Dynamics of Service Quality in the Indian Banking Sector" Indian Journal of Commerce & Management Studies ISSN: 2249-0310 EISSN: 2229-5674 Volume VIII Issue 1, January 2017 http://scholarshub.net/ijcms/vol8 /issue1/ Paper_09.pdf

very survival and success. Customer's expectations and customer satisfaction and service quality are highly related. The banks should be able to minimize and eliminate the gap between perceived service quality of customers and the actual service provided. The present paper evaluates the level of service quality of commercial bank in Kerala. The study also attempted to ascertain the dimensions of service quality in banks. . The present work finds out that tangibility and assurance as the foremost dimensions of service quality with their key influence on the customers. But, both the parameters of responsiveness and empathy show a lower level of satisfaction among the customers. It is suggested to the banking sector that apart from ensuring the trust of customers, it should improve their operations in providing highly advanced technological services to the customers with easy access and instant delivery features. . Thus, by providing enhanced quality in the banking services, the banks would be able to create a whole gamut of satisfied customers which would ultimately lead to enhanced efficiency and performance in the banking landscape.

2.5 RESEARCH GAP

The prevailing competitive environment has led to various changes in the delivery of quality of service in banks. The banks, both private and public sector, strive hard to provide quality service which enhances the level of satisfaction of customers in their banks. The authors of various literatures have identified many service quality dimensions in their research which includes the service quality dimensions found by the pioneers of service quality. In this research work, the researcher has made an attempt to explore the dimensions of service quality in

addition to the basic five service quality dimensions which enhances customer satisfaction.

2.6 CONCLUSION

From the above earlier literature, it was found that how service quality leads to customer satisfaction in banking industry. Most of the studies have revealed that service quality dimensions are the main predictors of customer satisfaction and were found to be significant for measuring the customer satisfaction. The above given reviews show that there is a positive relation between service quality and customer satisfaction. It was also evident that service quality is the predominant determinant of customer satisfaction. Therefore, with the support of the above literatures, the researcher has made an attempt to study the perceptions of the customers of select public sector and private sector banks towards the service quality dimensions and its impact on customer satisfaction.

CHAPTER- III

THEORETICAL FRAMEWORK AND PROFILE

OF THE STUDY UNITS

3.1 THEORETICAL FRAMEWORK OF THE STUDY

3.1.1 INTRODUCTION

Banking system is an important constituent of overall economic system. It plays a crucial role in the attainment of macro - economic objectives. It acts as a vehicle for socio-economic transformation and also as a catalyst to economic growth. It plays an important role in mobilizing the nation's savings and in channelising them into high investment priorities and better utilisation of available resources. The banking sector is entering a new world and exciting developments are changing the face of banking. The globalisation of banking operations along with heightened competition, continuing deregulation and technological advancements have significantly altered the face and scope of banking. The last decade has witnessed a sea change in the economic and banking environment all over the world. With economic and financial reforms introduced in the country, the operating environment of banks has also undergone a rapid change.

Liberalisation, Privatisation and Globalisation (LPG) have brought unprecedented changes in the economic, trade and industrial scenario. India is fast moving from a protected economy to an open market economy and becoming integrated with the world economy. LPG environment has exposed various

organizations including the service sector to the challenges of competitions, service quality, cost and competitive advantage. Banking services are no exception to these changes. Some of the banks which are unable to cope with the changes may have to face the consequences of survival of the fittest. Moreover, with rising customer expectations, banking services have acquired immense significance. It has become increasingly clear that quality in banking services can contribute substantially towards endowing organizations with sustained competitive advantage. Economic development in every country of the world today depends more on the service sector. Service sector is an integral part of business activity. In banking industry, public sector banks, unlike earlier, have to face two important issues: one is that it has to compete with private sector banks and another is that it has to manage their customers in the right direction by providing quality service and retain them.

Customer service in banks may be viewed as the perception of a customer of the services that he gets from his bank. The bankers are experiencing mounting customer expectations each day. Being service oriented industry, it is the primary duty of banks to create, maintain and satisfy the customers. In choosing their bank, the customers are influenced by the image of the banks and the perceived quality of service. Therefore, the banks are under pressure to structure their services around the expectation of customers.

The customer is being offered services in his drawing room. In order to succeed and stay successful, marketers need continually to capitalize on the changes in the market. They must cope up with the speed of change. The change in the business environment is forcing firms to re-organize themselves. It is the

services and its quality, which retains the customer. In the group of service generating industries, banking services occupy a place of outstanding significance. It cannot be denied that with the development of economic activities, the banking sector could emerge as an industry. The public as well as the private sector have been found owning, managing and controlling the banking services. It is right to mention that scientific inventions and innovations made ways for the use of technologies in almost all the sectors and the developed countries activated the process of promoting the technology driven, user-friendly services. A number of information technologies got an important place in the management of banking services.

In the Indian banking industry, the contours of development underwent radical changes especially after the first phase of nationalization of commercial banks. Nationalization was done with the motto of raising the contributions of public sector commercial banks for the development and welfare heads but they failed in doing so. The process of degeneration reached its peak which developed a bias and the customers in general were found dissatisfied with the services of the public sector commercial banks. Meanwhile, the foreign banks and a few of the private banks got an opportunity to display their excellence and with the support of high-performing bank employees and technology driven services, they got success in establishing an edge over the services of public sector banks. Of course, the regulation of the Reserve Bank of India de-motivated the private sector banks and especially the foreign banks while expanding their network which has minimised the intensity of competition, however, private banks and foreign banks have been successful in building and projecting a positive image. Foreign and private banks

use all modern management tools and techniques to bring about appropriate level of differentiation in their services and get quick acceptance from the customers.

One of the hand tools which helped in creating a quality service in private and foreign banks was use of information technology though heavy computerisation and use of intranet and internet for providing such services like money transfer in seconds which used to take weeks in public sector banks. The major differentiators were: drastically different banking environment, responsive employees, quality of service delivered and so on. Marketers need to understand and measure the customer's perceptions about the quality of service offered. This enables the marketer to understand the present status of service offered thereby enabling him to make suitable changes in the services offered to suit the customer's expectation.

3.1.2. BANKING SCENARIO AND ITS PARADIGM SHIFTS

Banking came to India 29 years after the Battle of Plessey, when The General Bank of India was set up. Twenty years later, in 1806, The Bank of Bengal was born in Calcutta, a bank that had crossed 200 years of successful operation, except that, it is now called the State Bank of India. In 1865, nine years after the Seppoy Mutiny, appeared the first fully Indian - owned bank. It is now in its 152nd year, with no change in the way, The Allahabad Bank. Banking activities in India had started even from the 'Vedic' period. Though the British Regime had modified the banking system to suit their requirements, the Swadeshi Movement had given birth to more Indian Banks. The structural reformation of the banking system took place subsequent to the first nationalisation in 1955. The early Indian Bankers were the village money lenders who were known as 'Shroffs', 'Saits', and so on. They

were doing roaring business in the rural areas. The indigenous bankers dominated the banking field till the Joint Stock Banks was introduced by the Agency Houses whose primary function was trading activity. With the increase in the banking business, the Agency Houses started Commercial banks.

Today, sixteen years after economic liberalisation began; we have a vibrant banking sector, powered by both improved efficiency public sector bank and growth hungry private sector banks. The number of instruments available, the number of services the banks provide - to both retail and corporate customers, the level of technology involved, would have been considered as a pure science fiction even ten years ago. Along with information technology, banking is definitely a sector where we are ahead of China.

Banking is a service industry having a strong customer base. Therefore, the 'Public Image' has been accepted as the 5th 'P' in the modern marketing technique. It has got great relevance in the banking industry. "Banks are coming around to the realisation that the most profitable customers are those who have stayed with them the longest"

3.1.3 PARADIGM SHIFT TOWARDS CUSTOMER FOCUS OVER THE PAST FIVE DECADES

There is a phenomenal change and paradigm shift towards customer focus over the past five decades. Following table shows how the paradigm shift has taken place towards the customers over a period of time.

Decade Focus on Customer

1950 - 1960 ----- Serving the customer

1960 - 1980 ----- Satisfying the customer

1980 – 1990----- Pleasing the customer

1990 – 2000----- Delighting the customer

2000 and beyond--- Retaining the customer

PARADIGM SHIFT - INDIAN SCENARIO

Before 1991	After 1991
Seller's market	Buyer's market
Protected market	Open market
Not many global brands	Increase in number of global brands
Friendly competitions	Cut-throat competition
Patient customers	Demanding customers
Limited choice for customers	Increasing choice for customers
Limited TV Promotion	Extensive TV Promotion
Cost plus pricing	Competitive price cutting
Limited role of service	Increased role of service
Slower marketing reflexes	Quicker marketing reflexes
Speed at will	Turbo speed
Fundamental stand alone system	Enterprise system (ERP/ CRM/ SCM)
IT-Competitive advantage	IT - Enabler
Gaining new customer	Retaining existing customers
Monologue	Dialogue
Transaction	Relationship
Standard of living	Quality of life

3.1.4 PRESENT SCENARIO OF BANKING INDUSTRY

The term bank is generally understood as an institution that holds a banking license granted by financial supervision authorities. Under the authorities, the bank conducts the most fundamental banking services like accepting deposits and making loans, and other financial services. Indian Banks are working under intense competition from new generation banks and foreign banks. Due to an outcome of liberalization, they are forced to increase the shareholder value. Falling spreads, growing customer expectations and new delivery channels are the concern of each and every bank today. Public sector banks have snapped out of their procrastination and are finally spending huge amounts on computerization and IT infrastructure. After discovering their private counterparts using technology to gain large clients, they are determined to strengthen their eroding customer base.

3.1.5 QUALITY

In many service organizations today, quality is considered the magic word in competition. Offering quality has a magical impact on present and future customer.

"Quality is the best weapon to fight competitors" is the new-born slogan.

"Quality is zero defects - doing it right the first time", Parasuraman, Zeithaml and Berry (1985).

"Quality is exceeding what customers expect from the service", Zeithaml, Parasuraman and Berry (1991).

Quality is the extent in which the service, the service process and the service organisation can satisfy the expectations of the user.

3.1.6 SERVICE QUALITY IN BANKING

Initial efforts in defining and measuring service quality emerged from the product quality and customer satisfaction literature, particularly the disconfirmation paradigm employed in the physical goods literature. Disconfirmation paradigm maintains that satisfaction is related to the size and direction of the disconfirmation experience, where disconfirmation is related to the person's initial expectations. This framework provides grounding for the by vast majority of satisfaction studies and encompasses four constructs; expectations, performance, disconfirmation, and satisfaction. Disconfirmation arises from discrepancies between prior expectations and perceived actual performance. There are three possibilities of disconfirmation: 'zero disconfirmation', when there is no difference between expectation and performance; 'positive disconfirmation', when performance exceeds expectation and 'negative disconfirmation', when performance falls short of expectations.

According to Cowling and Newman (1995), service quality has been widely used to evaluate the performance of banking services. Nowadays, the incredible development of the internet has changed the way that bank conducts business with their customers. As a result, many banks have used internet as a new channel to provide their customers 24 hours services a day.

In a competitive market place, understanding customer's needs has become an important factor. As a result, companies have moved from a product-centric to a customer-centric position. Nowadays, many companies realize it's more difficult to make their physical products differ from their competitors than before. Therefore, most of them turn to seek differentiation in services. In this way, companies seek

more competitive advantages in building good reputation for superior performances like on-time delivery, accurate information, better trained personnel and quicker resolution of complaints. Previous study finds that bank service quality plays a very important role in customer's perception of overall banking service quality. It can be easily seen that services have gained more attention by both researchers and managers with the increasing competition in market. Therefore, delivery of superior service has become one of the most important ways to gain superior profitability. With the development of information technology, customers increasingly expect higher services in this information age. At the same time, most of them are becoming more and more time saved and wanting more convenience.

Recently, many banks have used the internet as a new market channel to offer their customers a variety of services 24 hours a day. This internet banking, compared to traditional banking, heavily involves non-human interactions between customers and online bank information systems.

3.1.7 CUSTOMER SERVICE QUALITY IN INDIAN BANKING INDUSTRY

The banking industry is basically a service industry. In the Indian context, banking operations can be broadly classified into two main segments namely, corporate banking or wholesale banking and the retail banking. The corporate banking serves the financial needs of corporate houses, companies and other financial institutions. On the other hand, the retail banking is a form of mass banking where financial needs of individuals like professionals, salaried persons, self employed, housewives, and students are met. The two things which distinguish the corporate banking from the retail banking are the size of the customers'

accounts and the number of customers. In wholesale banking or corporate banking, the customers are not a living entity but are an association of people, while retail banking directly deals with the customers who manage their accounts all by themselves. The products and services under retail banking are designed to meet the financial needs of the targeted customers. The size of the account is very small but the number of such accounts is very large when compared to the corporate accounts. The small size of the accounts is less risky and the large number of such accounts is more profitable for the banks. Hence, the features, the characteristics and the services of retail banking products are based on the customers' needs and the marketing strategies adopted by banks.

The retail or commercial banks can further be classified on the basis of ownership as public and private sector banks. Initially the commercial banks were providing only the conventional services and the customers were happy at whatever banks provided them. However, since the introduction of the financial sector reforms there has been increasing number of foreign banks which poses severe competition to the traditional banks. This has resulted in the changing perceptions of the customers. Researchers have also shown that customers seem to keep the 'technical factors' of services such as core service and systematization of the service delivery as the yardstick in differentiating good and bad services. As a result, the banking institutions realized that in the emerging competitive global banking scenario, technology management and product innovations are the key to success. This has changed drastically the concept of banking from a business dealing with money transactions to a business related to information on financial transaction. Apart from the conventional products like loan, cash credit, OD, bill

discounting the wholesale and retail banking have come to play a major role. The introduction of credit card, debit card, ATM, anywhere banking, multiple delivery channels, single window service, mobile banking, phone banking, e-banking and service at the door steps have come to the forefront in many of the banks.

The introduction of the above mentioned technology oriented services indicates that the banks provide more emphasis on the service quality as a means of achieving competitive advantage. To improve customer services, the banks have realized the need to adopt a people oriented approach as compared to solely the profit oriented approach. In this context, the quality of service provided by the employees plays a dominant role in improving the perceptions of the customers towards the bank.

However, the characteristics and substance of service can vary from producer to producer and from customer to customer and from day to day. They are perishable in nature as they cannot be used or served later than in times of need and hence service organizations are frequently in trouble in terms of matching the supply and demand for services. This clearly underlines the gaining momentum of customer service as the core issue of banking performance. In the present chapter, it is attempted to discuss the importance of customer service, the need for providing better customer service in the Indian banking industry as a whole and the measurement of customer services.

3.1.8   NEED   FOR   CUSTOMER   SERVICES   AND   IDENTIFYING CUSTOMER NEEDS

The banks, in an attempt to improve its business, must attract the customers. A customer is the most important person who visits the premises of a bank. The bank, by serving him gets business or work. The customer becomes a part of the bank and its business. Hence, the prime objective of a business is to satisfy their customers. It is less costly to retain the existing customers than obtaining new customers. It should be understood that there is always a certain level of expectation from the customers on the bank's services. Also there are the actual services rendered by the bank. The difference between the services expected and the rendered constitutes the 'Service Gap'. Wider the gap more is the level of dissatisfaction. Hence, for a successful business operation, a bank must try to satisfy the expectations of the customers. To render efficient customer service, the bankers have to understand what the customer really wants. In order to achieve this, banks have to prepare projects and conduct surveys. For this purpose, each segment of customers must be classified into middle value customers and high net worth customers keeping in view their priorities. This helps the bankers to innovate products in accordance with the customers' needs. At present, bankers are offering products linked with insurance, investments etc. and it is the result of such exercise. All these efforts ultimately provide a better service to the customers.

Apart from these, interaction with the customers is very much essential. Better communication with customers at front office level not only pleases them but also helps the bankers to identify the needs and priorities of customers. To achieve

this, the banks must provide efficient staff at all levels wherever there is an interaction with customers either directly or indirectly. Proper communication skills always help in building good relationship with customers. Communication skills play a key role in the areas of tele-conversations, mail and phone calls etc. Instantly answering customer queries in a pleasing and hospitable tone is nothing but providing best services. The Human Resource Development (HRD) department in the banks must play a crucial role in this aspect.

3.1.9 PROVISION OF BEST CUSTOMER SERVICE

Providing best service to the customers starts right from the beginning when a customer opens his account. The customers' service is:

1. Doing what is said - that is fulfilling all the promises given at the beginning when the account is opened.

2. Giving the customers more than they expect to get.

3. Concern for customers and a good after sales service, that is after the account is opened.

4. Anticipating the customers' needs.

5. Projecting a positive response to them.

6. Listening to customers patiently - understanding what they say and even what they do not say!!

7. Knowing not only their needs but also their problems and aspirations.

8. Meeting the deadlines.

9. Responding quickly to the customers.

10. Sincerely trying to resolve their problems and bringing cheer to them from their frown.

In sum and substance, a good customer service means a broad smile on customers' faces as they leave the bank premises after finishing their business.

3.1.10 MEASUREMENT OF SERVICE QUALITY (SERVQUAL)

If you cannot measure it, you cannot improve it.

- Lord William Thomas Kelvin (1824-1907)

An alternative model of identifying the customer satisfaction is the measurement of service quality (SERVQUAL). To assess the customer service quality in the Indian banking industry, the SERVQUAL method may be highly useful. The objective of this survey instrument is to determine the value that the bank is currently delivering to the customers and the value that the customer expects. To explain in simple terms, it means, to determine the gap between what the customers get and what is expected. The level of customer satisfaction is being measured in terms of the quality of services provided with the help of SERVQUAL. It is a method designed by Valarie A. Zeithaml, A. Parasuraman, and Leonard L. Berry.

3.1.10.1 SERVICE QUALITY DIMENSIONS

Numerous studies have sought to uncover the global attributes of services that contribute most significantly to relevant quality assessments in the traditional

service environment. Gronroos (1982) argues that service quality should include three dimensions, the technical quality of outcome, the functional quality of the service encounter and the corporate image.

Lehtinen and Lehtinen (1982) also state that service quality has three dimension namely physical quality, corporate quality and interactive quality. In addition they argue that in examining the determinants of quality, it is necessary to differentiate between the quality associated with the process of service delivery and the quality associated with the outcome of the service. Comparing the work between Gronroos (1982), Lehtinen and Lehtinen (1982), Swartz and Brown (1989) drew some distinctions concerning the dimensions of service quality. They stated that what service delivered is evaluated after performance. This dimension is called technical quality by Gronroos (1982), physical quality by Lehtinen and Lehtinen (1982). They also stated that how the services delivered is evaluated during delivery. This dimension is called functional quality by Gronroos (1982) and interactive quality by Lehtinen and Lehtinen (1982). In evaluating service quality, an assessment of the overall performance of an organization is not enough. This provides little or no insight into the shortcomings and excellent parts of the service delivery. Managers cannot take any decision based on overall judgment. It is not specific enough for managerial purposes. It is therefore necessary to describe services by a number of characteristics, which can be applied deliberately to measure service quality. Robert Johnston (1955) discussed a large number of studies in which various service quality attributes had been used. He came up with 18 determinants of service quality for his own banking study.

The service determinants identified by Robert Johnston are Access, Aesthetics, Attentiveness, Availability, Care, Cleanliness, Comfort, Commitment, Communication, Competence, Courtesy, Flexibility, Friendliness, Functionality, Reliability, Integrity, Responsiveness and Security. Zeithaml, Parasuraman and Berry (1985) found ten dimensions of service quality namely Tangibility, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication, Understanding the customer. Service attributes under various dimensions of Parasuraman, Zeithaml and Berry (1985) conducted in researching service quality with their model named SERVQUAL, which depicted the dimensions of service quality. Further and more quantitative research led these researches to the conclusion that consumers use five underlying dimensions in judging service quality. They are general dimensions underlying the quality of many services. These five dimensions are a summary of ten dimensions, found in earlier studies. These dimensions reflect customers' subjective judgments about the value received by service performance. The five dimensions are Tangibility, Reliability, Responsiveness, Assurance and Empathy. For this study, the common service dimensions taken are Tangibility, Reliability, Responsiveness, Assurance and Empathy. Service quality can be measured by the level of discrepancy between customer expectations or desire and their perceptions of what they received, as described by the SERVQUAL scale. Previous researches have shown SERVQUAL to be an effective and stable tool for measuring service quality across service industry.

Service quality can be defined as **"the consumer's comparison between service expectation and service performance".** They proposed service quality to

be a function of pre-purchase customer expectations, perceived process quality, and perceived output quality. Based on their statement in 1985, they then suggest that service quality is determined by the differences between customers' expectations of the service and their perceptions of the service experience. They developed a twenty-two item instrument, recognized as SERVQUAL that has become widely used as a generic instrument for measuring service quality. The instrument items represent the five dimensions explained below

i. *Reliability* dimension refers to the ability to perform the service dependably and accurately.

ii. *Responsiveness* dimension refers to the willingness to help customers and provide prompt service.

iii. *Tangibility* dimension refers to the physical facilities, equipment, and appearance of personnel.

iv. *Assurance* dimensions refers to employees knowledge, courtesy, and ability to convey trust and confidence

v. *Empathy* dimension refers to the level of caring and individual attention provided to customers.

3.1.10.2 ASSUMPTIONS OF SERVQUAL

The SERVQUAL model has the following assumptions:

1. Market survey results are accurate. The validity of the model is based around the results of empirical studies. A number of academics have performed

further empirical studies that appear to contradict some of the original findings.

2.   Customer needs can be documented and captured and remain stable during the whole process.

3.1.10.3 APPLICATION OF SERVQUAL

SERVQUAL is widely used within service industries to understand the perceptions of target customers of their service needs and to provide a measure of the service quality of the organization. SERVQUAL may also be applied internally to understand the employees' perceptions of service quality with the objective of achieving service improvement.

3.1.10.4 PROCESS OF SERVQUAL

This method essentially involves conducting a survey of sample customers to understand the customers' desired service needs and to measure their perceptions of service quality for the organization in question. Customers are asked to respond to numerous questions within each dimension that determines the relative importance of each attribute, a measure of performance expectations that would relate to an "excellent" company and a measure of performance for the company in question. This enables the gap to be assessed between desired and actual performance together with a ranking of the importance of service criteria that may assist an organization in directing its resources so as to maximize service quality whilst controlling costs.

3.1.10.5 BENEFITS OF SERVQUAL

The researchers and users have agreed that a comprehensive and thorough examination of the service quality needs of the customers and the service quality provision by a service industry provides an individual approach to improving its service quality. In this regard, it adds strength to the SERVQUAL model. It provides detailed information about: customers' perceptions of service (a benchmark established by the customers about their own service industry) performance levels as perceived by customers, customers' comments and suggestions, impressions from employees with respect to customers expectations and satisfaction. Appropriate strategies can be adopted by banks, based on this information to attract, retain and delight customers by offering the best quality products.

3.1.11 CONCLUSION

Customer retention is the need of the hour of every bank. Even in a midsized bank, having at least 50,000 customers, in the middle income bracket, at the beginning of their career, the bank has got a potential business over the customers' life cycle. They can be retained if and only if the bank tries to measure and improve customer service offered to them on a continuous basis. This would also result in gaining a competitive advantage. There is a strong link between customers' satisfaction and customer retention. Customers' perception of service will determine the success of the product or service in the market. With better understanding of customers' perception, the banks can determine the actions required to meet the customers' needs. They can identify their own strengths and

weaknesses, where they stand in comparison to their competitors, chart out path for future progress and improvement. Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the bank.

3.2 PROFILE OF THE STUDY UNITS

3.2.1 INTRODUCTION

This part discusses on the profile of the units selected for the study. The banks selected for the study are State Bank of India, Canara Bank, Indian Bank and Indian Overseas Bank in public sector and ICICI, AXIS, HDFC and Karur Vysya Bank in private sector. The eight banks were selected based on the top banks of public and private sector banks in India. A brief history about these banks along with the stage by stage growth and initiatives taken by the banks are presented below:

3.2.2 STATE BANK OF INDIA[1]

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in 1806 in Calcutta. Three years later, the bank received its charter and was re–designed as the Bank of Bengal on 2nd January 1809. A unique institution which was the first joint–stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank

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[1]   http://profit.ndtv.com/stock/state-bank-of-india_sbin/reports

of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.[2]

Primarily Anglo–Indian creations, the three presidency banks came into existence either as a result of the compulsions of imperial finance or by the felt needs of local European commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was, however, shaped by ideas culled from similar developments in Europe and England, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of Europe and the global economic framework.[3]

The State Bank of India, the country's oldest bank and a premier in terms of balance sheet size, number of branches, market capitalisation and profits is today going through a momentous phase of change and transformation. The two hundred year old public sector behemoth is today stirring out of its public sector legacy and moving with an ability to give the private and foreign banks a run for their money.

The bank is entering into many new businesses with strategic tie ups – Pension Funds, General Insurance, Custodial Services, Private Equity, Mobile Banking, Point of Sale Merchant Acquisition, Advisory Services, Structured Products etc – each one of these initiatives having a huge potential for growth.

The bank is forging ahead with cutting edge technology and innovative new banking models, to expand its rural banking base, looking at the vast untapped potential in the hinterland and proposes to cover 100,000 villages in the next two

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[2]   https://www.sbi.co.in/portal/web/about-us/evolution-of-sbi
[3]   https://www.sbi.co.in/portal/web/about-us/evolution-of-sbi

years. At the end of March, 2017, the total number of branches was 28,542 while the number of ATMs stood at 477183 across the country.[4] It is also focusing at the top end of the market, on wholesale banking capabilities to provide India's growing mid / large corporate with a complete array of products and services. It is consolidating its global treasury operations and entering into structured products and derivative instruments. Today, the bank is the largest provider of infrastructure debt and the largest arranger of external commercial borrowings in the country. It is the only Indian bank to feature in the Fortune 500 list.

The bank actively involved since 1973 in non–profit activity called Community Services Banking. All branches and administrative offices throughout the country sponsor and participate in large number of welfare activities and social causes. Their business is more than banking because they touch the lives of people anywhere in many ways. State Bank of India (SBI) has received an approval from the Government of India (GOI) for acquisition of SBI Commercial and International Bank (SBICI Bank). The government had issued the 'Acquisition of SBICI Bank Order 2011' order dated July 29, 2011. SBI entered the UK's home loan market, the bank started with mortgages for landlords, best known as buy–to–let mortgages, with amounts ranging from £50,000 to £1.5 million and loan to value of ratios of up to 60 per cent.

In April 2014 State Bank of India launched three digital banking facilities for the convenience of SBI customers. Two at the customer's door step using TAB

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[4]   https://rbi.org.in/Scripts/ATMView.aspx

banking – one for customers opening Savings Bank accounts and another for Housing Loan applicants. The third is e–KYC (Know Your Customer).

The State Bank of India emerged as a pacesetter, with its operations carried out by the 480 offices comprising branches, sub offices and three Local Head Offices, inherited from the Imperial Bank. Instead of serving as mere repositories of the community's savings and lending to creditworthy parties, the State Bank of India catered to the needs of the customers by banking purposefully. The bank served the heterogeneous financial needs of the planned economic development.

Branches

The corporate center of SBI is located in Mumbai. In order to cater to different functions, there are several other establishments in and outside Mumbai, apart from the corporate center. The bank boasts of having as many as 14 Local Head Offices and 57 Zonal Offices, located at major cities throughout India. It is recorded that SBI has about 10,000 branches, well networked to cater to its customers throughout India. [5]

SBI ASSOCIATE BANKS AND ITS MERGER[6]

The government has set the date for the record merger of the State Bank of India with its five associate banks on April 1, 2017. The five associate banks are the State Bank of Bikaner and Jaipur (SBBJ), the State Bank of Mysore (SBM), the State Bank of Travancore (SBT), the State Bank of Hyderabad (SBH) and the State Bank of Patiala (SBP).

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[5] http://www.iloveindia.com/finance/bank/nationalised-banks/state-bank-of-india.html

[6] http://www.thehindu.com/business/Industry/when-sbi-associate-banks-merge/article 17410334. ece accessed on 12/05/2017

Initially, SBI had seven associate banks — two of them, the State Bank of Indore and the State Bank of Saurashtra, were merged earlier. No Indian bank features among the top 50 banks globally. With the huge financing needs that the country faces, infrastructure in particular, size is important. With the merger, the SBI could break into the list of top 50 banks of the world, in terms of asset size.

The merged entity will have one-fourth of the deposit and loan market, as the SBI's market share will increase from 17% to 22.5-23%. SBI chairperson Arundhati Bhattacharya recently said the consolidated balance sheet of the merged entity would be Rs.32 lakh crore from Rs.23 lakh crore now. The merged entity would have deposits worth Rs.26 lakh crore and nearly Rs.18.76 lakh crore worth advances on its books.

The business mix of the five associate banks is around Rs.10 lakh crore, which is almost equal to the size of the second largest bank of the country, Punjab National Bank. So, the distance between the SBI and the second largest bank, PNB, will increase further and the latter will be one-fourth of the SBI. The merged entity would have close to 24,000 branches and an employee strength of 2, 71,765.

Shares

From April 1, all shares of these associate banks will cease to exist as individual entities and will be transferred to the SBI. The SBBJ, the SBM and the SBT are listed entities, while the SBH and the SBP are unlisted. According to the share-swap ratios announced last August, SBBJ shareholders will get 28 shares of SBI for every 10 shares. Investors in the SBM and the SBT holding 10 shares will get 22 SBI shares each.

The merger will also mean that all SBI associate bank customers will become SBI customers and all associate bank employees will become SBI employees. So, all associate bank employees will be eligible for the same retirement benefits as SBI employees. SBI employees get three retirement benefits (provident fund, gratuity and pension), while associate bank staff members get two retirement benefits.

The merger of associate banks with the SBI kicks-starts the long pending consolidation exercise among public sector banks, but the bigger question is whether a similar move will be successful between other state-run banks.

The merger of weaker banks with stronger banks was mooted by the BJP government at the Centre during the first edition of bankers' retreat - Gyan Sangam - in 2015, but the plan faced opposition from bankers, who claimed the time was not ripe since the balance sheets of all public sector banks had weakened by a sharp rise in non-performing assets. At the next bankers' retreat, the government was keen on pushing through consolidation as it planned to identify six to eight anchor banks which would lead the exercise. Recently, the newly appointed Deputy Governor of the Reserve Bank of India, Viral Acharya, revived consolidation talks and said the banking system would be better off if there were fewer, but healthier, public sector banks."As many have pointed out, it is not clear why we need so many public sector banks," he said in his maiden address to bankers.

Mr. Acharya suggested that voluntary retirement schemes be offered to manage the headcount and usher a younger, digitally savvy talent pool into these banks. Amid consolidation talks, preparations are on for the third edition of Gyan

Sangam. While further consolidation among public sector banks is on the agenda, it is not clear whether it will remain at the discussion stage or the government will be able to move forward with some concrete action.

ATM Services

SBI provides easy access to money to its customers through more than 9000 ATMs in India. The Bank also facilitates the free transaction of money at the ATMs of State Bank Group, which includes the ATMs of State Bank of India as well as the Associate Banks - State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Indore, etc. The customer may also transact money through SBI Commercial and International Bank Ltd by using the State Bank ATM-cum-Debit (Cash Plus) card.[7]

3.2.3 CANARA BANK[8],[9]

The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks.

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[7] ib.id (http://www.iloveindia.com/finance/bank/nationalised-banks/state-bank-of-india.html)
[8] http://in.reuters.com/finance/stocks/companyProfile?symbol=CNBK.BO
[9] https://en.wikipedia.org/wiki/Canara_Bank accessed on 12/05/2017

Over the years, the bank has been scaling up its market position to emerge as a major 'Financial Conglomerate' with as many as nine subsidiaries/sponsored institutions/joint ventures in India and abroad. As at June 2011, the Bank has further expanded its domestic presence, with 3273 branches spread across all geographical segments. Keeping customer convenience at the forefront, the Bank provides a wide array of alternative delivery channels that include 2509 ATMs, covering 846 centres. With 100 per cent CBS, the Bank offers technology banking, such as, Internet Banking, Mobile Banking and Funds Transfer through NEFT and RTGS across all branches. The Bank has further enhanced its basket of new tech–products for customer convenience like Canara Gift Cards, Canara Campus Card, Canara Platinum Card, Bills Desk for utility bills payment, Cash withdrawal at Point of Sale (PoS) machines at Merchant Establishments, VISA money transfer and the ASBA (Application Supported by Blocked Amount) facility during FY11.

Canara Bank Ltd. is an India-based bank. The Bank's segments include Treasury Operations, Retail Banking Operations, Wholesale Banking Operations and Other Banking Operations. The Bank provides personal banking, corporate banking, non-resident Indians banking, Internet banking, and micro, small and medium enterprises (MSME) banking services. Its retail lending operations include education loans and vehicle loans. Its other services include merchant banking; depository services; executor, trustee and taxation services, and online payment services. It handles various government business products consisting of direct and indirect tax collections; payment of pensions of Central Government and State Government; handling of postal transactions and State Government treasury transactions; public provident fund scheme and senior citizens' saving scheme, and

issue of inflation indexed bonds of Reserve Bank of India. It has approximately 5,850 branches, including over eight overseas branches.

Canara Bank is one of the major public sector banks owned by Government of India. Its headquarters is in Bangalore. It was established at Mangalore in 1906, making it one of the oldest public sector banks in the country. The government nationalized the bank in 1969. As of March 2017, the bank had a network of 6005 branches and more than 10026 ATMs spread across India. The bank also has offices abroad in London, Hong Kong, Moscow, Shanghai, Doha, Bahrain, South Africa, Dubai, Tanzania and New York.

3.2.4 INDIAN BANK[10]

Indian Bank is one of the indigenous banks of India that emerged as a result of the Swadeshi Movement during the British Raj. The bank was established on 15th of August, 1907. One of the prime figures associated with the establishment of the bank was V. Krishnaswamy Iyer, a lawyer from Madras (Now Chennai). The bank soon spread its wings outside India too, and opened its branch in Colombo, Sri Lanka in the year 1932 and Rangoon, Burma in 1940. The bank was further nationalized by the Government of India in the year 1969.

Global Presence

The modest beginning made by the Indian Bank has come a long way since then, with 1642 branches located nationwide within India and Overseas branches in Singapore and Colombo as of April 2009. The bank also has 40 Overseas Correspondent banks in 70 countries, giving a strong presence internationally. A

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[10]   http://www.iloveindia.com/finance/bank/nationalised-banks/indian-bank.html

22,000 strong workforce of dedicated employees take pride in serving the Indian Bank.

INTERNATIONAL PRESENCE[11]

★ Overseas branches in Singapore , Colombo including a Foreign Currency Banking Unit at Colombo and Jaffna

★ 227 Overseas Correspondent banks in 75 countries

Banking Activities

Indian Bank offers a wide variety of Banking Products and Services to its customers, including various Deposit Schemes, Loan Options, Financial Services, Stock Investment Services and a number of specialized services such as Remittance, Collection, 7 Day Banking Branches, Cash Management and Electronic Funds Transfer. As of April 2009, the bank has Core Banking Solution (CBS) implemented in its 1642 branches and 66 extension counters. The bank has 755 connected Automatic Teller Machines (ATMs) installed in 225 locations nationwide.

Diversified banking activities -2 Subsidiary companies

•   Indbank Merchant Banking Services Ltd

•   IndBank Housing Ltd.

Subsidiary Companies

Apart from its Regular Banking Services, the Indian Bank has also been offering various other services through its 3 subsidiary companies, which are Indbank Merchant Banking Services Ltd., IndBank Housing Ltd. and IndFund Management Ltd.

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[11]   http://www.indianbank.in/profile.php

Rural Banking

Indian Bank has been a leader in bringing new initiatives for development of rural banking and extending help to the farmers of India. The bank has received award from Honorable Union Minister of Finance for Excellence in Agricultural Lending. Apart from it, the bank also received the Best Performer Award for Micro-Finance activities in Tamil Nadu and Union Territory of Pondicherry from National Bank for Agriculture and Rural Development (NABARD).

A GIST OF INDIAN BANK UNDERTAKING

A premier Public Sector, Government of India Undertaking

❖ Established on 15th August 1907 as part of the Swadeshi movement

❖ Serving the nation with a team of over 20661 dedicated staff as on 30.09.2016

❖ Total Business crossed Rs.3,04,425 Crores as on 30.09.2016

❖ Operating Profit : Rs.1909.39 Crores as on 30.09.2016

❖ Net Profit : Rs.712.50 Crore as on 30.09.2016

❖ Core Banking Solution(CBS) in all 2604 branches as on 30.11.2016

❖ Information Systems & Security processes certified with ISO27001:2013 standard and is amongst very few Banks certified worldwide.

INDIAN BANK MUTUAL FUND[12]

A front runner in specialised banking

❖ 95 Forex Authorised branches inclusive of 2 Specialised Overseas Branch at Chennai and Bangalore exclusively for handling forex transactions arising out of Export, Import, Remittances and Non Resident Indian business

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[12]   http://www.indianbank.in/profile.php

- ❖ 73 Special SME Branches extending finance exclusively to SSI units

- ❖ MoU entered with National Small Industries Corporation (NSIC) to focus on MSME Segment. Specialised verticals for MSME and mid corporate segment are operationalised. IND MSME and mid corporate branches are opened.

LEADERSHIP IN RURAL DEVELOPMENT[13]

Under Financial Inclusion Plan, Bank has been allotted with 1692 villages with population above 2000 and 4210 villages with population below 2000. Villages have been mapped as SSAs and realloted to Banks. Our bank is allotted with 2975 SSAs across the country. Of these 2517 SSAs are covered through Smart card based Business Correspondent (BC) Model and 458 SSAs through branches

- ❖ Pioneer in introducing Self Help Groups and Financial Inclusion Project in the country

- ❖ Award winner for Excellence in Agricultural Lending from Honourable Union Minister for Finance

- ❖ Best Performer Award for Micro-Finance activities in Tamil Nadu and Union Territory of Pondicherry from NABARD

- ❖ Established 45 specialized exclusive Microfinance branches called "Microstate" across the country to cater the needs of Urban poor through SHG (Self Help Group)/JLG (Joint Liability Group) concepts

- ❖ A special window for Micro finance viz., Micro Credit Kendras are functioning in 44 Rural/Semi Urban branches

- ❖ Harnessing ICT (Information and Communication Technology) for Rural Development and Inclusive Banking

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[13]   http://www.indianbank.in/profile.php

❖ Provision of technical assistance and project reports in Agriculture to entrepreneurs through Agricultural Consultancy & Technical Services (ACTS).

LATEST TECHNOLOGY[14]

A pioneer in introducing the latest technology in Banking

❖ 100% Core Banking Solution(CBS) Branches

❖ 100% Business Computerisation

❖ 3207 Automated Teller Machines (ATM) as on 30.09.2016

❖ 24 x 7 Service through more than 2,27,960 ATMs under shared network

❖ 439 Bunch Note Acceptors (BNAs) installed and branch transaction migrated is 63.63%

❖ Internet and Tele Banking services to all Core Banking customers

❖ e-payment facility for Corporate customers

❖ Cash Management Services

❖ Depository Services

❖ Reuter Screen, Telerate, Reuter Monitors, Dealing System provided at Overseas Branch, Chennai

❖ I B Credit Card Launched

❖ I B Prepaid Cards Launched (GIFT Card, International Travel Card)

❖ Aadhar Enabled Payment System (AEPS) through Business Correspondents.

❖ Rupay Debit card payments enabled through Business Correspondents.

❖ Customised design image card and Green pin for debit cards.

❖ Green pin for debit cards and introduction of Rupay platinum card.

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[14]   http://www.indianbank.in/profile.php

- ❖ Launching of new products like statement of account through e-mail and M-Passbook facility is introduced to view the latest 50 transactions.

- ❖ Indian Bank has entered into a strategic tie-up with LIC of India for sale of third party insurance products.

- ❖ RTGS and NEFT remittance facilities now available at all CBS branches.

3.2.5 INDIAN OVERSEAS BANK[15]

Established in 1937, Indian Overseas Bank (IOB) is a leading bank based in Chennai, India. IOB had the distinction of simultaneously commencing operations in three branches at Karaikudi, Chennai, and Yangon (Myanmar). Since IOB aimed to encourage overseas banking and foreign exchange operations, it soon opened its branches in Penang and Singapore. Today, Indian Overseas Bank boasts of a vast domain in banking sector with over 1400 domestic branches and 6 branches overseas. IOB was the first bank to venture into consumer credit, as it introduced the popular Personal Loan Scheme. In 1964, the Bank started computerization in the areas of inter-branch reconciliation and provident fund accounts. Indian Overseas Bank was one of the 14 major banks which were nationalized in 1969. After nationalization, the Bank emphasized on opening its branches in rural parts of India. In 1979, IOB opened a Foreign Currency Banking Unit in the free trade zone in Colombo. In the year 2000, Indian Overseas Band undertook an initial public offering (IPO) that brought the government's share in the bank's equity down to 75%. The equity shares of IOB are listed in the Madras Stock Exchange (Regional), Bombay Stock Exchange, and National Stock Exchange of India Ltd., Mumbai.

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[15]   http://www.iloveindia.com/finance/bank/nationalised-banks/indian-overseas-bank.html

Since its inception, IOB has absorbed various banks including the latest Bharat Overseas Bank in 2007. The Bank's IT department has developed software, which is used by its 1200 branches to provide online banking to customers. Indian Overseas Bank also has a network of about 500 ATMs throughout India. Its International VISA Debit Card is accepted at all ATMs belonging to the Cash Tree and NFS networks. IOB also offers Internet Banking; it's one of the banks that the Govt. of India has approved for online payment of taxes. Indian Overseas Bank offers investment options like Mutual Funds and Shares. It provides a wide range of consumer and commercial banking services, including Savings Account, Current Account, Depositary Services, VISA Cards, Credit Cards, Debit Cards, Online Banking, Any Branch Banking, Home Loans, NRI Account, Agricultural Loans, Payment of Bills / Taxes, Provident Fund Scheme, Forex Collection Services, Retail Loans, etc.

Indian Overseas Bank (IOB)[16] was founded in February 1937 with twin objectives of specialising in foreign exchange business and overseas banking. It started out with three branches located at Karaikudi and Chennai in India and Rangoon in Burma (presently Myanmar). As of March 31, 2011, it operated a network of approximately 2,184 branches in India, 2 in Hong Kong, and 1 each in Singapore, South Korea, Sri Lanka, and Bangkok. The bank also operates 1,043 automated teller machines. It was ranked no.1 among public sector banks by Business Today –PMG survey and Financial Express– Ernst & Young survey.

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[16] http://profit.ndtv.com/stock/indian-overseas-bank_iob/reports

Indian Overseas Bank is engaged in the business of banking. The Bank's segments include Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations. Its operations consist of domestic deposits; domestic advances; foreign exchange operations; investments; micro, small and medium enterprises, including MUDRA Loan Scheme; retail banking, including Arogya Mahila Savings Bank Accounts; Mid Corporate department; agricultural credit portfolio; loans to small and marginal farmers; loans to non-corporate farmers, and microfinance. Its personal banking services include saving bank, current account, term deposit, retail loans, and mortgages and depository services. It offers merchant banking for issues, debenture trustee, dividend/interest warrant and others. It also offers Internet and mobile banking services. It has over 3,400 branches in India. It has over eight overseas branches with operations in Hong Kong, Bangkok, Sri Lanka, Singapore and South Korea.[17]The bank also operates 1,043 Automated Teller Machines. It was ranked no.1 among public sector banks by Business Today-PMG survey and Financial Express-Ernst and Young Survey.

Businesses

Personal banking: IOB provides a wide range of products and services such as saving bank accounts, current accounts, term deposit, retail loans, home loans and mortgages, depository services, gold investment products, debit and credit cards, multi city cheque facilities, insurance and mutual funds, and real time gross settlement services.

NRI banking: It offers remittances, resident foreign currency accounts, NRI home loans and many other products for its NRI clients.

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[17]   http://in.reuters.com/finance/stocks/companyProfile?symbol=IOBKss.BO

Corporate banking : IOB offers loan such as term loans and working capital loans for micro, small, and medium enterprises; and loans for professional and self employed individuals, and information technology (IT) and ITs BPO sectors, as well as NRI accounts, and Internet and mobile banking services. In addition, it provides agricultural short term loans and agri business consultancy services; and forex collection services. It also conducts government businesses like payment of direct taxes, indirect taxes, pension payment scheme, sales tax collections, provident fund scheme, etc

Milestones

o In 1964, it introduced computerisation in the areas of inter–branch reconciliation and provident fund accounts.

o It was the first bank to venture into consumer credit by introducing a personal loan scheme.

o IOB was one of the 14 major banks that was nationalised in 1969.

Services[18]

Indian Overseas Bank (IOB) is a major public sector bank based in Chennai (Madras), with about 3700 domestic branches, including 1150 branches in Tamil Nadu, 3 extension counters, and eight branches and offices overseas as of 30 September 2014. Indian Overseas Bank has an ISO certified in-house Information Technology department, which had developed the software that its branches used to provide online banking to customers earlier. The bank has achieved 100% networking status as well as 100% CBS status for its branches. IOB also has a network of about 3300 ATMs all over India. The bank has taken a late leap towards

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[18] https://en.wikipedia.org/wiki/Indian_Overseas_Bank

internet-enabled banking and data analytics by implementing Infosys Finacle's latest rack of software executed by American technology company HPE and became the first public sector bank to get the latest digital banking software, Finacle 10 suite package from Infosys.

IOB has branches in Singapore, Hong Kong, Colombo, Seoul, and Bangkok. It has representative offices in Guangzhou, Vietnam, and Dubai. IOB also is part-owner of a joint-venture bank in Malaysia.

3.2.6 ICICI (Industrial Credit and Investment Corporation of India) [19]

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly–owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46 per cent through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all–stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002.[20]

ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium–term and long–term project financing to Indian businesses. In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI

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[19]   http://profit.ndtv.com/stock/icici-bank-ltd_icicibank/reports
[20]   http://www.iloveindia.com/finance/bank/private-banks/icici-bank.html

Bank. In 1999, ICICI become the first Indian company and the first bank or financial institution from non–Japan Asia to be listed on the NYSE.

ICICI Bank is India's second–largest bank with total assets of ₹4,062.34 billion ($91 billion) at March 31, 2011 and profit after tax Rs. 51.51 billion ($1,155 million) for the year ended March 31, 2011. The Bank has a network of 2,535 branches and 6,810 ATMs in India, and has a presence in 19 countries, including India. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries in the areas of investment banking, life and non–life insurance, venture capital and asset management.

ICICI Bank is India's largest private sector bank with total assets of Rs. 7,206.95 billion (US$ 109 billion) at March 31, 2016 and profit after tax Rs. 97.26 billion (US$ 1,468 million) for the year ended March 31, 2016. ICICI Bank currently has a network of 4,850 Branches and 13,660 ATM's across India.[21]

The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai, International Finance Centre and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. Their UK subsidiary has established branches in Belgium and Germany.

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[21]   https://www.icicibank.com/aboutus/about-us.page?

AWARDS- 2017[22]

❖ ICICI Bank won the award in the 'End Users of IT' category for Chatbot on iMobile and Software Robotics at the IMC Digital Technology Awards 2016.

❖ ICICI Bank emerged as the 'Best Bank for SMEs' at the Asiamoney India Banking Awards 2017. The Bank has won this award for its automation initiative 'COLORS' (Corporate Loan Origination System). COLORS are a system deployed within the Bank. It has an end-to-end automated workflow right from logging in an application to disbursing the loan to SMEs.

❖ ICICI Bank won the Gold Award in the 'Banks and Credit Cards' category, as per the Readers Digest Trusted Brand Survey 2017.

❖ ICICI Bank won the 'Best Retail Bank in India' award for the fourth consecutive year at the Asian Banker Excellence in Retail Financial Services International Awards 2017.

❖ ICICI Bank received two awards at the National Payments Excellence Awards 2016 in the 'Large Bank' category organised by NPCI (National Payments Corporation of India). The Bank was declared winner for the 'Immediate Payment System' (IMPS) application and first runner up for 'Cheque Truncation System' (CTS).

❖ ICICI Bank's Pockets has been selected as 'App of the year' for 2015-16 at the FE Best Banks awards organised by The Financial Express.

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[22]   https://www.icicibank.com/aboutus/awards.page

- ❖ Ms. Chanda Kochhar featured as an Evergreen Woman Leader in 'BW's Most Influential Women' list by Business World magazine.

- ❖ Ms. Chanda Kochhar voted as the 'Favorite Female Business Icon' by women professionals aged 29 years and above, according to nationwide survey conducted by Talentedge, a Delhi based education technology firm.

- ❖ ICICI Bank received runners-up awards in the categories of 'Lean', 'DFSS' (Design For Six Sigma) and 'DMAIC' (Define, Measure, Analyze, Improve, and Control) at the Six Sigma Case Study Presentation Contest 2017 organised by the Indian Statistical Institute, Bangalore.

- ❖ ICICI Bank has been voted as the 'Top Borrower in Asia – India' for the fifth consecutive year and the 'Most Impressive Investment grade Financial Institution from Asia' in the online poll conducted by Finance Asia magazine in 2016.

- ❖ ICICI Bank won the 'Best Company to Work for' Award of Business Today magazine in the Banking, Financial Services and Insurance sector.

- ❖ ICICI Bank was declared winner in four categories and first runner-up in one category among 'Large Banks' at the IBA Banking Technology Awards 2017. The Bank won the award for the 'Best Technology Bank of the Year'. It also won awards in the categories of 'Best Use of Analytics for Business Outcome', Best Use of Digital and Channels' and 'Best Payments Initiative'. The Bank was declared first runner-up in the category of 'Best IT Risk and Cyber Security Initiatives'.

❖ ICICI Bank was awarded the 'Gold category' recognition at the Energy and Environment Foundation Global Safety Award 2017. This is the highest award received by a bank in the Financial Sector – Banking/Non-Banking Finance Companies, for its constant effort towards encouraging safe work practices across operations.

❖ ICICI Bank won two awards at the Asset Triple a Country Awards 2016. The Bank won the Best Bond House-Domestic Award in the 'Best House' category and the Best Syndicated Loan Award in the 'Best Deal' category respectively.

❖ ICICI Bank won two awards for its Tax Payment through Alternate Channels and Smart Vault projects at Finnoviti 2017, a conference and award ceremony organised by the Banking Frontiers magazine to recognise innovations in the Indian Banking, Financial Services & Insurance (BFSI) industry.

❖ ICICI Bank ranked first among private sector banks in India as per Brand Equity's 'Most Trusted Brands of 2016' survey. Brand Equity is a supplement of The Economic Times. The Bank is the only private sector bank to be featured among the top 100 brands in this survey.

❖ ICICI Foundation won the 'Best CSR & Sustainability Practices Award for 2016' at the 4th Asia Business Responsibility Summit.

3.2.7 AXIS BANK [23]

Axis Bank Ltd is the third largest of the private-sector banks in India offering a comprehensive suite of financial products. The bank has its head office in

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[23]   http://profit.ndtv.com/stock/axis-bank-ltd_axisbank/reports

Mumbai and Registered office in Ahmadabad. It has 3300 branches, 13,003 ATMs, and nine international offices. The bank employs over 50,000 people and had a market capitalization of Rs.1.0583 trillion (US$16 billion) (as on March 31, 2016). It offers the entire spectrum of financial services large and mid-size corporate, SME, and retail businesses.

As of 30 Jun. 2016, 30.81% shares are owned by promoters & promoter group (United India Insurance Company Limited, Oriental Insurance Company Limited, National Insurance Company Limited, New India Assurance Company Ltd, GIC, and LIC & UTI). Remaining 69.19% shares are owned by Mutual Funds Institutions, FIIs, Financial Institutions (banks), Insurance companies, corporate bodies & individual investors among others.[24]

Axis Bank established in 1993 was the first of the new private banks to have begun operations in 1994 after the Government of India allowed new private banks to be established. Axis Bank Ltd. has been promoted by the largest and the best Financial Institution of the country, UTI. The Bank was set up with a capital of ₹115 crore, with UTI contributing ₹100 crore, LIC – ₹7.5 crore and GIC and its four subsidiaries contributing ₹1.5 crore each. Axis Bank is the third largest private sector bank in India. The Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporate, MSME, Agriculture and Retail Businesses.

The Bank has a large footprint of 2904 domestic branches (including extension counters) and 12,743 ATMs spread across the country as on 31st March

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[24]   https://en.wikipedia.org/wiki/Axis_Bank

2016. The overseas operations of the Bank are spread over nine international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Colombo and Shanghai; representative offices at Dhaka, Dubai, Abu Dhabi and an overseas subsidiary at London, UK. The international offices focus on corporate lending, trade finance, syndication, and investment banking and liability businesses.

Axis Bank is one of the first new generation private sector banks to have begun operations in 1994. The Bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd. The share holding of Unit Trust of India was subsequently transferred to SUUTI, an entity established in 2003.

With a balance sheet size of Rs. 5, 25,468 crores as on 31st March 2016, Axis Bank has achieved consistent growth and stable asset quality with a 5 year CAGR (2010-11 to 2015-16) of 17% in Total Assets, 14% in Total Deposits, 19% in Total Advances and 19% in Net Profit.[25]

3.2.8 HDFC[26]

The HDFC Bank was incorporated on August 1994 by the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995. The

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[25]   https://www.axisbank.com/about-us/corporate-profile

[26]   http://profit.ndtv.com/stock/hdfc-bank-ltd_hdfcbank/reports

Housing Development Finance Corporation (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994.

HDFC Bank is headquartered in Mumbai. The Bank at present has an enviable network of over 1416 branches spread over 550 cities across India. All branches are linked on an online real–time basis. Customers in over 500 locations are also serviced through Telephone Banking. The Bank also has a network of about over 3382 networked ATMs across these cities.

Housing Development Finance Corporation Limited is a holding company. The Company is engaged in financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes, in India. The Company's segments include loans, life insurance, general insurance, asset management and others. It offers insurance products, such as motor, health, travel, home and personal accident in the retail division, and customized products, such as property, marine, aviation and liability insurance in the corporate division. It also provides portfolio management, mutual fund, property investment management, project management, investment consultancy and property related services. Its distribution network includes over 4,520 branches and approximately 12,000 automated teller machines in over 2,590 locations. Its subsidiaries include HDFC Developers Ltd., HDFC Investments Ltd., HDFC Trustee Co. Ltd. and HDFC Asset Management Co. Ltd., among others.[27]

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[27]   http://in.reuters.com/finance/stocks/companyProfile?symbol=HDFC.BO

HDFC Bank Limited is a holding company. The Bank offers a range of banking services covering commercial and investment banking on the wholesale side and transactional/branch banking on the retail side. It also offers financial services. The Bank's segments include Treasury, Retail banking, Wholesale banking and other banking business. The Treasury segment primarily consists of net interest earnings from the Bank's investment portfolio, money market borrowing and lending, gains or losses on investment operations and on account of trading in foreign exchange and derivative contracts. The Retail Banking segment serves retail customers through a branch network and other delivery channels, as well as through alternative delivery channels. The Bank provides its corporate and institutional clients a range of commercial and transactional banking products. The Other banking business segment includes income from para banking activities.[28]

The promoter of the company HDFC was incepted in 1977 is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment.

The shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Bank's American Depository

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[28]   http://in.reuters.com/finance/stocks/companyProfile?symbol=HDBK.BO

Shares (ADS) are listed on the New York Stock Exchange (NYSE) under the symbol 'HDB' and the Bank's Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange. On May 23, 2008, the amalgamation of Centurion Bank of Punjab with HDFC Bank was formally approved by Reserve Bank of India to complete the statutory and regulatory approval process. As per the scheme of amalgamation, shareholders of CBoP received 1 share of HDFC Bank for every 29 shares of CBoP.

The merged entity now holds a strong deposit base of around Rs. 1, 22,000 crore and net advances of around Rs. 89,000 crore. The balance sheet size of the combined entity would be over Rs. 1, 63,000 crore. The amalgamation added significant value to HDFC Bank in terms of increased branch network, geographic reach, and customer base, and a bigger pool of skilled manpower.

In a milestone transaction in the Indian banking industry, Times Bank Limited (another new private sector bank promoted by Bennett, Coleman & Co. / Times Group) was merged with HDFC Bank Ltd., effective February 26, 2000. This was the first merger of two private banks in the New Generation Private Sector Banks. As per the scheme of amalgamation approved by the shareholders of both banks and the Reserve Bank of India, shareholders of Times Bank received 1 share of HDFC Bank for every 5.75 shares of Times Bank.

HDFC Bank offers a wide range of commercial and transactional banking services and treasury products to wholesale and retail customers. The bank has three key business segments:

Wholesale Banking Services – The bank's target market ranges from large, blue–chip manufacturing companies in the Indian corporate to small & mid–sized corporate and agri–based businesses.

Retail Banking Services – The objective of the retail bank is to provide its target market customers a full range of financial products and banking services, giving the customer a one–stop window for all his/her banking requirements.

Treasury – Within this business, the bank has three main product areas – Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. The Treasury business is responsible for managing the returns and market risk on this investment portfolio.

3.2.9 KARUR VYSYA BANK[29]

Commercial banking in India can boast of a history of about 200 years. Though one could trace the history of banking back to the 19th century, the beginning of the last century saw the birth of many banks in India, set up by people with vision, commitment and national spirit.

The Karur Vysya Bank Limited, popularly known as KVB, one such endeavour, was set up in 1916 by two great visionaries and illustrious sons of Karur, the Late Shri M A Venkatarama Chettiar and the Late Shri Athi Krishna Chettiar to inculcate the habit of savings and provide financial assistance to traders and small agriculturists in and around Karur, a textile town in Tamil Nadu.

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[29]   http://www.kvb.co.in/global/history.html

Though the bank started with a seed capital of Rs.1 lakh, it has withstood innumerable changes and challenges in the past few decades and has profitably emerged as one of the leading banks in India without compromising on its fundamentals.

The bank is professionally managed and guided by the Board of Directors drawn from different fields with vision, experience, and knowledge and business acumen. Shedding its inherent regional flavour, the bank has now spread its wings far and wide with over 675 branches in 20 States and 3 Union Territories in order to gain a pan India presence. The bank has been conducting its affairs meticulously to conform to all the prudential norms and exacting statutory regulations.

KVB has consistently maintained strong fundamentals with a higher percentage of Capital Adequacy Ratio than mandated by the RBI. KVB has also been generating profits and rewarding its stakeholders with handsome dividends since inception.

The Karur Vysya Bank Limited (the Bank) is an India-based banking company. The Bank is engaged in providing banking and financial services, including commercial banking and treasury operations. The Bank's business segments include Treasury, Corporate and Wholesale Banking, Retail Banking and Other Banking Operations. It offers Internet banking, mobile banking, cards, and point of sale machines, transaction banking services, e-kiosks and para banking services. The Bank offers retail products, such as home loans, car loans and mortgage loans. It also offers products and services for corporate banking and forex business. Its Internet banking services provide real time gross settlement (RTGS)

and national electronic funds transfer (NEFT) facilities, online payment of taxes and e-commerce facilities. It offers loan products, such as KVB Rice Plus, KVB Timber Plus, KVB Transport Plus and KVB Pharma Plus. The Bank has approximately 670 branches and over 1,650 automated teller machines (ATMs).[30]

Karur Vysya Bank is an Indian private-sector bank, headquartered in Karur in Tamil Nadu. It was set up in 1916 by M. A. Venkatarama Chettiar and Athi Krishna Chettiar. The bank primarily operates in treasury, corporate/wholesale banking and retail banking segments. KVB provides services such as personal, corporate, agricultural banking and services to NRIs and MSME. Under personal banking, the bank provides housing loan, personal loan; insurance; and fixed deposits among others. Under corporate banking, KVB provides services like corporate loans; demat account, multicity current account and general insurance among others. Schemes provided by KVB under agricultural banking include Green Harvester, Green Trac and KVB Happy Kisan among others. Under MSME, the bank provides products such as KVB MSME Cash, KVB MSME Term Loan, KVB MSME Vendor Bill Discounting and KVB MSME Standby Term Loan among others. The bank had added more branches and 10 ATMs during the year thus bringing the total to 711 branches and 1,655 ATMs as on Mar 31, 2017. It introduced a number of initiatives in FY16 like reloadable cards, kisan credit cards, automatic passbook kiosk, e-book, etc. The latest being introduction of fast tag and

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[30] http://in.reuters.com/finance/stocks/companyProfile?symbol=KARU.BO

UPI based payment system. Total business volume is 95,000 crore as on Mar 31, 2017.[31]

3.2.10 CONCLUSION

This part discussed on the eight major selected banks for the study based on the services rendered in the study area. These eight banks have been rendering a larger and extended banking service in India. The subsequent chapter discusses on the analysis and interpretation based on the objectives formulated. The descriptive analysis of the study is discussed in the next chapter.

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[31]   https://en.wikipedia.org/wiki/Karur_Vysya_Bank

CHAPTER - IV

MEASURING SERVICE QUALITY PERCEPTION OF CUSTOMERS –
A DESCRIPTIVE ANALYSIS

4.1 INTRODUCTION

Analysis and interpretation are central steps in the research process. The aim of the analysis is to organise, classify and summarise the collected data so that they can be better comprehended and interpreted to give answers to the questions that triggered the research. Interpretation is the search for the broader meaning of findings. Analysis is not fulfilled without interpretation; and interpretation cannot proceed without analysis. So, both are inter dependent. In this chapter, the following statistical techniques are used for the analysis of the data gathered for the present study viz., descriptive analysis which is used to identify the respondents perception towards service quality of banks. Percentage analysis is one of the statistical measures used to describe the characteristics of the sample or population in totality. Percentage analysis involves computing measures of variables selected for the study and its findings will give clear interpretation for the reader. Mean is used to find out the average of the variables. The mean is essentially a model of the data set. It is the value that is used in one of the actual values that have observed in the data set. However, one of its important properties is that it minimises error in the prediction of any one value in the data set. That is, it is the value that produces the lowest amount of error from all other values in the data set.[1] It is used to identify the exact range of variables used in the study which helps to find out the most influencing

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[1]   https://statistics.laerd.com/statistical-guides/measures-central-tendency-mean-mode-median.php

factor on service quality perception of the respondents, satisfaction of the respondents and problems faced by customers while availing banking services.

4.2 GENDER

Gender is a range of characteristics used to distinguish between male and female. It is an important determinant which decides about the category of the people having account in bank and availing banking services from the selected banks for the study. The following table gives the gender wise classification of the sample respondents:

Table 4.1

Frequency Distribution of Gender of the Respondents of

Public and Private Sector Banks

Type of Bank	Gender		Total
	Male	**Female**	
Public Sector	100 (50%)	100 (50%)	200 (100%)
Private Sector	100 (50%)	100 (50%)	200 (100%)
Total	200 (50%)	200 (50%)	400 (100%)

Source: Primary Data

The above table shows the gender wise distribution of the respondents. The researcher gave purposely equal importance to male and female customers availing banking services. It will help to understand the customers' opinion about the quality of services offered by banks.

Inference

It is inferred that equal weightage is given to male and female customers of both public and private sector banks.

4.3 AGE

Age is an important factor in analysing the service quality of customers availing banking services. Age-wise classification is necessary to analyse and categorise the respondents. Because, it helps to understand the influence of age on the service quality of customers while availing banking services for further analysis. The following table reveals the age-wise classification of the respondents:

Table No. 4.2

Frequency Distribution of Age group of the Respondents

of Public and Private Sector Banks

Type of Bank	Age (in years)			Total
	Upto 25	26-50	Above 50	
Public Sector	75 (37.5%)	103 (51.5%)	22 (11%)	200 (100%)
Private Sector	79 (39.5%)	95 (47.5%)	26 (13%)	200 (100%)
Total	154 (38.5%)	198 (49.5%)	48 (12.0%)	400 (100%)

Source: Primary Data

The above table shows the age wise classification of the respondents. In public sector, 37.5 per cent of the respondents are belonging to the age group of upto 25 years, 51.5 per cent per cent of the respondents are belonging to the age group of 26-50 years and 11 per cent of the respondents are belonging to the age group of above 50 years whereas in private sector, 39.5 per cent of the respondents are belonging to the age group of upto 25 years, 47.5 per cent of the respondents are

belonging to the age group of 26-50 years and 13 per cent of the respondents are belonging to the age group of above 50 years.

Inference

It is inferred that both in public and private sector banks, majority of the customers are belonging to the age group of 26-50 years. Thus, the middle age group people are using banking services.

4.4 MARITAL STATUS

The marital status of the people is one of the important factors which determines and decides the savings habits of the people. The following table shows the marital status of the respondents:

Table No. 4.3

Frequency Distribution of Marital Status of the Respondents of Public and Private Sector Banks

Type of Bank	Marital Status		Total
	Married	**Unmarried**	
Public Sector	145 (72.5%)	55 (27.5%)	200 (100%)
Private Sector	142 (71%)	58 (29%)	200 (100%)
Total	287 (71.75%)	113 (28.25%)	400 (100%)

Source: Primary Data

The above table shows the classification of the respondents based on the marital status. In public sector, 72.50 per cent of the respondents are married and 27.50 per cent of the respondents are unmarried, whereas in public sector, 71 per cent of the respondents are married and 29 per cent of the respondents are unmarried.

Inference

It shows that majority of the respondents are married in both public and private sector banks. It is noted that, majority of the married customers of both the banks have savings habits and to meet their future needs and wants.

4.5 EDUCATION

Education is the dynamic side of philosophy. Education is a necessity of life both from the biological and sociological point of view. The level of education gives a lot of knowledge about the banking services. The educational qualification of the sample respondents are shown in the table given below:

Table No. 4.4

Frequency Distribution of Educational Qualification of the Respondents of Public and Private Sector Banks

Type of Bank	Educational Qualification				Total
	Upto HSc	Graduate	Professional	Technical	
Public Sector	41 (20.5)	111 (55.5)	28 (14.0)	20 (1.0)	200 (100%)
Private Sector	28 (14.0)	102 (51.0)	37 (18.5)	33 (16.5)	200 (100%)
Total	69 (17.25%)	213 (53.25)	65 (16.25%)	53 (13.25%)	400 (100%)

Source: Primary Data

The above table shows the educational qualification of the respondents. In public sector, 55.5 per cent of the respondents are graduates, 20.5 per cent of the respondents have completed upto higher secondary, 14 per cent of the respondents

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have studied professional course and one per cent of the respondents have completed technical courses whereas in private sector, 51 per cent of the respondents are graduates, 18.5 per cent of the respondents have studied professional courses, 14 per cent of the respondents have completed upto higher secondary and 16.5 per cent of the respondents have completed technical courses.

Inference

It is inferred that majority of the respondents are graduates in both public and private sector banks. It is evident that majority of the customers are educated in Tirunelveli.

4.6 OCCUPATION

Occupation is one of the important factors that determines the earning capacity of the sample respondents. Occupation is a mean to determine the standard of living of the people. Because, it plays a vital role in generating income resources for their livelihood. Thus, analysing the occupation of the respondents is very important. So, the respondents' occupation were classified and shown in the following table:

Table No. 4.5
Frequency Distribution of Occupation of the Respondents of
Public and Private Sector Banks

Type of Bank	Occupation				Total
	Employed	Self-Employed	Professionalist	Unemployed	
Public Sector	111 (55.5)	41 (20.5)	28 (14.0)	20 (1.0)	200 (100%)
Private Sector	102 (51.0)	28 (14.0)	37 (18.5)	33 (16.5)	200 (100%)
Total	213 (53.25%)	69 (17.25%)	65 (16.25%)	53 (13.25%)	400 (100%)

Source: Primary Data

The above table shows the occupation wise classification of the respondents. In public sector, 55.5 per cent of the respondents are employed, 20.5 per cent of the respondents are self-employed, 14 per cent of the respondents are professionalist and one per cent of the respondents is unemployed whereas in private sector, 51 per cent of the respondents are employed, 18.5 per cent of the respondents are professionalist; 14 per cent of the respondents are self-employed and 16.5 per cent of the respondents are unemployed.

Inference

It is inferred that majority of the respondents are employed in both public and private sector banks. It shows that the people in the study area are employed either in government or private sector. It is also noted that due to salary account many of the customers are having bank account.

4.7 MONTHLY INCOME

Income of a person determines the standard of living. Income is a basis for all monetary activities. Income influence saving habit, purchasing level, investment pattern and so on. It is an important aspect in analysing the income level of the respondents. Hence, the income level of the respondents is given in the following table:

Table No. 4.6

Frequency Distribution of Monthly Income of the Respondents of

Public and Private Sector Banks

Type of Bank	Monthly Income (in Rs.)				Total
	Upto 15000	15001-30000	30001-45000	Above 45000	
Public Sector	79 (39.5)	58 (29.0)	32 (16.0)	31 (15.5)	200 (100%)
Private Sector	68 (34.0)	44 (22.0)	51 (25.5)	37 (18.5)	200 (100%)
Total	147 (36.75%)	102 (25.50%)	83 (20.75%)	68 (17.0%)	400 (100%)

Source: Primary Data

The above table shows the income wise classification of the respondents. In public sector, 39.5 per cent of the respondents are earning upto Rs. 15, 000, 29 per cent of the respondents are earning Rs. 15, 001-30, 000, 16 per cent of the respondents are earning Rs. 30, 001-45, 000 and 15.5 per cent of the respondents are earning above Rs. 45, 000 whereas in private sector, 34 per cent of the respondents are earning upto Rs. 15, 000, 25.5 per cent of the respondents are earning Rs. 30, 001-45, 000, 22 per cent of the respondents are earning Rs.15, 001-30, 000, and 18.5 per cent of the respondents are earning monthly income of above Rs. 45,000.

Inference

It is inferred that majority of the respondents are earning monthly income of upto Rs. 15, 000 in both public and private sector banks.

4.8 AREA OF RESIDENCE

The area of residence plays a vital role in understanding the perception and expectation of the respondents. Because, the area has influence on the expectation and perception level of the respondents. Thus, the area wise classification of the respondents is categorised below:

Table No. 4.7

Frequency Distribution of Area of Residence of the Respondents

of Public and Private Sector Banks

Type of Bank	Area of Residence		Total
	Urban	**Rural**	
Public Sector	134 (67.0)	66 (33.0)	200 (100%)
Private Sector	158 (79.0)	42 (21.0)	200 (100%)
Total	292 (73.0%)	108 (27.0%)	400 (100%)

Source: Primary Data

The above table shows that area wise classification of the respondents. In public sector, 67 per cent of the respondents are urban customers and 33 per cent of the respondents are rural customers whereas in private sector, 79 per cent of the respondents are urban customers and 21 per cent of the respondents are rural customers.

Inference

It is inferred that majority of the respondents are urban customers. It is noted that most of the customers of both public sector banks and private banks are residing in urban area.

4.9 TYPE OF ACCOUNT

A bank account is a record of the financial transactions between the customer and the banking institution. The banking institutions have provided several types of accounts to cater the needs of all sorts of individuals. This categorisation helps to identify the preference of account by the customers. The following table shows the type of account classification of the respondents:

Table No. 4.8

Frequency Distribution of Type of Account of the Respondents of Public and Private Sector Banks

Type of Bank	Type of Account		Total
	Savings	**Current**	
Public Sector	171 (85.5)	29 (14.5)	200 (100%)
Private Sector	153 (76.5)	47 (23.5)	200 (100%)
Total	324 (81.0%)	76 (19.0%)	400 (100%)

Source: Primary Data

The above table shows the nature of account wise classification of the respondents. In public sector, 85.5 per cent of the respondents are having savings account and 14.5 per cent of the respondents are having current account whereas in private sector, 76.5 per cent of the respondents are having savings account and 23.5 per cent of the respondents are having current account.

Inference

It is inferred that majority of the respondents are having savings bank account in both public and private sector banks.

4.10 PERIOD OF RELATIONSHIP WITH THE BANK

A strategy used by banks to enhance the profitability and retention of customers is based on the period of relationship with the bank to the customers. It also helps to attract new customers to open account in the bank. The below table shows the classification of the respondents on the basis of period of relationship with the bank:

Table No. 4.9

Frequency Distribution of Period of Relationship with the Bank of the Respondents of Public and Private Sector Banks

Type of Bank	Period of Relationship with the Bank (in years)				Total
	Below 5	5-10	11-15	Above 15	
Public Sector	49 (24.5)	61 (30.5)	57 (28.5)	53 (26.5)	200 (100%)
Private Sector	157 (78.5)	43 (21.5)	-	-	200 (100%)
Total	206 (51.5)	104 (26.0)	57 (14.25)	53 (13.25)	400 (100%)

Source: Primary Data

Table 4.9 shows the period of relationship with bank as customer wise classification of the respondents. In public sector, 30.5 per cent of the respondents are having account with the bank for 5-10 years, 28.5 per cent of the respondents

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are having account with the bank for 11-15 years, 26.5 per cent of the respondents are having account with the bank for above 15 years, 24.5 per cent of the respondents are having account with the bank for below 5 years, whereas in private sector, 78.5 per cent of the respondents are having account with the bank for below 5 years, 21.5 per cent of the respondents are having account with the bank for 5-10 years.

Inference

It is inferred that majority of the respondents in public sector are having relationship with bank as customer for a period of between 5-10 years whereas in private sector, majority of the respondents are having relationship with bank as customer for a period of less than 5 years.

4.11 SELECTION OF THE BANK

There are various factors which influence the customers to select a bank. So, it is important to analyse the reason for the selection of a bank. As it is a ranking data, the least mean is taken as first and highest mean is taken as last. The following table describes the mean towards factors determining the selection of bank.

Mean for Factors Determining the Selection of Bank by the Respondents

Factors	Sector of Bank		Total
	Public	Private	
Safety of funds	4.28	3.74	4.01
Proximity to work place	7.32	6.48	6.90
Proximity to home	7.98	7.91	7.95
Brand Name	11.55	9.11	10.33
More number of branches and services	6.69	6.24	6.47
Friends' referral	11.92	12.17	12.04
Advertisements	12.28	12.21	12.25
Due to salary account	4.99	4.23	4.61
Efficient and timely services	8.84	7.27	8.06
Attractive interest rate	6.59	7.24	6.92
Low/reasonable service charges	7.01	7.92	7.46
Latest technology based services	7.62	7.12	8.37
Security and Trust	7.60	7.15	8.38

Source: Primary Data

Based on the mean score, public sector customers have selected their banks for safety of fund followed by due to salary account and attractive interest rate which influenced them to select the bank whereas for the customers of private sector, safety of funds, due to salary account and proximity to work place are the chief influencing factors to select the bank.

Inference

It is inferred that both public and private sector bank customers have selected their bank due to safety of funds and due to salary account. It shows that people prefer to safeguard their funds first and it also reveals that nowadays employees are getting salary through their account.

4.12 MEASUREMENT OF SERVICE QUALITY PERCEPTION ON BANKING SERVICES- EXPECTATION

SERVQUAL is used to measure the service quality perception of the customers public and private sector banks. In the tool SERVQUAL, expectation and perception of the customers are measured to identify the gap between the expectation and perception towards banking service. Hence, the expectations of the customers are briefly explained below:

Table 4.11

Measuring Expectation of Customers on Service

Quality Perception on Banking Services

EXPECTATION	Public	Private	Total
TANGIBILITY			
Excellent banking companies will have modern looking equipment.	7.50	8.82	8.16
The physical facilities at excellent banks will be visually appealing.	6.27	8.58	7.43
Employees at excellent banks will be neat in their appearance.	5.88	7.91	6.95
Materials associated with the service (pamphlets or statements) will be visually appealing at an excellent bank.	4.98	6.98	5.98
RELIABILITY			
When excellent banks promise to do something by a certain time, they do.	2.74	6.20	4.47
When a customer has a problem, excellent banks will show a sincere interest in solving it.	4.15	6.88	5.16
Excellent banks will perform the service right at the first time.	3.98	6.27	5.12
Excellent banks will provide the service at the time they promise to do so.	2.92	4.19	3.56
Excellent banks will insist on error free records.	3.54	5.69	4.62

RESPONSIVENESS			
Employees of excellent banks will tell customers exactly when services will be performed.	4.08	6.72	5.40
Employees of excellent banks will give prompt service to customers.	5.12	6.78	5.95
Employees of excellent banks will always be willing to help customers.	2.18	4.91	3.55
Employees of excellent banks will never be too busy to respond to customers' requests.	3.58	5.68	4.63
ASSURANCE			
The behaviour of employees in excellent banks will instil confidence in customers	2.98	5.02	4.00
Customers of excellent banks will feel safe in transactions.	11.12	10.98	11.05
Employees of excellent banks will be consistently courteous with customers.	6.12	7.59	6.86
Employees of excellent banks will have the knowledge to answer customers' questions.	3.89	6.98	5.44
EMPATHY			
Excellent banks will give individual attention to their customers.	3.25	8.29	5.77
Excellent banks will have operating hours convenient to their customers.	7.29	8.15	7.72
Excellent banks will have employees who give customers personal service.	4.57	7.99	6.28
Excellent banks will have their customers' best interest at heart.	3.98	5.71	4.85
The employees of excellent banks will understand the specific needs of their customers.	5.91	7.25	6.58

Source: Primary Data

The service quality perception of the customers is analysed using SERVQUAL. The dimensions of the SERVQUAL are tangibility, Reliability, responsiveness, assurance and empathy. Thus, it is important to analyse the

expectation of customers about each and every variable. Thus, mean score is used to analyse the expectation and perception of the customers. Hence, the above table discussed in detail about the expectation of the customers based on SERVQUAL.

Tangibility

Based on mean score of tangibility aspect of service quality, the customers' expectation towards modern equipment, physical facilities are met to some extent whereas neat appearance of bank and appealing materials associated with the banks are least met by banks.

Inference

It is inferred that customers expectations are fulfilled as regards modern equipment and physical facilities but the expectation towards neat appearance of banks and materials associated with the bank are not met by the banks. It is noted that customers opined that the materials issued by the banks are very lengthy, unclear and difficult to understand.

Reliability

The customers' expectation towards the reliability aspect of service quality is measured through mean score. And as such, as regards the variables employees are having interest in solving the problems while availing banking services, employees are performing the service right at the first time and the employees provide error free records the expectation of the customers are met but the customers' expectation are not fulfilled as regards the variable getting the services at the prescribed and promised time.

Inference

It is inferred that customers' expectation towards service offered by banks and employees' performance are satisfactory but the expectation is not fulfilled about the time taken for solving the problems occurred due to technological services offered by the banks. It is noted that public sector customers are not getting the services at the right time and dissatisfied about the performance of the employees working in the banks. It is observed that private sector banks are giving more preference and personal attention to each and every customer because due to pressure about job security.

Responsiveness

Based on mean score of responsiveness, the customers are able to get prompt services and the employees are informing clearly the duration taken for performing services. But, the customers are not satisfied about the employees' unwillingness to perform their services in a perfect manner.

Inference

It is inferred that the customers are getting prompt services from the banks but it is noted that employees are unwilling to perform some work especially by public sector employees because the mean score is 2.18. It is opined that customers are not treated patiently by the employees in the bank premises by the public sector employees.

Assurance

Based on mean score of assurance, the customers' expectations are highly met especially in safe transactions with the banks and the employees' consistent courteous behaviour with the customers. The employees are having knowledge to answer customers' questions but the behaviour of employees is not in such a way that will instil confidence in the minds of the customers.

Inference

It is inferred that customers' expectations are met in having safe transactions with the banks but the behaviour of employees is not instilling confidence in customers. It is noted that in public sector banks, the employees are hiding their ignorance in dealing with the customers by shouting at them in the bank premises.

Empathy

Based on mean score of empathy aspect of service quality, the customers' expectation are met with the variables of convenient working hours of the bank; the employees are trying to understand the specific needs of the customers while the customers are struggling to explain about their difficulties faced by them while availing banking services. But the customers felt that individual attention is not given to each and every customer and the employees do not have customers' best interest at their hearts.

Inference

It is inferred that the public sector bank customers are expecting personal and individual attention. It is also opined by them that the employees don't mind customers' interest.

4.13 MEASUREMENT OF SERVICE QUALITY PERCEPTION ON BANKING SERVICES- PERCEPTION

SERVQUAL is used to measure the service quality perception of the customers towards public and private sector banks. In the tool SERVQUAL, expectation and perception of the customers are measured to identify the gap between the expectation and perception towards banking services. Hence, the perceptions of the customers are briefly explained as below:

Table 4.12
Measuring Perception of Customers on Service
Quality Perception on Banking Services

PERCEPTION	Public	Private	Total
TANGIBILITY			
The bank has modern looking equipment.	5.78	8.98	7.38
The bank's physical features are visually appealing.	4.35	4.38	4.37
The bank's reception desk employees are neat appearing.	4.02	4.18	4.10
Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.	4.24	4.32	4.28
RELIABILITY			
When the bank promises to do something by a certain time, it does so.	4.13	4.39	4.26
When you have a problem, the bank shows a sincere interest in solving it.	4.43	4.41	4.42
The bank performs the service at right the first time.	2.41	2.82	2.61

The bank provides its service at the time it promises to do so.	4.08	2.58	3.33
The bank insists on error free records.	3.89	2.89	3.39
RESPONSIVENESS			
Employees in the bank tell you exactly when the services will be performed.	3.97	3.73	3.85
Employees in the bank give you prompt service.	4.39	4.40	4.39
Employees in the bank are always willing to help you.	4.35	4.38	4.37
Employees in the bank are never too busy to respond to your request.	4.02	4.18	4.10
ASSURANCE			
The behaviour of employees in the bank instils confidence in you.	4.24	4.32	4.28
You feel safe in your transactions with the bank.	4.05	4.19	4.12
Employees in the bank are consistently courteous with you.	4.13	4.39	4.26
Employees in the bank have the knowledge to answer your questions.	4.43	4.41	4.42
The bank gives you individual attention.	4.08	2.58	3.33
EMPATHY			
The bank has operating hours convenient to all its customers.	3.97	3.73	3.85
The bank has employees who give you personal attention.	4.06	3.54	3.80
The bank has your best interests at heart.	3.89	2.89	3.39
The employees of the bank understand your specific needs.	4.39	4.40	4.39

Source: Primary Data

The service quality perception of the customers is analysed using SERVQUAL. The dimensions of the SERVQUAL are tangibility, reliability, responsiveness, assurance and empathy. Thus, it is important to analyse the perception of customers about each and every variable. Thus, mean score is used to

analyse the perception and expectation of the customers. Hence, the above table discussed in detail about the perception of the customers based on SERVQUAL.

Tangibility

Based on mean score of tangibility aspect of service quality, the customers' perception towards modern equipment, appealing physical features is positive but the perception about neat appearance of the banks and appealing materials associated with the banks is not positive.

Inference

It is inferred that customers' perception is good as regard, modern equipment, physical facilities but the perception towards neat appearance of the bank and appealing materials the bank is not good. It is noted that customers opined that the materials issued by the banks are very lengthy, unclear and difficult to understand.

Reliability

The customers' perception towards reliability dimension of service quality is measured by mean score. And as such, as regards, the variables employees are having interest in solving the problems while availing banking services, employees are performing the service right at the first time and the employees provide error free records, the customers have positive perception but as regards, the variable of getting the services at the prescribed and promised time, the perception of the customers is not positive.

Inference

It is inferred that customers' perception towards service offered by banks and employees performance is satisfactory but their perception is not satisfactory about the time taken for solving the problems occurred due to technological services offered by the banks. It is noted that public sector customers are not getting the services at the right time and dissatisfied about the performance of the employees working in the bank. It is also observed that, private sector banks are giving more preference and personal attention to each and every customer. This may be due to the existence of pressure about job security.

Responsiveness

Based on the mean score of responsiveness aspect of service quality, the customers are able to get prompt services and the customers' perception towards employees' willingness to help is positive. But the customers are not having positive perception about the variable 'employees in the bank inform the customers exactly when the services will be performed'.

Inference

It is inferred that both the customers of public and private sector banks do have positive perception about prompt service given by the banks. It is also observed that the perception of customers of both public and private sector banks is not positive as regards the variable of uniformity them when the services will be performed.

Assurance

Based on the mean score of assurance dimensions of service quality, the customers have positive perception as regards, the employees' consistent courteous behaviour with the customers and the employees are having knowledge to answer customers' questions. But, as regards the variable safe transactions and individual attention, the customers have no positive perception.

Inference

It is inferred that customers' perceived positively about the variable of employees' consistent courteous behaviour both in public and private sector banks. Nevertheless, the customers of private sector banks perceived negatively about the variable of individual attention.

Empathy

Based on mean score of empathy aspect of service quality, the customers' perception is positive with the variables of employees are trying to understand the specific needs of the customers while the customers are struggling to explain about their difficulties faced by them while availing banking services. But, the customers felt that the employees do not have customers' best interest at their hearts.

Inference:

It is inferred that the customers of both public and private sector banks perceived negatively about the variable that the banks have customers' best interest at their hearts.

4.14 SATISFACTION LEVEL REGARDING THE VARIOUS SERVICE QUALITY DIMENSIONS:

The satisfaction level of the respondents is needed to analyse and draw inference. To identify and test the satisfaction level of the customers towards various dimensions of service quality, there are 47 variables which are used by the researcher. After applying factor analysis, the 47 variables are grouped and proper name is given to each group to have clear understanding about the customers' level of satisfaction in more understandable manner. The given below table shows the satisfaction level of the customers towards banking services offered by both public and private sector customers:

Table No. 4.13

Satisfaction Level of the Respondents of

Public and Private Sector Banks

Satisfaction	Public	Private	Total
TANGIBILITY			
Bank has up - to - date equipment & technology	4.39	4.23	4.31
Location of the Bank	4.21	3.63	3.92
Sufficient number of ATM machines	4.26	4.41	4.33
Cash counting machines	4.46	4.68	4.57
Counter partitions in bank and its branches	4.12	3.86	3.99
Materials associated with the banks office (Pamphlets, brochures) are visually appealing at the banks' office	2.35	3.47	2.91
Employees' approach	4.44	4.59	4.41
Guide signs indicating as to which counters are offering which services	4.02	2.22	3.12

RELIABILITY			
The bank website does not freeze after customers put in all the information	4.16	3.58	3.87
Information provided on website	4.22	3.06	3.64
Up to date content	3.57	4.01	3.79
Process of transactions	3.18	3.63	3.40
Wide range of products and services provided	3.94	3.31	3.63
RESPONSIVENESS			
Customer service representative.	4.19	3.66	3.93
Bank performs the services right at the first time	4.53	3.19	3.86
Quick confirmation	4.24	3.49	3.87
Our requests are handled promptly	3.93	3.66	3.79
ASSURANCE			
Employees of bank have the knowledge to answer customer questions	3.00	3.88	3.44
Polite and friendly staff	3.44	3.27	3.36
Employees are always willing to help customers.	2.22	4.02	3.12
Experienced management team.	4.26	3.18	3.72
EMPATHY			
Time bound work of employee	2.37	4.03	3.20
Help desks, call centres of bank	3.27	3.27	3.27
Specific needs are duly understood	2.14	3.23	2.68
Provision of financial advices	4.46	3.73	4.10
EFFICIENCY			
Faster log in facility	3.12	2.44	2.78
Performance of Plastic cards (Debit/Credit)	2.71	4.04	3.37
Transfer of Funds(NEFT, RTGS)	3.47	4.07	3.77
Clearing Services(ECS-Credit/Debit)	2.39	3.54	2.96
ACCURACY			
Problem solving through instant information	2.93	3.88	3.41

Bank insists on error-free transaction records	3.35	3.97	3.66
Electronic Bills payments	2.71	4.04	3.37
Service charges	3.12	2.44	2.78
SECURITY			
Security for ATMs	3.43	4.08	3.76
Online filling	3.46	4.01	3.73
Protection of banking transactions	3.56	4.12	3.84
Confidentiality of the bank.	3.73	4.34	4.04
Care in collection of personal information	3.89	4.03	3.96
EASE AND CONVENIENT BANKING			
Language and information content	3.42	3.19	3.31
Easy to find and change	3.39	4.44	3.91
Instructions on the website	3.90	3.71	3.80
User friendly system	3.68	4.18	3.93
Convenient hours of operation (24 X7)	3.66	4.30	3.98
CUSTOMER SERVICE			
Customer friendly environment at bank	2.48	3.92	3.20
Customer feedback services	3.34	3.79	3.57
Capable of solving complaints adequately	3.70	4.06	3.88
Brochures to educate new users	2.88	3.11	2.99
Special services for the elders and disabled	2.94	3.73	3.34

Source: Primary Data

Tangibility

Based on the mean score, the customers are highly satisfied about the cash counting machines. But the customers are not satisfied about the materials i.e pamphlets and brouchers associated with the banks.

Inference

It is opined that cash counting machine is quite easy and able to count the deposit/ withdrawal of bulk amount without counting each and every currency note.

It is also opined that the materials issued by the banks are very lengthy, unclear and difficult to understand.

Reliability

Based on the mean score, the customers are highly satisfied with the functioning of secured website. But the customers are not satisfied with the process of transaction.

Inference

It is inferred that the websites are not freezing after customers putting all their personal information through online. It is also observed that customers are worrying about the process of transactions made through online.

Responsiveness

Based on the mean score, the customers are highly satisfied about the customer service representatives and the customers are not satisfied about the level of promptness with which customers' requests are handled.

Inference

It is inferred that the customer service representatives are performing well but the requests of customers are not promptly done.

Assurance

Based on the mean score of assurance dimension of service quality, the customers are highly satisfied about the experienced management team but the customers are not satisfied about the employees' unwillingness to help the customers.

Inference

It is inferred that the bank management has competent team in dealing with the customers. But, the customers observed that majority of the employees working in the banks are not willing to help customers.

Empathy

Based on the mean score, the customers are highly satisfied about the financial advices given by the employees of the banks but the customers are not satisfied with the variable of specific needs are duly understood by the employees.

Inference

It is opined that the customers are getting prompt financial advices from the bank employees especially on investments. But the customers revealed that the employees are explaining about various products and services without understanding their expected services and specific needs from the banks.

Efficiency

Based on the mean score, the customers are highly satisfied about the transfer of funds using NEFT/ RTGS but the customers are dissatisfied about the online login facility.

Inference

It is opined that the customers are feeling ease to use the facility of transfer of funds through NEFT/RTGS but in online banking the login facility is little difficult to access the account. The account was log out before the transaction was completed.

Accuracy

Based on the mean score, the customers are highly satisfied about the provision of error free transaction records but the customers are not satisfied about the service charges collected by the banks.

Inference

It is opined that the customers are getting error free records for their transaction from banks for further reference and filing the document. But, the customers are totally disappointed by the service charges collected by the banks especially private sector bank customers are highly dissatisfied about the service charges.

Security

Based on the mean score, the customers are highly satisfied about the confidentiality of the banks but the customers are not satisfied with the online filling of application of account details using internet.

Inference

It is inferred that the customers are having trust about the confidentiality of the banks but still more number of customers are having fear in giving personal information through online.

Ease and Convenient Banking

Based on the mean score, the customers are highly satisfied about the convenient hours of banking services (24×7) but the customers are not satisfied with the language and information content.

Inference

It is inferred that the customers can be able to access the banking services (24×7) but the customers felt that the instructions given in the banks' website are not understandable.

Customer Service

Based on the mean score, the customers are highly satisfied with the capacity of the employees in solving complaints adequately but the customers are not satisfied with the brochures given to educate new users.

Inference

It is inferred that the employees have the ability to solve customers' complaints as to banking services. Yet, it is also inferred that the brochures issued to educate new users lead to some confusion as to which services need to be availed from the particular bank due to their ambiguity.

4.15 PROBLEMS FACED BY CUSTOMERS WHILE AVAILING BANKING SERVICES

The problems faced by the customers while availing banking services have been discussed briefly in the following table and subsequent passages:

Table No. 4.14

PROBLEMS FACED BY THE CUSTOMERS WHILE

AVAILING BANKING SERVICES

PROBLEMS	Public	Private	Total
E-channels are creating more confusion to the customers.	1.71	3.76	2.73
E-banking service charges are high (hidden cost).	2.26	3.74	3.00
More formalities are required	2.82	3.54	3.18
Smart card sometime creates technical hurdles to make payments.	2.56	3.63	3.09
Lack of ATM service, crowd in peak hours and restriction in withdrawal.	1.96	3.24	2.60
Lack of infrastructure and unsuitable location of ATMs.	2.43	3.46	2.95
Unauthorized access within the network and loss or damage of data by hackers.	2.15	3.37	2.76
Inability to manage information properly and to deliver products or services.	2.25	3.17	2.71
Inadequate information to customers about product use and problem solution procedures.	2.73	2.99	2.86
Inaccurate processing of transactions and transaction has not been uploaded.	1.82	3.53	2.67
Lack of data privacy and confidentiality.	1.87	3.84	2.26
Significant problem with network connection.	1.84	2.61	2.23
E-channels lead to poor relationship among the bank customers and bank employees.	2.94	3.99	3.46
Lack of knowledge regarding use of E-channels.	2.29	3.42	2.85

Source: Primary Data

Based on mean score, the problems faced by the respondents have been identified. They are: there is a significant problem with the network connection, lack of data privacy and confidentiality, inaccurate processing of transactions and transaction has not been uploaded, inability to manage information properly and to deliver products or service, E-channels are creating more confusion to the customers and unauthorized access within the network and loss or damage of data by the hackers.

Inference

It is inferred that customers are facing network problem in availing e-channels and having fear in access technological banking services.

4.16 CONCLUSION

This chapter described the demographic profile of the customers who have been availing banking services both from public and private sector banks. With the help of descriptive analysis, the personal variables of the respondents have been duly described. This chapter has also interpreted the service quality expectation and perception of customers about select public and private sector banks. Through SERVQUAL tool, the service quality expectation and perception have been determined. Further, this chapter has included customers' satisfaction towards various aspects of service quality like tangibility, reliability, responsiveness, assurance, empathy, efficiency, accuracy, security, ease and convenient banking and customer service. The ensuing chapter pays emphasis on customers' satisfaction towards banking services.

CHAPTER-V

MEASURING SERVICE QUALITY PERCEPTION OF CUSTOMERS –

AN INFERENTIAL ANALYSIS

5.1 INTRODUCTION

This chapter discusses the satisfaction level of the customers availing banking services, service quality perception of the customers and the problems that have been faced by the customers while availing banking services. Inferential analysis has been used to identify the significant relationship and difference between customers' demographic profile and their overall satisfaction, problems and service quality perception about banking services. It is very important to analyse these variables and to identify the relationship in order to give suggestions to improve the banking services. The study considered the moderating effect of variables which included demographic service quality dimensions : (i) Gender (ii) Age (iii) Income (iv) Education (v) Occupation (vi) Marital Status (vii) Type of Sector (viii) Number of years as customer. The review of literature indicated that the customers differ in their perception of service quality and its dimensions. The difference in the perception may be due to varied demographic characteristics of customers. To support the objectives of the study, the null hypotheses have been formulated and tested using t-test, one way ANOVA. Friedman test, correlation and discriminant analysis were also used to identify the customers' overall satisfaction, problems and service quality perception towards banking services.

5.2 Gender with respect to overall service quality, satisfaction and problems in availing banking services

HYPOTHESIS I

Null Hypothesis: There is no significant difference between male and female with respect to overall service quality, satisfaction and problems in availing banking services

Table No. 5.1

t-test for significant difference between male and female with respect to overall service quality,

satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction and Problems	Gender												t value	P value
	Public Sector				t value	P value	Private Sector				t value	P value		
	Male		Female				Male		Female					
	Mean	SD	Mean	SD			Mean	SD	Mean	SD				
Tangibility	34.22	3.01	32.86	3.18	2.891	0.004**	40.76	3.93	38.88	4.75	2.869	0.005**		
Reliability	29.33	5.30	25.86	5.09	4.348	<0.001**	34.31	3.58	32.90	4.48	2.326	0.021*		
Responsiveness	56.57	4.83	52.89	5.34	4.790	<0.001**	62.62	5.43	59.96	5.85	3.106	0.002**		
Assurance	29.80	5.95	26.60	6.29	3.440	<0.001**	30.55	5.52	28.43	5.21	2.553	0.012*		
Empathy	31.43	4.92	28.07	4.67	4.551	<0.001**	32.17	3.64	30.87	4.03	2.237	0.027*		
Overall Service Quality	**221.68**	**35.31**	**197.09**	**34.18**	**4.613**	**<0.001****	**250.35**	**22.90**	**236.72**	**26.68**	**3.641**	**<0.001****		
Overall Satisfaction	**280.86**	**34.14**	**257.93**	**24.33**	**2.905**	**0.056**	**231.77**	**23.55**	**221.91**	**25.78**	**2.631**	**0.062**		
Overall Problems	**170.71**	**26.32**	**188.83**	**21.90**	**4.798**	**<0.001****	**273.86**	**26.84**	**282.29**	**29.90**	**1.961**	**0.051**		

Source: Computed Data   **Note :** 1.   ** denotes significant at 1% level
                                      2.   * denotes significant at 5% level

Table 5.1 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy and also with regard to customers' overall service quality, satisfaction and problems in availing banking services. Hence, there is a significant difference between male and female with regard to the service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy and customers' overall service quality. Based on the mean score, the male are having better perception than female regarding banking services. It is noted that majority of the customers visiting banks are male. It is also observed that, female customers are allowing their entire family to access their bank account.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, responsiveness and overall service quality. Hence, there is a significant difference between male and female and their perception with regard to the service quality dimensions of tangibility, responsiveness and overall service quality. Based on mean score, the male are having better perception than female regarding banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, assurance and empathy. Hence, there is a significant difference between male and female with regard to service quality dimensions of reliability, assurance and empathy. Based on mean score, the male are having better perception than female regarding banking services.

There is no significant difference between male and female with regard to customers' overall satisfaction and problems of the customers in availing banking services. Since, P value is greater than 0.05, the null hypothesis is accepted with regard to customers' satisfaction and problems faced by the customers using banking services.

5.3 Marital Status with respect to overall service quality, satisfaction and problems in availing banking services

HYPOTHESIS II

Null Hypothesis: There is no significant difference between married and unmarried customers with respect to overall service quality, satisfaction and problems in availing banking services.

Table 5.2
t-test for significant difference between married and unmarried with respect to
overall service quality, satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction and Problems	Marital Status											
	Public Sector				t value	P value	Private Sector				t value	P value
	Married		Unmarried				Married		Unmarried			
	Mean	SD	Mean	SD			Mean	SD	Mean	SD		
Tangibility	27.26	5.45	30.13	5.01	3.123	0.002**	33.48	4.01	34.66	3.88	1.713	0.008*
Reliability	54.81	5.58	56.13	4.44	1.448	0.004**	60.99	5.63	63.48	5.69	2.538	0.012*
Responsiveness	27.84	6.22	30.71	5.95	2.711	0.007**	29.09	5.40	31.75	5.31	2.852	0.005**
Assurance	29.60	5.03	31.69	4.97	2.421	0.014**	31.41	3.76	32.48	4.00	1.608	0.007*
Empathy	35.10	16.88	41.24	16.94	2.114	0.012**	47.22	8.46	51.68	6.53	3.202	0.002**
Overall Service Quality	**208.01**	**36.81**	**224.42**	**34.29**	**2.633**	**0.009****	**241.51**	**24.12**	**256.32**	**25.58**	**3.488**	**<0.001****
Overall Satisfaction	**266.42**	**41.72**	**288.51**	**28.38**	**3.303**	**<0.001****	**224.63**	**22.87**	**238.39**	**27.87**	**3.282**	**<0.001****
Overall Problems	**181.47**	**24.81**	**166.60**	**27.26**	**3.397**	**<0.001****	**281.26**	**25.63**	**264.18**	**32.24**	**3.599**	**<0.001****

Source: Computed Data   **Note :** 1. ** denotes significant at 1% level
                                                    2. * denotes significant at 5%

Table 5.2 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, satisfaction and problems in availing banking services. Hence, there is a significant difference between married and unmarried customers with regard to the service quality dimensions of Tangibility, reliability, responsiveness, assurance, empathy and overall service quality. Based on the mean score the unmarried customers are having better perception than married customers regarding banking services. It is noted that young customers prefer to use e-banking services and they are not facing even very minimum problems than customers availing traditional banking.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of responsiveness, overall service quality, satisfaction and problems faced by customers while availing banking services. Hence, there is a significant difference between married and unmarried customers with regard to the service quality dimensions of responsiveness, overall service quality, satisfaction and problems faced by customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, reliability, assurance and empathy. Hence, there is a significant difference between married and unmarried customers with regard to service quality dimensions of tangibility, reliability, assurance and empathy. Based on mean score, the unmarried customers are having good perception about the service quality of the banking services than married customers.

5.4 Type of account with respect to overall service quality, satisfaction and problems in availing banking services

HYPOTHESIS III

Null Hypothesis: There is no significant difference between savings and current accountholders with respect to overall service quality, satisfaction and problems in availing banking services.

Table No. 5.3
t-test for significant difference between savings and current account with respect to overall service quality, satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction and Problems	Type of Account											t value	P value
	Public Sector				t value	P value	Private Sector				t value	P value	
	Savings		Current				Savings		Current				
	Mean	SD	Mean	SD			Mean	SD	Mean	SD			
Tangibility	33.37	3.06	34.76	3.23	2.512	0.013*	40.56	4.06	38.03	4.85	3.244	<0.001**
Reliability	27.58	5.41	29.32	5.53	1.793	0.005**	34.13	3.55	32.38	5.20	2.402	0.017*
Responsiveness	54.73	5.42	56.54	4.84	1.924	0.050*	62.10	5.32	59.65	6.84	2.353	0.020*
Assurance	28.19	6.33	29.78	5.95	1.429	0.015*	30.06	5.32	28.49	6.01	1.564	0.001**
Empathy	29.81	4.99	31.20	5.31	1.545	0.012**	32.01	3.66	30.38	4.26	2.329	0.021*
Overall Service Quality	**209.74**	**36.39**	**220.17**	**37.47**	**1.602**	**0.011****	**248.15**	**22.83**	**233.43**	**30.57**	**3.246**	**<0.001****
Overall Satisfaction	**268.57**	**40.24**	**283.39**	**37.00**	**2.110**	**0.036***	**229.83**	**23.64**	**220.89**	**28.21**	**1.966**	**0.052***
Overall Problems	**180.74**	**24.16**	**167.63**	**30.27**	**2.874**	**0.005****	**275.22**	**26.77**	**284.32**	**32.84**	**1.757**	**0.051***

Source: Computed Data   **Note :** 1.   ** denotes significant at 1% level
2.   * denotes significant at 5% level

Table 5.3 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of reliability, overall service quality and problems in availing banking services. Hence, there is a significant difference between savings and current accountholders with regard to the service quality dimensions of reliability, overall service quality and problems in availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, responsiveness, assurance, empathy and overall satisfaction of the customers in availing banking services. Hence, there is a significant difference between savings and current accountholders with regard to the

service quality dimensions of tangibility, responsiveness, assurance, empathy and overall satisfaction of the customers in availing banking services.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, assurance and overall satisfaction of the customers in availing banking services. Hence, there is a significant difference between savings and current accountholder with regard to service quality dimensions on tangibility, assurance and overall satisfaction of the customers in availing banking services. Based on mean score, the perception of savings and current accountholders is different.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, responsiveness, empathy, overall service quality and problems faced by the customers while availing banking services. Hence, there is a significant difference between savings and current accountholders with regard to service quality dimensions on reliability, responsiveness, empathy, overall service quality and problems faced by the customers while availing banking services.

5.5 Sector of bank with respect to overall service quality, satisfaction and problems in availing banking services

HYPOTHESIS IV

Null Hypothesis: There is no significant difference between public and private sector customers with respect to overall service quality, satisfaction and problems in availing banking services.

Table No. 5.4
t-test for significant difference between public and private sector respondents with respect to overall service quality, satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction and Problems	Sector of Bank				t value	P value
	Public Sector		Private Sector			
	Mean	SD	Mean	SD		
Tangibility	33.69	3.14	40.04	4.34	15.893	<0.001**
Reliability	27.98	5.48	33.77	4.00	11.458	<0.001**
Responsiveness	55.14	5.33	61.60	5.73	11.073	<0.001**
Assurance	30.12	5.08	31.67	3.84	3.266	<0.001**
Empathy	36.63	17.06	48.31	8.24	8.269	<0.001**
Overall Service Quality	**212.12**	**36.80**	**245.13**	**25.23**	**9.926**	**<0.001****
Overall Satisfaction	**271.94**	**39.91**	**227.99**	**24.83**	**12.547**	**<0.001****
Overall Problems	**177.76**	**26.18**	**277.09**	**28.27**	**34.591**	**<0.001****

Source: Computed Data
Note : ** denotes significant at 1% level

Table 5.4 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, satisfaction and problems in availing banking services. Hence, there is a significant difference between public and private sector respondents with regard to the service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services.

5.6 Age groups with respect to overall service quality, satisfaction and problems in availing banking services

HYPOTHESIS V

Null Hypothesis: There is no significant difference among age groups with respect to overall service quality, satisfaction and problems of customers while availing banking services.

Table No. 5.5
ANOVA for significant difference among age groups with respect to overall
service quality, satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction and Problems	Public Sector						Private Sector					
	Age Group in years				F value	P value	Age Group in years				F value	P value
	Upto 30	31-35	36-40	Above 40			Upto 30	31-35	36-40	Above 40		
Tangibility	32.76^a (3.16)	33.86^{ab} (3.30)	34.78^b (2.90)	33.05^a (2.42)	4.060	0.008**	41.30^b (3.82)	41.50^b (3.70)	40.07^b (3.79)	37.65^a (4.63)	9.744	<0.001**
Reliability	26.48^a (5.98)	27.81^{ab} (5.25)	29.41^b (5.09)	29.00^{ab} (4.78)	2.791	0.042*	34.17 (3.60)	34.58 (3.90)	33.90 (3.34)	32.70 (4.64)	2.020	0.016*
Responsiveness	53.52^a (5.12)	54.67^a (5.70)	57.16^b (4.71)	55.90^{ab} (4.88)	4.554	0.004**	62.93^b (5.20)	63.03^b (4.69)	61.33^{ab} (4.96)	59.31^a (6.64)	5.031	0.002**
Assurance	27.26^a (6.78)	27.63^a (5.82)	30.59^b (5.75)	29.70^{ab} (6.23)	3.249	0.023*	31.08^b (5.27)	31.36^b (5.82)	28.73^a (4.74)	27.72^a (5.25)	5.386	<0.001**
Empathy	28.59^a (5.19)	30.07^{ab} (4.90)	31.65^c (4.89)	30.65^{ab} (4.91)	3.311	0.021*	31.82^{ab} (3.96)	33.22^b (3.09)	31.47^a (3.70)	30.59^a (3.95)	3.589	0.015*
Overall Service Quality	**201.24^a (36.97)**	**211.07^{ab} (35.81)**	**224.63^b (35.68)**	**213.80^{ab} (34.68)**	**3.646**	**0.014***	**251.00^{bc} (24.01)**	**254.67^c (23.58)**	**243.60^b (20.85)**	**233.09^a (25.58)**	**7.707**	**<0.001***
Overall Satisfaction	**262.94^a (45.01)**	**270.28 (39.80)**	**285.10^b (32.77)**	**268.75 (35.74)**	**2.852**	**0.039***	**232.05 (26.25)**	**237.92 (23.54)**	**225.07 (20.22)**	**218.48^a (23.29)**	**5.639**	**<0.001***
Overall Problems	**183.39^b (25.67)**	**181.33^b (23.98)**	**168.06^a (29.22)**	**176.10 (19.75)**	**3.607**	**0.015***	**271.65^a (29.64)**	**267.36^a (27.53)**	**274.77^a (24.24)**	**290.91^b (24.57)**	**7.209**	**<0.001***

Source: Computed Data

Note : 1. The value within bracket refers to SD

2. ** denotes significant at 1% level.

3. * denotes significant at 5% level.

4. Different alphabet among age group denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

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Table 5.5 shows that in public sector, since P value is less than 0.01, null hypothesis are rejected at 1% level with regard to the service quality dimensions of tangibility and responsiveness. Hence, there is a significant difference among age group of the customers with relate to the service quality dimensions of tangibility and responsiveness.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among age group of the customers with relate to the service quality dimensions of reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services. Based on Duncan Multiple Range Test (DMRT), the age groups up to 30 years and above 40 years are significantly differed with 31-35 years and 36-40 years at 5% level, but there is no significant difference between up to 30 years and above 40 years and also 31-35 years and 36-40 years in overall service quality regarding banking services, overall satisfaction on banking services. The age group up to 30 years and 31-35 years are significantly differed with 36-40 years and above 40 years at 5% level, but there is no significant difference between up to 30 years and 31-35 years and also 36-40 years and above 40 years in overall problems in availing banking services. It shows that young customers prefer to use banking services than customers above 40 years.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to the service quality dimensions of tangibility, responsiveness, assurance, overall service quality, satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among age group of the customers with relate to the service quality dimensions of tangibility,

responsiveness, assurance, overall service quality, satisfaction and problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability and empathy on availing banking services. Hence, there is a significant difference among age group of the customers with relate to the service quality dimensions of reliability and empathy on availing banking services. Based on Duncan Multiple Range Test (DMRT), the age groups of 31-35 years, 36-40 and above 40 years are significantly differed from up to 30 years at 5% level, but there is no significant difference between up to 30 years and 36-40 years in overall service quality of the customers availing banking services, 36-40 years and above 40years are significantly differed from up to 30 years and 31-35 years in overall satisfaction on customers availing banking services, up to 30 years, 31-35 years, and 36-40 years are significantly differed from above 40 years. There is no significant difference between 30 years, 31-35 years, and 36-40 years with above 40 years on overall problems faced by the customers while availing banking services. It shows that problems experienced by youth generation customers are different from than that of old age customers.

5.7 Educational qualification with respect to overall service quality, satisfaction and problems in availing banking services

HYPOTHESIS VI

Null Hypothesis: There is no significant difference among educational qualification with respect to overall service quality, satisfaction and problems faced by customers while availing banking services.

Table No. 5.6

ANOVA for significant difference among educational qualification with respect to overall service quality, satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction, Problems	Public Sector				F Value	P value	Private Sector				F Value	P value
	Educational Qualification						Educational Qualification					
	Up to HSc	Graduate	Professional	Technical			Up to HSc	Graduate	Professional	Technical		
Tangibility	32.67^a (3.53)	33.71^{ab} (2.85)	34.84^b (3.28)	33.20^a (2.48)	3.713	0.013**	37.29^a (5.53)	40.13^{bc} (3.35)	41.88^c (4.56)	39.53^b (4.37)	6.999	<0.001**
Reliability	25.72^a (5.70)	28.28^b (5.03)	29.25^b (5.86)	28.40^b (4.92)	3.246	0.023*	32.14^a (5.86)	33.39^a (3.34)	35.67^b (3.52)	33.82^{ab} (3.11)	5.351	0.002**
Responsiveness	52.77^a (5.47)	55.39^b (4.88)	56.55^b (5.20)	55.64^b (5.71)	3.891	0.010**	59.29^a (6.32)	61.29^{ab} (5.43)	63.36^b (5.53)	62.76^b (5.72)	3.285	0.022*
Assurance	26.44 (6.52)	29.11 (6.10)	29.32 (6.00)	28.92 (6.46)	2.962	0.012**	26.64^a (5.51)	29.82^b (4.93)	31.29^b (6.24)	30.59^b (4.76)	4.473	0.005**
Empathy	28.64 (5.11)	30.14 (4.91)	31.32 (5.33)	30.28 (4.78)	3.156	0.022*	29.71^a (4.65)	31.61^b (3.23)	33.07^b (3.95)	31.76^b (4.07)	4.559	0.004**
Overall Service Quality	**198.15^a (38.66)**	**213.17 (34.51)**	**221.57^b (38.02)**	**214.24^{ab} (33.63)**	**2.983**	**0.033***	**227.57^a (33.42)**	**244.89^b (18.93)**	**257.07^b (26.09)**	**245.82^b (22.81)**	**8.642**	**<0.001****
Overall Satisfaction	**256.64^a (45.86)**	**274.65^{ab} (36.52)**	**282.36^b (36.64)**	**269.68^{ab} (39.89)**	**3.158**	**0.026***	**214.43^a (32.18)**	**223.97^b (18.45)**	**243.74^c (24.16)**	**233.41^{bc} (24.40)**	**11.113**	**<0.001****
Overall Problems	**188.28^b (23.02)**	**176.64^{ab} (26.22)**	**168.02^a (28.51)**	**181.68^b (20.21)**	**4.626**	**0.004****	**289.86^c (37.35)**	**281.66^{bc} (21.26)**	**261.45^a (29.34)**	**269.71^{ab} (26.00)**	**8.284**	**<0.001****

Source: Computed Data

Note : 1. The value within bracket refers to SD

2. ** denotes significant at 1% level.

3. * denotes significant at 5% level.

4. Different alphabet among Educational Qualification denotes significant at 1% level using Duncan Multiple Range Test (DMRT)

Table 5.6 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, responsiveness, assurance and overall problems while availing banking services. Hence, there is a significant difference among education qualification of the customers with relate to the service quality dimensions of Tangibility, responsiveness, assurance and overall problems while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, empathy, overall service quality and overall satisfaction of the customers availing banking services. Hence, there is a significant difference among educational qualification of the customers with relate to the service quality dimensions of reliability, empathy, overall service quality and overall satisfaction of the customers availing banking services. Based on Duncan Multiple Range Test (DMRT), up to HSC is significantly differed from graduate, professional and technical on overall service quality of customers availing banking services and overall satisfaction of the customers.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to the service quality dimensions of tangibility, reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among educational qualification of the customers with relate to the service quality dimensions of tangibility, reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability. Hence, there is a significant difference among educational qualification of the customers with relate to the service

quality dimensions of reliability. Based on Duncan Multiple Range Test (DMRT), up to HSC is significantly differed from graduate, professional and technical at 1% level, but there is no significant difference between graduate, professional and technical.

5.8 Occupation with respect to overall service quality, satisfaction and problems in availing banking services

HYPOTHESIS VII

Null Hypothesis: There is no significant difference among occupation with respect to overall service quality, satisfaction and problems in availing banking services

Table No. 5.7
ANOVA for significant difference among occupation with respect to
overall service quality, satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction, Problems	Public Sector			F Value	P Value	Private Sector			F Value	P value
	Occupation					Occupation				
	Employed	Self-Employed	Professionalist			Employed	Self-Employed	Professionalist		
Tangibility	34.35^b (3.05)	32.57^a (3.04)	34.08^b (3.09)	6.253	0.002**	40.10^{ab} (3.53)	39.19^a (4.50)	41.77^b (5.38)	3.930	0.021*
Reliability	29.11^b (5.17)	26.26^a (5.52)	28.32^b (5.48)	5.017	0.008**	33.48^a (3.19)	33.07^a (4.73)	36.06^b (3.31)	6.793	0.001**
Responsiveness	55.69 (5.02)	53.93 (5.78)	55.89 (5.03)	2.408	0.003**	60.96^a (5.38)	61.19^a (5.85)	64.16^b (5.82)	3.892	0.022*
Assurance	29.75^b (5.96)	27.15^a (6.65)	28.26^{ab} (5.92)	3.133	0.0004**	29.66^a (4.65)	28.84^a (5.70)	31.94^b (6.49)	3.513	0.032*
Empathy	31.32^b (4.94)	28.64^a (4.97)	29.95^{ab} (5.04)	5.098	0.007**	31.75^a (3.21)	30.93^{ab} (4.16)	33.13^b (4.24)	3.655	0.028*
Overall Service Quality	219.83^b (35.82)	200.49^a (35.87)	214.34^b (36.49)	5.117	0.007**	244.15^a (19.19)	240.43^a (28.13)	258.10^b (28.46)	5.623	0.004**
Overall Satisfaction	276.98^b (36.19)	261.69^a (44.98)	277.68^{ab} (36.48)	3.123	0.046*	223.75^a (19.43)	224.81^a (26.02)	246.00^b (27.25)	10.993	<0.001**
Overall Problems	173.75^a (28.40)	186.13^b (22.40)	172.84^a (24.10)	4.948	0.008**	281.16^b (22.45)	280.58^b (28.89)	258.81^a (33.64)	8.496	<0.001**

Source: Computed Data

Note : 1. The value within bracket refers to SD
      2. ** denotes significant at 1% level.
      3. * denotes significant at 5% level.
      4. Different alphabet among occupation denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

Table 5.7 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, empathy, overall service quality and overall problems in availing banking services. Hence, there is a significant difference among occupation of the customers with relate to the service quality dimensions of tangibility, reliability, empathy, overall service quality and overall problems in availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of overall satisfaction of the customers in availing banking services. Hence, there is a significant difference among occupation of the customers with relate to the service quality dimensions of overall satisfaction of the customers in availing banking services. Based on Duncan Multiple Range Test (DMRT), self-employed is significantly differed from employed and professionals in overall service quality of banking services, overall problems faced by the customers while availing banking services, and self-employed and employed are significantly differed from professionals in overall satisfaction of the customers availing banking services.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of reliability, overall service quality of banking services, overall satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among occupation of the customers with relate to the service quality dimensions of reliability, overall service quality of banking services, overall satisfaction and problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, responsiveness, assurance and

empathy. Hence, there is a significant difference among occupation of the customers with relate to the service quality dimensions of tangibility, responsiveness, assurance and empathy. Based on Duncan Multiple Range Test (DMRT), employed and self-employed are significantly differed in overall customers' service quality, overall satisfaction and overall problems faced by the customers while availing banking services.

5.9 Monthly Income with respect to customers' overall service quality perception, satisfaction and problems in availing banking services
HYPOTHESIS VIII
Null Hypothesis: There is no significant difference among monthly income with respect to overall service quality, satisfaction and problems of customers in availing banking services.

Table No. 5.8
ANOVA for significant difference among monthly income with respect to
service quality, satisfaction and problems in availing banking services

Overall Service Quality, Satisfaction, Problems	Public Sector				F value	P value	Private Sector				F value	P value
	Monthly Income (in ₹)						Monthly Income (in ₹)					
	Below 20000	20000-25000	25000-30000	Above 30000			Below 20000	20000-25000	25000-30000	Above 30000		
Tangibility	31.68^a (3.91)	32.95^{ab} (3.39)	34.55^c (2.62)	34.23^{bc} (2.68)	6.028	0.001**	37.29^{ab} (5.53)	40.13^{ab} (3.35)	41.88^b (4.56)	39.53^a (4.37)	3.546	0.016*
Reliability	24.86^a (6.88)	27.14^{ab} (6.05)	29.43^b (4.62)	28.55^b (4.72)	4.216	0.007**	32.14^a (5.86)	33.39^{ab} (3.34)	35.67^b (3.52)	33.82^{ab} (3.11)	3.449	0.018*
Responsiveness	52.64 (6.39)	54.58 (6.01)	55.89 (4.32)	55.79 (4.95)	2.469	0.054*	59.29 (6.32)	61.29 (5.43)	63.36 (5.53)	62.76 (5.72)	1.633	0.013**
Assurance	25.86 (7.41)	28.23 (6.63)	29.68 (5.70)	28.89 (5.86)	1.963	0.021*	26.64 (5.51)	29.82 (4.93)	31.29 (6.24)	30.59 (4.76)	3.175	0.026*
Empathy	27.45^a (5.56)	29.49^{ab} (5.26)	32.14^c (4.39)	30.08^{bc} (4.82)	4.844	0.003**	29.71 (4.65)	31.61 (3.23)	33.07 (3.95)	31.76 (4.07)	4.724	0.003**
Overall Service Quality	**194.09 (44.81)**	**209.60 (42.36)**	**220.50 (30.25)**	**214.03 (32.68)**	**2.729**	**0.046***	**227.57 (33.42)**	**244.89 (18.93)**	**257.07 (26.09)**	**245.82 (22.81)**	**4.802**	**0.003***
Overall Satisfaction	**242.55 (55.54)**	**261.98 (50.26)**	**285.23 (19.01)**	**278.86 (30.30)**	**8.061**	**<0.001***	**214.43 (32.18)**	**223.97 (18.45)**	**243.74 (24.16)**	**233.41 (24.40)**	**5.577**	**0.001***
Overall Problems	**189.68 (31.54)**	**184.56 (27.04)**	**171.25 (22.61)**	**173.97 (24.22)**	**4.092**	**0.008***	**289.86 (37.35)**	**281.66 (21.26)**	**261.45 (29.34)**	**269.71 (26.00)**	**4.475**	**0.005***

Source: Computed Data
Note : 1. The value within bracket refers to SD
       2. ** denotes significant at 1% level.
       3. * denotes significant at 5% level.
       4. Different alphabet among monthly income denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

Table 5.8 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, empathy, overall satisfaction, overall problems faced by the customers while availing banking services. Hence, there is a significant difference among monthly income of the customers with relate to the service quality dimensions of tangibility, reliability, empathy, overall satisfaction, overall problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of responsiveness, assurance and overall customers' service quality related to banking services. Hence, there is a significant difference among monthly income of the customers with relate to the service quality dimensions of responsiveness, assurance and overall customers' service quality related to banking services. Based on Duncan Multiple Range Test (DMRT), customers earning monthly income of below ₹20000 is significantly differed from other group of income categorisation of ₹20000-25000, ₹25000-30000 and above ₹30000 in overall customers' service quality towards banking services, customers earning below ₹20000, ₹20000-25000, ₹25000-30000 and above ₹30000 are significantly differed from each group of income categorisation in customers satisfaction and overall problems while availing banking services.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of responsiveness, empathy, overall service quality, satisfaction and problems faced by customers while availing banking services. Hence, there is a significant difference among monthly income of the customers with relate to the service quality dimensions of responsiveness, empathy,

overall service quality, satisfaction and problems faced by customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, reliability and assurance. Hence, there is significant difference among monthly income of the customers with relate to the service quality dimensions of tangibility, reliability and assurance. Based on Duncan Multiple Range Test (DMRT), customers earning monthly income of below ₹20000, ₹ 20000-25000, ₹25000-30000 and above ₹30000 is less than one category. It shows that monthly income of the customers doesn't have influence on the service quality, satisfaction and problems of the customers while availing banking services.

5.10 Number of years as Bank Customer with relate to customers' overall service quality, satisfaction and problems in availing banking services
HYPOTHESIS IX

Null Hypothesis: There is no significant difference among number of year (s) as bank customer with respect to overall service quality, satisfaction and problems of customers in availing banking services.

Table No. 5.9
ANOVA for significant difference among number of years as bank customer with respect to overall service quality, satisfaction and problems of customers using IBS

Overall Service Quality, Satisfaction, Problems	Public Sector			F value	P value	Private Sector			F value	P value
	Number of years in Bank Customer (in years)					Number of years in Bank Customer (in years)				
	Below 5	5-10	Above 10			Below 5	5-10	Above 10		
Tangibility	33.01^a (3.22)	34.05^a (2.63)	35.95^b (3.09)	8.559	<0.001**	39.00^a (4.25)	41.23^b (4.23)	39.37^a (4.20)	5.627	0.004**
Reliability	54.04^a (5.45)	55.69^a (4.72)	58.90^b (4.71)	7.970	<0.001**	60.89 (5.88)	62.22 (5.36)	61.67 (6.30)	3.798	0.036*
Responsiveness	26.75^a (6.13)	29.66^b (5.89)	34.15^c (3.60)	15.083	<0.001**	28.65 (5.48)	30.42 (5.49)	30.53 (5.22)	3.853	0.027*
Assurance	28.75^a (4.80)	30.77^a (4.82)	34.95^b (3.89)	15.240	<0.001**	30.82^a (3.96)	32.44^b (3.67)	31.67^{ab} (3.67)	3.450	0.034*
Empathy	33.30^a (16.26)	37.49^a (16.90)	50.50^b (14.63)	9.371	<0.001**	45.90^a (8.77)	50.53^b (7.23)	48.17^{ab} (8.07)	6.258	0.002**
Overall Service Quality	**202.52^a (34.58)**	**215.84^a (35.21)**	**248.30^b (27.75)**	**15.516**	**<0.001****	**238.25^a (26.75)**	**251.01^b (23.40)**	**245.90^{ab} (22.80)**	**5.012**	**0.008****
Overall Satisfaction	**264.60^a (41.01)**	**273.52^a (38.22)**	**303.50^b (19.54)**	**8.660**	**<0.001****	**223.11 (25.58)**	**232.05 (24.66)**	**228.83 (22.04)**	**3.485**	**0.046***
Overall Problems	**185.45 (21.08)**	**175.72 (25.30)**	**145.85 (27.33)**	**24.369**	**<0.001****	**283.62^b (27.62)**	**271.15^a (28.88)**	**277.27^{ab} (25.47)**	**3.749**	**0.025***

Source: Computed Data

Note : 1. The value within bracket refers to SD
2. ** denotes significant at 1% level.
3. * denotes significant at 5% level.
4. Different alphabet among number of years as customers denotes significant at 5% level using Duncan Multiple Range Test (DMRT)

Table 5.9 shows that in public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, overall satisfaction and overall problems faced by the customers while availing banking services. Hence, there is a significant difference among number of years as bank customers with relate to the service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, overall satisfaction and overall problems faced by the customers while availing banking services. Based on Duncan Multiple Range Test (DMRT), customers who are having account with the selected bank between below 5 years and 5-10 years are significantly differed from customers who are having account with the select banks for above 10 years in overall service quality and overall satisfaction about banking services. Above 10 years customers overall problems on banking services are significantly differed from customers who are having account with the select banks between 2-5 years and 5-10 years. It shows that tenure of relationship with the bank plays a vital role to determine the overall service quality, satisfaction and problems of the customers in availing banking services.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, empathy and overall service quality of the customers availing banking services. Hence, there is a significant difference among number of year (s) as bank customers with relate to the service quality dimensions of tangibility, empathy and overall service quality of the customers availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, responsiveness, assurance, overall satisfaction and overall problems faced by the customers while availing banking services.

Hence, there is a significant difference among number of year (s) as bank customers with relate to the service quality dimensions of reliability, responsiveness, assurance, overall satisfaction and overall problems faced by the customers while availing banking services. Based on Duncan Multiple Range Test (DMRT), customers who are having account with the select banks for less than 5 years are significantly differed from customers who are having account with the select banks for 5-10 years and above 10 years.

5.11 Mean ranks towards service quality dimensions determining the selection of bank

HYPOTHESIS: X

Null Hypothesis: There is no significant difference among mean ranks towards factors determining the selection of bank.

Table 5.10

Friedman test for significant difference among mean ranks towards factors determining the selection of bank

Factors determining the selection of bank	Mean Rank	Chi-Square value	P value
Safety of Funds	2.69		
Proximity to work place	6.29		
Proximity to home	6.98		
Brand Name	10.57		
More number of branches & services	5.65		
Friends referral	10.96		
Advertisements	11.33	963.986	<0.001**
Due to salary account	3.99		
Efficient and timely services	7.84		
Attractive interest rate	5.99		
Low/reasonable service charges	6.01		
Latest technology based services	6.56		
Security and Trust	6.52		

Source: Computed Data

Note: ** denotes significant at 1% level

Since P value is less than 0.01, the null hypothesis is rejected at 1 percent level of significance. Hence, it has been concluded that there is a significant difference among mean ranks towards factors determining the selection of bank. As it is a ranking data, the least mean rank is taken as first and highest mean is taken as last. Based on mean rank,

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safety of funds (2.69) is an important factor which determines the selection of bank, followed by due to salary account (3.99) and more number of branches and services (5.65). It is observed that customers are selecting the bank to safeguard their funds due to the fear about theft and to avoid unnecessary expenses and few customers are having the account with the select banks due to their salary account. It shows that nowadays most of the employees' salary is credited in their account.

5.12 CORRELATION ANALYSIS ON SERVICE QUALITY PERCEPTION OF CUSTOMERS ABOUT BANKING SERVICES

Table No.5.11

Correlation Analysis on Service Quality Perception of Customers

Service Quality Perception	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Tangibility	1.000	0.580**	0.520**	0.615**	0.622**
Reliability	-	1.000	0.590**	0.714**	0.829**
Responsiveness	-	-	1.000	0.576**	0.541**
Assurance	-	-	-	1.000	0.757**
Empathy	-	-	-	-	1.000

Source: Computed Data

Note: ** denotes significant at 1% level

The correlation coefficient between customers' service quality perception on tangibility and reliability is 0.580, which indicates 58 percentage positive relationship between customers' service quality perception on tangibility and service quality on reliability and is significant at 1% level. The correlation coefficient between customers' service quality perception on tangibility and responsiveness is 0.520, which indicate 52 percentage positive relationship between customers' service quality perception on tangibility and responsiveness and is significant at 1% level. The correlation coefficient between service quality perception on tangibility and assurance is 0.615, which indicate

61.50 percentage positive relationship between customers' service quality perception on tangibility and assurance and is significant at 1% level. The correlation coefficient between customers' service quality perception on tangibility and empathy is 0.622, which indicates 62.20 percentage positive relationship between customers' service quality perception on tangibility and empathy and is significant at 1% level.

The correlation coefficient between customers' service quality perception on reliability and responsiveness is 0.590, which indicates 59 percentage positive relationship between customers' service quality perception on reliability and responsiveness and is significant at 1% level. The correlation coefficient between customers' service quality perception on reliability and assurance is 0.714, which indicates 71.4 percentage positive relationship between customers' service quality perception on reliability and assurance and is significant at 1% level. The correlation coefficient between service quality perception on reliability and empathy is 0.829, which indicates 82.90 percentage positive relationship between customers' service quality perception on reliability and empathy and is significant at 1% level.

The correlation coefficient between service quality perception on responsiveness and assurance is 0.576, which indicates 57.60 percentage positive relationship between customers' service quality perception on responsiveness and assurance and is significant at 1% level. The correlation coefficient between service quality perception on responsiveness and empathy is 0.541, which indicates 54.10 percentage positive relationship between service quality perception on responsiveness and empathy and is significant at 1% level.

The correlation coefficient between service quality perception on assurance and empathy is 0.757, which indicates 75.70 percentage positive relationship between

customers' service quality perception on assurance and empathy and is significant at 1% level.

5.13 DISCRIMINANT ANALYSIS ON SERVICE QUALITY PERCEPTION OF CUSTOMERS OF PUBLIC AND PRIVATE SECTOR BANKS TOWARDS BANKING SERVICES

Discriminant analysis is used to distinguish between public and private sector banks based on the measurement of customers' service quality perception towards banking services and the most important results are presented below:

The customers' service quality perception towards banking services are measured using SERVQUAL with 5 factors of 22 statements and the overall 5 factors were taken for analysis. Based on the opinion of the customers, discriminant analysis is carried out to distinguish between public and private sector banks. The tests of equality of group means measure each independent variable's potential before the model is created. Wilks' Lambda, the F statistic and its significance level are presented in the following table:

Table 5.12
F tests of Equality of Group Means

Service Quality	Wilks' Lambda	F value	P value
Tangibility	0.586	252.598	<0.001**
Reliability	0.732	131.289	<0.001**
Responsiveness	0.745	122.604	<0.001**
Assurance	0.971	10.667	0.001**
Empathy	0.840	68.384	<0.001**

The above test displays the results of a one-way ANOVA for the independent variable using the grouping variable as the factor. According to the results in the table, out of 5 variables, all the 5 variables in discriminant model are significant, since P value is less than 0.01. Wilks' Lambda is another measure of a variable's potential. Smaller

values indicate the variable is better at discriminating between groups. The table suggests that the way of customers' service quality perception towards banking services is tangibility, followed by reliability, responsiveness, assurance and empathy.

Table 5.12 (a)

Canonical Discriminant function unstandardised coefficients

Service Quality	Function Coefficients
Tangibility	0.251
Reliability	0.141
Responsiveness	0.061
Assurance	-0.158
Empathy	0.006
Constant	-8.350

Based on the Canonical Discriminant Function Coefficient, the linear discrminant equation can be written as

$$Y = -8.350 + 0.251X_1 + 0.141 X_2 + 0.061 X_3 - 0.158 X_4 + 0.006 X_5$$

Table 5.12 (b)

Discrminant analysis classification results

Original Group	Predicted Group Membership		Total
	Public Sector	**Private Sector**	
Public Sector	163 (81.5)	37 (18.5)	200
Private Sector	51 (25.5)	149 (74.5)	200
Total	214 (53.5)	186 (46.5)	400

Note: 1. 85.4 % of original grouped cases correctly classified.
2. The value within bracket refers to row percentage

The classification table shows the practical results of using the discriminant model. Of the cases used to create the model, 163 of the 200 public sectors bank customers (81.5 %) are classified correctly. 149 of the 200 private sector bank customers

(74.5%) are classified correctly. Overall, 85.4 per cent of the cases are classified correctly based on the customers' service quality perception towards banking services.

5.14 CONCLUSION

This chapter discussed and analysed the customers' overall service quality, satisfaction and problems faced by the customers in availing banking services using inferential analysis. It helps to identify the significant difference among customers' demographic profile with overall service quality, satisfaction and problems while availing banking services. The result shows that young age customers' service quality perception is different from other age groups. It is also evident that unmarried customers are having positive effect on availing banking services. The subsequent chapter discusses about the measurement of overall customers' service quality perception towards banking services using SERVQUAL.

CHAPTER-VI

SERVICE QUALITY PERCEPTION OF CUSTOMERS

USING SERVQUAL

6.1 INTRODUCTION

This chapter includes the service quality gap that is found between customers' expectation and perception. Expectation and perception index have also been included in this part of the study. Service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. It is very important for companies to know how to measure these constructs from the consumers' perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention. The main purpose of this study theoretically is finding out how applicable the SERVQUAL model is in the context of banking services describe how customers perceive service quality and whether they are satisfied with services offered by public and private sector banks in Tirunelveli District. A self-completion questionnaire was developed from the SERVQUAL instrument and distributed using a purposive sampling technique to identify the sample respondents to determine their perceptions of service quality in banking services.

6.2 SERVICE QUALITY GAP

The data have been collected using SERVQUAL tool from 400 samples for both expectation and perception regarding quality measurement of banking services. The service quality gap is described by the following equation $SQ = E_{jk} - P_{jk}$, where E_{jk} =E for expectation of service dimension, j for response to a service attributes and k for number of service attributes whereas P_{jk}, = P for perception of service dimension, j for response to a service attributes and k for number of service attributes. SQ is service quality gap. The average mean score for 5 dimensions and 22 statements of customers' expectation and perception is shown in tables 6.1.

Table No. 6.1

Existence of Service Quality Gap in the case of Public Sector banks

PERCEPTION	Mean (E)	Mean (P)	Gap (E-P)
TANGIBILITY	**4.60**	**4.08**	**0.52**
The bank has modern looking equipment.	5.78	4.84	0.94
The bank's physical features are visually appealing.	4.35	3.94	0.41
The bank's reception desk employees are neat appearing.	4.02	3.68	0.34
Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.	4.24	3.84	0.40
RELIABILITY	**3.79**	**3.29**	**0.50**
When the bank promises to do something by a certain time, it does so.	4.13	3.68	0.45
When customers have a problem, the bank shows a sincere interest in solving it.	4.43	3.74	0.69
The bank performs the service right at the first time.	2.41	1.96	0.45

The bank provides its service at the time it promises to do so.	4.08	3.82	0.26
The bank insists on error free records.	3.89	3.24	0.65
RESPONSIVENESS	**4.18**	**3.74**	**0.44**
Employees in the bank tell customers exactly when the services will be performed.	3.97	3.23	0.74
Employees in the bank give customers prompt service.	4.39	3.91	0.48
Employees in the bank are always willing to help customers.	4.35	3.87	0.48
Employees in the bank are never too busy to respond to customers' request.	4.02	3.96	0.06
ASSURANCE	**4.19**	**3.70**	**0.49**
The behaviour of employees in the bank instils confidence in customers.	4.24	3.86	0.38
Customers feel safe in customers' transactions with the bank.	4.05	3.50	0.55
Employees in the bank are consistently courteous with customers.	4.13	3.75	0.38
Employees in the bank have the knowledge to answer customers' questions.	4.43	4.01	0.42
The bank gives customers individual attention.	4.08	3.35	0.73
EMPATHY	**4.08**	**3.77**	**0.31**
The bank has operating hours convenient to all its customers.	3.97	3.68	0.29
The bank has employees who give customers personal attention.	4.06	3.88	0.18
The bank has customers' best interests at heart.	3.89	3.71	0.18
The employees of the bank understand customers' specific needs.	4.39	3.79	0.60

Source: Computed Data

It is clear from the table 6.1 that the means scores of expectation are high and ranged from 2.41 (The bank performs the service right at the first time) to 5.78 (The bank has modern looking equipment). Total mean score of customer's expectation is 4.17. Among the five dimensions, the highest expectation is related to the tangibility and assurance dimensions (dimensions mean score: tangibility= 4.60, assurance = 4.19) and the lowest expectation is related to the reliability and empathy (dimensions mean score: reliability= 3.79, empathy = 4.08).

The mean score of the perception ranged from 1.96 (The bank performs the service right at the first time.) to 4.84 (The bank has modern looking equipment). The total mean score of customer's perception is 3.12. Among the five dimensions of quality, the highest perception is related to the tangibility dimension (dimensions mean score = 4.08) and the lowest perception is related to the reliability (dimension's means score = 3.29).

The gap score of each item and dimension was computed by subtracting the perception score from the expectation score. Table 6.1 further shows that the highest gap of the quality relates to the tangibility dimension (gap mean score = 0.52) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the empathy dimension (gap mean score = 0.31).

Table No. 6.2

Existence of Service Quality Gap in the case of Private Sector Banks

PERCEPTION	Mean (E)	Mean (P)	Gap (E-P)
TANGIBILITY	**5.47**	**4.87**	**0.60**
The bank has modern looking equipment.	8.98	8.12	0.86
The bank's physical features are visually appealing.	4.38	3.95	0.43
The bank's reception desk employees are neat appearing.	4.18	3.64	0.54
Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.	4.32	3.77	0.55
RELIABILITY	**3.42**	**2.85**	**0.57**
When the bank promises to do something by a certain time, it does so.	4.39	3.86	0.43
When customers have a problem, the bank shows a sincere interest in solving it.	4.41	4.03	0.38
The bank performs the service right at the first time.	2.82	2.22	0.60
The bank provides its service at the time it promises to do so.	2.58	2.01	0.57
The bank insists on error free records.	2.89	2.12	0.77
RESPONSIVENESS	**4.17**	**3.76**	**0.41**
Employees in the bank tell customers exactly when the services will be performed.	3.73	3.15	0.58
Employees in the bank give customers prompt service.	4.40	4.03	0.37
Employees in the bank are always willing to help customers.	4.38	3.98	0.40
Employees in the bank are never too busy to respond to customers' request.	4.18	3.88	0.30
ASSURANCE	**3.96**	**3.55**	**0.41**
The behaviour of employees in the bank instils confidence in customers.	4.22	3.93	0.29

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Customers feel safe in customers' transactions with the bank.	4.19	3.87	0.32
Employees in the bank are consistently courteous with customers.	4.39	3.89	0.50
Employees in the bank have the knowledge to answer customers' questions.	4.41	3.99	0.42
The bank gives customers individual attention.	2.58	2.08	0.50
EMPATHY	**3.64**	**3.18**	**0.46**
The bank has operating hours convenient to all its customers.	3.73	3.17	0.56
The bank has employees who give customers personal attention.	3.54	3.03	051
The bank has customers' best interests at heart.	2.89	2.47	0.42
The employees of the bank understand customers' specific needs.	4.40	4.05	0.35

Source: Computed Data

It is clear from the table 6.2 that the means scores of expectation are high and ranged from 2.58 (The bank provides its service at the time it promises to do so) to 8.98 (The bank has modern looking equipment). Total mean score of customer's expectation is 4.13. Among the five dimensions, the highest expectation is related to the tangibility and assurance dimensions (dimensions' mean score: tangibility= 5.47, responsiveness = 4.17) and the lowest expectation is related to the reliability and empathy (dimensions' mean score: reliability= 3.42, empathy = 3.64).

The mean score of the perception ranged from 2.01 (The bank provides its service at the time it promises to do so) to 8.12 (The bank has modern looking equipment). The total mean score of customer's perception is 3.64. Among the five dimensions of quality, the highest perception is related to the tangibility dimension

(dimensions' mean score = 4.87) and the lowest perception is related to the reliability dimension (dimension's means score = 2.85).

The gap score of each item and dimension was computed by subtracting the perception score from the expectation score. Table 6.2 further shows that the highest gap of the quality relates to the tangibility dimension (gap mean score = 0.60) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the responsiveness and assurance dimensions (gap mean score = 0.41).

Table No. 6.3

Existence of Service Quality Gap in the cases of

both Public and Private Sector Banks

PERCEPTION	Mean (E)	Mean (P)	Gap (E-P)
TANGIBILITY	**5.03**	**4.49**	**0.54**
The bank has modern looking equipment.	7.38	6.42	0.96
The bank's physical features are visually appealing.	4.37	3.96	0.41
The bank's reception desk employees are neat appearing.	4.10	3.75	0.35
Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.	4.28	3.81	0.47
RELIABILITY	**3.60**	**3.06**	**0.54**
When the bank promises to do something by a certain time, it does so.	4.26	3.77	0.49
When customers have a problem, the bank shows a sincere interest in solving it.	4.42	3.92	0.50
The bank performs the service right at the first time.	2.61	2.01	0.60
The bank provides its service at the time it promises to do so.	3.33	2.78	0.55
The bank insists on error free records.	3.39	2.81	0.58

RESPONSIVENESS	**4.18**	**3.59**	**0.59**
Employees in the bank tell customers exactly when the services will be performed.	3.85	3.12	0.73
Employees in the bank give customers prompt service.	4.39	3.81	0.58
Employees in the bank are always willing to help customers.	4.37	3.76	0.61
Employees in the bank are never too busy to respond to customers' request.	4.10	3.66	0.44
ASSURANCE	**4.08**	**3.60**	**0.48**
The behaviour of employees in the bank instils confidence in customers.	4.28	3.76	0.52
Customers feel safe in customers' transactions with the bank.	4.12	3.55	0.57
Employees in the bank are consistently courteous with customers.	4.26	3.68	0.58
Employees in the bank have the knowledge to answer customers' questions.	4.42	4.01	0.41
The bank gives customers individual attention.	3.33	2.99	0.34
EMPATHY	**3.86**	**3.35**	**0.51**
The bank has operating hours convenient to all its customers.	3.85	3.18	0.67
The bank has employees who give customers personal attention.	3.80	3.27	0.53
The bank has customers' best interests at heart.	3.39	2.96	0.43
The employees of the bank understand customers' specific needs.	4.39	3.99	0.40

Source: Computed Data

It is clear from the table 6.3 that the means scores of expectation are high and ranged from 2.61 (The bank performs the service right at the first time) to 7.38 (The bank has modern looking equipment). Total mean score of customer's expectation is 4.15. Among the five dimensions, the highest expectation is related to

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the tangibility and responsiveness dimensions (dimensions' mean score: tangibility= 5.03, responsiveness = 4.18) and the lowest expectation is related to the reliability and empathy (dimensions' mean score: reliability= 3.60, empathy = 3.86).

The mean score of the perception ranged from 2.01 (The bank performs the service right at the first time.) to 6.42 (The bank has modern looking equipment). The total mean score of customer's perception is 3.62. Among the five dimensions of quality, the highest perception is related to the tangibility dimension (dimension's mean score = 4.49) and the lowest perception is related to the reliability dimension (dimension's means score = 3.06).

The gap score of each item and dimension was computed by subtracting the perception score from the expectation score. Table 6.3 further shows that the highest gap of the quality relates to the responsiveness dimension (gap mean score = 0.59) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the assurance dimension (gap mean score = 0.48).

6.3 CUSTOMERS' EXPECTATION INDEX – METHODOLOGY

Expectation is a qualitative variable which cannot be quantitatively measured because level of expectation cannot be quantitatively measured. It is a relative term which cannot be measured and compared with one customer to other. Hence, in quantifying variable namely level of expectation of the customers, scaling technique is employed. The quantitative variable namely expectation of customers is assessed through scaling techniques. Likert type of five point scale is employed to collect data related to level of expectations. The expectation scores collected

through scaling technique are consolidated in a systematic way through customers'
expectation index. Customers' Expectation Index (CEI) measures the expectation of
customers in five major categories of services of banking. They are Tangibility,
Reliability, Responsiveness, Assurance, and Empathy. In these five major
categories of banking services, there are 22 variables used in the study.

The expectation of the customers is assessed at five levels. They are highly
expected, expected, moderately expected, not expected and not at all expected. The
scoring pattern of the expectation for those is given in the following table:

Table 6.4

Expectation Scores

S.No	Level of Expectation	Scores
1	Highly Expected	5
2	Expected	4
3	Moderately expected	3
4	Not Expected	2
5	Not at all expected	1

Table 6.4 assigns '5' scores for highly expected '4' scores for expected '3'
scores for moderately expected, ' 2' for not expected and '1' score for those
customers who have not at all expected. Keeping this scoring pattern for all the 22
expectations (variables), the Customers' Expectation Index (CEI) is measured.

Customers' expectation index is an unstandardised one developed by the
researcher used to measure the level of expectation. Since the index is first of its

kind and an unstandardised one, the reliability of the index is tested through reliability analysis. Cronbach's Alpha validated the reliability of the unstandardised tools. Cronchbach's Alpha is calculated as,

$$a = \frac{Kr}{1 + (K - 1)r}$$

Where,

K= number of variables considered

r = Inter-items correlation

The proposed index comprises of 22 variables (expectations) falling under five categories in relation to them and accordingly the scores of expectation are assigned. In order to include the 22 variables in the index and to measure the internal consistency among them, Cronbanch's Alpha is used.

Mathematically Customers' Expectation Index is presented as

$$CEI = \sum_{i=1}^{n} CEVi$$

Where,

CEI = Customers' Expectation Index,

CEVi = Customers' Expectation in Variables

i=1…n or Number of expectation variable included in the index,

n=22

A customer with high expectation in terms of all the 22 expectations variables can get maximum scores of 110 scores and a customer with not at all expected response a minimum of 22 scores. Thus, by employing the Customers' Expectation Index (CEI), the level of expectations of customers can be assessed. Analysis of expectation through customers' expectation index in different categories of banking services in Tirunelveli District highlights expectations of customers.

6.4 CUSTOMERS' EXPECTATIONS

Expectations of customers as measured through Customers' Expectation Index (CEI) in different categories of banking service in Tirunelveli District are presented in Table 6.5.

Table 6.5

Customers' Expectation

Customers' Expectation (as measured through CEI in scores)	Type of Customers		Total Customers
	Public	**Private**	
Below 50	33 (16.5)	28 (14.0)	61 (15.3)
50-70	87 (43.5)	75 (37.5)	162 (40.5)
71-90	42 (21.0)	80 (40.0)	122 (30.5)
91-110	38 (19.0)	17 (8.5)	55 (13.7)
Total	200 (100)	200 (100)	400 (100)

Source: Computed Data

(Figures in Parentheses indicate percentage)

The table 6.5 shows the level of expectation of different type of customers as regards banking service in Tirunelveli District. Out of 400 respondents in Tirunelveli District, 162 respondents (40.5 per cent) have expectation scores of 50 to 70 points, 122 respondents (30.5 per cent) have expectation scores of 71 to 90 points, 61 respondents (15.3 per cent) have expectation scores of below 50 points and 55 respondents (13.7 per cent) have expectation score level of 91-110 points.

Table 6.5 also shows that among the public sector banks' customers, 33 respondents (16.5 per cent) have expected at the low level of below 50 scores, 87 respondents (47.5 per cent) have expected to the level of 50-70 points, 42

respondents (21.0 per cent) have scored 71-90 points and 38 respondents (19.0 per cent) have scored 91-110 points.

Table 6.5 further shows that among the private sector banks' customers, 28 respondents (14.0 per cent) have expected at the low level of below 50 scores, 75 respondents (37.5 per cent) have expected to the level of 50-70 points, 80 respondents (40.0 per cent) have scored 71-90 points and 17 respondents (8.5 per cent) have scored 91-110 points.

For an in depth analyses on the basis of the level of expectation, the customers are categorized into three categories as given below:

(i)   Customers with high level expectation

(ii)   Customers with moderate level expectation

(iii)   Customers with low level expectation

In order to categorise the client into three categories, the mean (x) and standard deviation (σ) have been used. The mean and standard deviation of the scores of expectation of customers are calculated for each category separately. The boundary levels for categorisation are worked out accordingly by using the mean and standard deviation. The boundaries for three groups are fixed as below.

The upper boundary for lower level of expectation is worked out as x-σ and the lower boundary for higher expectation is worked out as x±σ. Those customers with scores in between these two boundaries are regarded as customers with moderate level of expectation. The following table presents the boundary for categorization of customers into three categories:

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Table 6.6

Boundary for categorisation of Customers

Type of Customers	Mean	Standard Deviation Σ	Level of Scores for Expectation		
			Low	Moderate	High
Public	123	11.70	<60	60-95	>95
Private	127.86	11.11	<75	75-110	>110

Table 6.6 fixes the boundary levels for three categories of customers. The different types of customers are categorized into three categories on the basis of their expectation scores and the details are furnished in table 6.7.

Table 6.7

Level of Expectation

Level of Expectations	Level of Expectation		Total Customers
	Public Banks' Customers	Private Banks' Customers	
Low	68 (34.0)	47 (23.5)	115 (28.8)
Moderate	109 (54.5)	122 (61.0)	231 (57.7)
High	23 (11.5)	31 (15.5)	54 (13.5)
Total	200 (100)	200 (100)	400 (100)

Source: Computed Data

(Figures in Parentheses indicate percentage)

From the table 6.7 it could be understood that 231 (57.7 per cent) customers are moderately expecting the service quality of banking services, 115 respondents (28.8 per cent) are expecting at low level and 54 respondents (13.5 per cent) have expected the service quality of banking services at high level.

Among the public sector banks' customers out of 200 respondents, 109 respondents (54.5 per cent) have moderately expected the service quality of banking services, 68 customers (34 per cent) are in the low expectation level and 23 respondents (11.5 per cent) have expected the service quality of banking services at high level.

Out of 200 respondents of private sector banks' customers, 122 respondents (61 per cent) have moderately expected the service quality of banking services, 47 customers (23.5 per cent) are in the low expectation level and 31 respondents (15.5 per cent) have expected the service quality of banking services at high level.

6.5 CUSTOMERS' PERCEPTION INDEX – METHODOLOGY

Perception is a qualitative variable which cannot be quantitatively measured, because level of perception cannot be quantitatively measured. It is a relative term which cannot be measured and compared with one customer to other. Hence, in quantifying the qualitative variable namely level of perception of customers is assessed through scaling technique. Likert type of five point scale is employed to collect data related to level of perception. The perception scores collected through scaling technique are consolidated in a systematic way through customers' perception index. Customers Perception Index (CPI) measures the perception of customers in five major categories of services of banking. They are Tangibility,

Reliability, Responsiveness, Assurance, and Empathy. In these five major categories of banking services, there are 22 questions used in the study.

The perception of the customers is assessed at five levels. They are: highly satisfied, satisfied, moderately satisfied, dissatisfied and highly dissatisfied. The scoring pattern of the perception for these five levels is given in the table 6.8.

Table No. 6.8

Perception Scores

S.No	Perception	Scores
1	Highly Satisfied	5
2	Satisfied	4
3	Moderately Satisfied	3
4	Dissatisfied	2
5	Highly Dissatisfied	1

Table 6.8 assigns '5' scores for highly satisfied, '4' scores for satisfied, '3' scores for moderately satisfied, '2' for dissatisfied and '1' score for those customers who have highly dissatisfied. Keeping this scoring pattern as the base for all the 22 respondents (variables), the Customers' Perception Index (CPI) is constituted.

Customers' perception index is an unstandardised one developed by the researcher used to measure the level of perception. Since the index is first of its kind and an unstandardised one, the reliability of the index is tested through reliability analysis. Cronbach's Alpha validated the reliability of the unstandardised tools. Cronchbach's Alpha is calculated as,

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$$\alpha = \frac{Kr}{1 + (K - 1)r}$$

Where,

K= number of variables considered

R= Inter –items correlation

The proposed index comprises of 22 variables (perception) falling under five categories in relation to them and accordingly the scores of perception are assigned. In order to include the 22 variables in the index and to measure the internal consistence among them, Cronbach's Alpha is used.

Mathematically Customer Perception Index is presented as

$$CPI = \sum_{i=1}^{n} CPV_i$$

Where,

CPI = Customer Perception Index

CPV_i = Customers' Perception invariables,

i=1 ... n or Number of Perception variable included in the index.

n=22

A customer with highly satisfied in terms of all the 22 perception variables can get a maximum score of 110 scores and a customer with highly dissatisfied response a minimum of 22 score. Thus, by employing the Customers' Perception Index (CPI), the level of perception of customers can be assessed. Analysis of

perception through customer perception index in different categories of banking services in Tirunelveli District highlights perception of customers.

6.6 CUSTOMERS' PERCEPTION

Perception of customers as measured through Customers' Perception Index (CPI) in different categories of banking services in Tirunelveli District is presented in Table 6.9.

Table 6.9

Customers' Perception

Customers' Perception (as measured through CPI in scores)	Type of Customers		Total Customers
	Public	**Private**	
Below 50	41 (20.5)	30 (15.0)	71 (17.8)
50-70	97 (48.5)	65 (32.5)	162 (40.5)
71-90	37 (18.5)	81 (40.5)	118 (29.5)
91-110	25 (12.5)	24 (12.0)	49 (12.2)
Total	200 (100)	200 (100)	400 (100)

Source: Computed Data

(Figures in Parentheses indicate percentage)

The above table shows the level of perception of different type of customers with regard to banking service in Tirunelveli District. Out of 400 respondents in

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Tirunelveli District, 162 respondents (40.5 per cent) have perception scores of 50 to 70 points, 118 respondents (29.5 per cent) have perception to the scores of 71 to 90 points, 71 respondents (17.8 per cent) have perception scores of below 50 points and 49 respondents (12.2 per cent) have perception to the score level of 91-110 points.

Table 6.9 also shows that among the public sector banks' customers, 97 respondents (48.5 per cent) have satisfied in between to the scores of 50 to 70 points, 41 respondents (20.5 per cent) have satisfied in between to the scores of below 50 points, 37 respondents (18.5 per cent) have satisfied in between to the scores of 71-90 points and 25 respondents (12.5 per cent) have satisfied in between to the score level of 91-110 points.

Table 6.9 further shows that among the private sector banks' customers, 81 respondents (40.0 per cent) have satisfied in between to the scores of 71-90 points, 65 respondents (32.5 per cent) have satisfied in between to the scores of 50-70 points, 30 respondents (15.0 per cent) have satisfied in between to the scores of below 50 points and 24 respondents (12.0 per cent) have satisfied in between to the score level of 91-110 points.

For an in depth analysis on the basis of the level of perception, the customers is categorized into three categories given below:

i.   Customers with high level perception

ii.   Customers with moderate level perception

iii. Customers with low level perception

In order to categorise the customer into three categories, the mean (x) and standard deviation (σ) has been used. The mean and standard deviation of the scores of perception of customers are calculated for each category separately. The boundary levels for categorization are worked out accordingly by using the mean and standard deviation. The boundaries for three groups are fixed as below x+σ.

Thus, the upper boundary for lower level of perception is worked out as z-σ and the lower boundary for higher perception is worked out as z±σ. Those customers with scores in between these two boundaries are regarded as customers with moderate level of perception. The following table presents the boundary for categorization of customers into three categories:

Table 6.10

Boundary for categories of Customers

Type of customers	Mean	Standard deviation	Level of scores for Perception		
			Low	Moderate	High
Public Banks' Customers	97.22	10.82	<75	75-100	>100
Private Banks' Customers	103.17	11.13	<80	80-110	>110

Table 6.10 fixes the boundary levels for three categories of customers. The different types of customers are categorized into three categories on the basis of their perception scores and the details are furnished in table 6.11.

Table 6.11

Level of Perception

Level of Perception	Type of Customers		Total Customers
	Public Banks' Customers	**Private Banks' Customers**	
Low	55 (27.5)	47 (23.5)	102 (25.5)
Moderate	111 (55.5)	128 (64.0)	239 (59.7)
High	34 (17.0)	25 (12.5)	59 (14.8)
Total	200 (100)	200 (100)	400 (100)

Source: Computed Data

(Figures in Parentheses indicate percentage)

From table 6.11 it could be understood that 239 (59.7 per cent) customers are moderately satisfied with the service quality of banking services offered by public and private sector banks. 102 respondents (25.5 per cent) are satisfied at low level and 59 respondents (14.8 per cent) have satisfied with the service quality of banking services at high level.

Among the public sector banks' customers of 200 respondents, 111 respondents (55.5 per cent) have moderately satisfied with the service quality of banking services, 55 respondents (27.5 per cent) are in the low satisfaction level and 34 respondents (17.0 per cent) are satisfied with the service quality of banking services at high level.

Out of 200 respondents of private sector banks' customers, 128 respondents (64.0 per cent) have moderately satisfied with the service quality of banking services, 47 respondents (23.5 per cent) are satisfied with the service quality of banking services at low level of satisfaction about banking services and 25 respondents (12.5 per cent) are satisfied with the service quality of banking services at high level.

CHAPTER-VII

FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 FINDINGS OF THE STUDY

The following are the major findings of the study:

7.1.1 FINDINGS BASED ON DESCRIPTIVE ANALYSIS

❖ Equal weightage is given to male and female customers of both public and private sector banks.

❖ In public sector, 37.5 per cent of the respondents are belonging to the age group of upto 25 years, 51.5 per cent per cent of the respondents are belonging to the age group of 26-50 years and 11 per cent of the respondents are belonging to the age group of above 50 years whereas in private sector, 39.5 per cent of the respondents are belonging to the age group of upto 25 years, 47.5 per cent of the respondents are belonging to the age group of 26-50 years and 13 per cent of the respondents are belonging to the age group of above 50 years.

❖ In public sector, 72.50 per cent of the respondents are married and 27.50 per cent of the respondents are unmarried whereas in public sector, 71 per cent of the respondents are married and 29 per cent of the respondents are unmarried.

❖ In public sector, 55.5 per cent of the respondents are graduates, 20.5 per cent of the respondents have completed upto higher secondary, 14 per cent of the respondents have studied professional courses and one per cent of the

respondents has completed technical courses whereas in private sector, 51 per cent of the respondents are graduates, 18.5 per cent of the respondents have studied professional courses, 14 per cent of the respondents have completed upto higher secondary and 16.5 per cent of the respondents have completed technical courses.

❖ In public sector, 55.5 per cent of the respondents are employed, 20.5 per cent of the respondents are self-employed, 14 per cent of the respondents are professionalists and one per cent of the respondents is unemployed whereas in private sector, 51 per cent of the respondents are employed, 18.5 per cent of the respondents are professionalists; 14 per cent of the respondents are self-employed and 16.5 per cent of the respondents are unemployed.

❖ In public sector, 39.5 per cent of the respondents are earning monthly income of upto Rs. 15, 000, 29 per cent of the respondents are earning Rs. 15, 001-30, 000, 16 per cent of the respondents are earning monthly income of Rs. 30, 001-45, 000 and 15.5 per cent of the respondents are earning monthly income of above Rs. 45, 000 whereas in private sector, 34 per cent of the respondents are earning monthly income of upto Rs. 15, 000, 25.5 per cent of the respondents are earning Rs. 30, 001-45, 000, 22 per cent of the respondents are earning monthly income of Rs.15, 001-30, 000, and 18.5 per cent of the respondents are earning monthly income of above Rs. 45,000.

❖ In public sector, 67 per cent of the respondents are urban customers and 33 per cent of the respondents are rural customers whereas in private sector, 79

per cent of the respondents are urban customers and 21 per cent of the respondents are rural customers.

❖ In public sector, 85.5 per cent of the respondents are having savings account and 14.5 per cent of the respondents are having current account whereas in private sector, 76.5 per cent of the respondents are having savings account and 23.5 per cent of the respondents are having current account.

❖ In public sector, 30.5 per cent of the respondents are having account with the bank for 5-10 years, 28.5 per cent of the respondents are having account with the bank for 11-15 years, 26.5 per cent of the respondents are having account with the bank for above 15 years, 24.5 per cent of the respondents are having account with the bank for below 5 years, whereas in private sector, 78.5 per cent of the respondents are having account with the bank for below 5 years, 21.5 per cent of the respondents are having account with the bank for 5-10 years.

❖ In public sector, customers have selected their banks for safety of fund followed by due to salary account and attractive interest rate which influenced them to select the bank whereas for the customers of private sector, safety of funds, due to salary account and proximity to work place are the chief influencing factors to select the bank.

MEASUREMENT OF SERVICE QUALITY PERCEPTION ON BANKING SERVICES- EXPECTATION

Tangibility

❖ Based on mean score of tangibility aspect of service quality, the customers' expectation towards modern equipment, physical facilities are met to some extent whereas neat appearance of bank and appealing materials associated with the banks are least met by the banks.

Reliability

❖ The customers' expectation towards the reliability aspect of service quality is measured through mean score. And as such, as regards the variables 'employees are having interest in solving the problems while availing banking services', 'employees are performing the service right at the first time' and 'the employees provide error free records', the expectation of the customers are met but the customers' expectation are not fulfilled as regard the variable 'getting the services at the prescribed and promised time'.

Responsiveness

❖ Based on mean score of responsiveness, the customers are able to get prompt services and the employees are informing clearly the duration taken for performing services. But, the customers are not satisfied about the employees' are unwillingness to perform their services in a perfect manner.

Assurance

❖ Based on mean score of assurance, the customers' expectations are highly met especially in safe transactions with the banks and the employees' consistent courteous behaviour with the customers. The employees are having knowledge to answer customers' questions but the behaviour of employees is not in such a way that will instil confidence in the minds of the customers.

Empathy

❖ Based on mean score of empathy aspect of service quality, the customers' expectation are met with the variables of convenient working hours of the bank; the employees are trying to understand the specific needs of the customers while the customers are struggling to explain about their difficulties faced by them while availing banking services. But the customers felt that individual attention is not given to each and every customer and the employees do not have customers' best interest at their hearts.

MEASUREMENT OF SERVICE QUALITY PERCEPTION ON BANKING SERVICES- PERCEPTION

Tangibility

❖ Based on mean score of tangibility aspect of service quality, the customers' perception towards modern equipment, appealing physical features is positive but the perception about neat appearance of the banks and appealing materials associated with the banks is not positive.

Reliability

❖ The customers' perception towards reliability dimension of service quality is measured by mean score. And as such, as regards, the variables employees are having interest in solving the problems while availing banking services, employees are performing the service right at the first time and the employees provide error free records, the customers have positive perception but as regards, the variable of getting the services at the prescribed and promised time, the perception of the customers is not positive.

Responsiveness

❖ Based on the mean score of responsiveness aspect of service quality, the customers are able to get prompt services and the customers' perception towards employees' willingness to help is positive. But the customers are not having positive perception about the variable 'employees in the bank inform the customers exactly when the services will be performed'.

Assurance

❖ Based on the mean score of assurance dimensions of service quality, the customers have positive perception as regards, the employees' consistent courteous behaviour with the customers and the employees are having knowledge to answer customers' questions. But, as regards the variable safe transactions and individual attention, the customers have no positive perception.

Empathy

❖ Based on mean score of empathy aspect of service quality, the customers' perception is positive with the variables of employees are trying to understand the specific needs of the customers while the customers are struggling to explain about their difficulties faced by them while availing banking services. But, the customers felt that the employees do not have customers' best interest at their hearts.

SATISFACTION LEVEL REGARDING THE VARIOUS SERVICE QUALITY DIMENSIONS

Tangibility

❖ Based on the mean score, the customers are highly satisfied about the cash counting machines. But the customers are not satisfied about the materials i.e pamphlets and brouchers associated with the banks.

Reliability

❖ Based on the mean score, the customers are highly satisfied with the functioning of secured website. But the customers are not satisfied with the process of transaction.

Responsiveness

❖ Based on the mean score, the customers are highly satisfied about the customer service representatives and the customers are not satisfied about the level of promptness with which customers' requests are handled.

Assurance

❖ Based on the mean score of assurance dimension of service quality, the customers are highly satisfied about the experienced management team but the customers are not satisfied about the employees' unwillingness to help the customers.

Empathy

❖ Based on the mean score, the customers are highly satisfied about the financial advices given by the employees of the banks but the customers are not satisfied with the variable of specific needs are duly understood by the employees.

Efficiency

❖ Based on the mean score, the customers are highly satisfied about the transfer of funds using NEFT/ RTGS but the customers are dissatisfied about the online login facility.

Accuracy

❖ Based on the mean score, the customers are highly satisfied with the provision of error free transaction records but the customers are not satisfied with the service charges collected by the banks.

Security

❖ Based on the mean score, the customers are highly satisfied about the confidentiality of the banks but the customers are not satisfied about the online filling of application of account details using internet.

Ease and Convenient Banking

❖ Based on the mean score, the customers are highly satisfied about the convenient hours of banking services (24×7) but the customers are dissatisfied about the language and information content.

Customer Service

❖ Based on the mean score, the customers are highly satisfied about the capacity of the employees in solving complaints adequately but the customers are dissatisfied about the brochures given to educate new users.

PROBLEMS FACED BY CUSTOMERS WHILE AVAILING BANKING SERVICES

Based on mean score, the problems faced by the respondents have been identified. They are: there is a significant problem with the network connection, lack of data privacy and confidentiality, inaccurate processing of transactions and transaction has not been uploaded, inability to manage information properly and to deliver products or service, E-channels are creating more confusion to the customers and unauthorized access within the network and loss or damage of data by the hackers.

7.1.2 FINDINGS BASED ON INFERENTIAL ANALYSIS

Gender with respect to overall service quality, satisfaction and problems in availing banking services

❖ In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility,

reliability, responsiveness, assurance, empathy and also with regard to customers' overall service quality, satisfaction and problems in availing banking services. Hence, there is a significant difference between male and female with regard to the service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy and customers' overall service quality.

❖ In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, responsiveness and overall service quality. Hence, there is a significant difference between male and female and their perception with regard to the service quality dimensions of tangibility, responsiveness and overall service quality. Based on mean score, the male are having better perception than female regarding banking services.

❖ Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, assurance and empathy. Hence, there is a significant difference between male and female with regard to service quality dimensions of reliability, assurance and empathy. Based on mean score, the male are having better perception than female regarding banking services.

❖ There is no significant difference between male and female with regard to customers' overall satisfaction and problems of the customers in availing banking services. Since, P value is greater than 0.05, the null hypothesis is accepted with regard to customers' satisfaction and problems faced by the

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customers while availing banking services.

Marital Status with respect to overall service quality, satisfaction and problems in availing banking services

❖ In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, satisfaction and problems in availing banking services. Hence, there is a significant difference between married and unmarried customers with regard to the service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy and overall service quality. Based on the mean score, the unmarried customers are having better perception than married customers regarding banking services. It is noted that young customers prefer to use e-banking services and they are not facing even very minimum problems than customers availing traditional banking.

❖ In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of responsiveness, overall service quality, satisfaction and problems faced by customers while availing banking services. Hence, there is a significant difference between married and unmarried customers with regard to the service quality dimensions of responsiveness, overall service quality, satisfaction and problems faced by customers while availing banking services.

❖ Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, reliability, assurance

and empathy. Hence, there is a significant difference between married and unmarried customers with regard to service quality dimensions of tangibility, reliability, assurance and empathy. Based on mean score, the unmarried customers are having good perception about the service quality of the banking services than married customers.

Type of account with respect to overall service quality, satisfaction and problems in availing banking services

❖ In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of reliability, overall service quality and problems in availing banking services. Hence, there is a significant difference between savings and current accountholders with regard to the service quality dimensions of reliability, overall service quality and problems in availing banking services.

❖ Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, responsiveness, assurance, empathy and overall satisfaction of the customers in availing banking services. Hence, there is a significant difference between savings and current accountholders with regard to the service quality dimensions of tangibility, responsiveness, assurance, empathy and overall satisfaction of the customers in availing banking services.

❖ In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, assurance and overall satisfaction of the customers in availing banking

services. Hence, there is a significant difference between savings and current accountholders with regard to service quality dimensions on tangibility, assurance and overall satisfaction of the customers in availing banking services. Based on mean score, the perception of savings and current accountholders is different.

❖ Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, responsiveness, empathy, overall service quality and problems faced by the customers while availing banking services. Hence, there is a significant difference between savings and current accountholders with regard to service quality dimensions on reliability, responsiveness, empathy, overall service quality and problems faced by the customers while availing banking services.

Sector of bank with respect to overall service quality, satisfaction and problems in availing banking services

In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, satisfaction and problems in availing banking services. Hence, there is a significant difference between public and private sector respondents with regard to the service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services.

Age groups with respect to overall service quality, satisfaction and problems in availing banking services

In public sector, since P value is less than 0.01, null hypothesis are rejected at 1% level with regard to the service quality dimensions of tangibility and responsiveness. Hence, there is a significant difference among age group of the customers with respect to the service quality dimensions of tangibility and responsiveness.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among age group of the customers with respect to the service quality dimensions of reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services. Based on Duncan Multiple Range Test (DMRT), the age group up to 30 years and above 40 years are significantly differed with 31-35 years and 36-40 years at 5% level, but there is no significant difference between up to 30 years and above 40 years and also 31-35 years and 36-40 years in overall service quality regarding banking services, overall satisfaction on banking services. The age groups of up to 30 years and 31-35 years are significantly differed with 36-40 years and above 40 years at 5% level, but there is no significant difference between up to 30 years and 31-35 years and also 36-40 years and above 40 years in overall problems in availing banking services. It shows that young customers prefer to use banking services than customers above 40 years.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to the service quality dimensions of tangibility, responsiveness, assurance, overall service quality, satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among age group of the customers with respect to the service quality dimensions of tangibility, responsiveness, assurance, overall service quality, satisfaction and problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability and empathy on availing banking services. Hence, there is a significant difference among age group of the customers with respect to the service quality dimensions of reliability and empathy on availing banking services. Based on Duncan Multiple Range Test (DMRT), the age groups of 31-35 years, 36-40 and above 40 years are significantly differed from up to 30 years at 5% level, but there is no significant difference between up to 30 years and 36-40 years in overall service quality of the customers availing banking services, 36-40 years and above 40years are significantly differed from up to 30 years and 31-35 years in overall satisfaction of customers availing banking services, up to 30 years, 31-35 years, and 36-40 years are significantly differed from above 40 years. There is no significant difference between 30 years, 31-35 years, and 36-40 years and above 40 years on overall problems faced by the customers while availing banking services.

Educational qualification with respect to overall service quality, satisfaction and problems in availing banking services

In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, responsiveness, assurance and overall problems while availing banking services. Hence, there is a significant difference among education qualification of the customers with relate to the service quality dimensions of tangibility, responsiveness, assurance and overall problems while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, empathy, overall service quality and overall satisfaction of the customers availing banking services. Hence, there is a significant difference among educational qualification of the customers with relate to the service quality dimensions of reliability, empathy, overall service quality and overall satisfaction of the customers availing banking services. Based on Duncan Multiple Range Test (DMRT), up to HSC is significantly differed from graduate, professional and technical on overall service quality of customers availing banking services and overall satisfaction of the customers.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to the service quality dimensions of tangibility, reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among educational qualification of the customers with relate to the service quality

dimensions of tangibility, reliability, assurance, empathy, overall service quality, satisfaction and problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability. Hence, there is a significant difference among educational qualification of the customers with relate to the service quality dimensions of reliability. Based on Duncan Multiple Range Test (DMRT), up to HSC is significantly differed from graduate, professional and technical at 1% level, but there is no significant difference between graduate, professional and technical.

Occupation with respect to overall service quality, satisfaction and problems in availing banking services

In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, empathy, overall service quality and overall problems in availing banking services. Hence, there is a significant difference among occupation of the customers with relate to the service quality dimensions of tangibility, reliability, empathy, overall service quality and overall problems in availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to overall service quality, overall satisfaction of the customers in availing banking services. Hence, there is a significant difference among occupation of the customers with relate to the overall service quality , overall satisfaction of the customers in availing banking services. Based on Duncan Multiple Range Test (DMRT), self-employed is significantly differed from employed and professionals

in overall service quality of banking services, overall problems faced by the customers while availing banking services, and self-employed and employed are significantly differed from professionals in overall satisfaction of the customers availing banking services.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of reliability, overall service quality of banking services, overall satisfaction and problems faced by the customers while availing banking services. Hence, there is a significant difference among occupation of the customers with relate to the service quality dimensions of reliability, overall service quality of banking services, overall satisfaction and problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, responsiveness, assurance and empathy. Hence, there is a significant difference among occupation of the customers with relate to the service quality dimensions of tangibility, responsiveness, assurance and empathy. Based on Duncan Multiple Range Test (DMRT), employed and self-employed are significantly differed in overall customers' service quality, overall satisfaction and overall problems faced by the customers while availing banking services.

Monthly Income with respect to customers' overall service quality perception, satisfaction and problems in availing banking services

In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability,

empathy, overall satisfaction, overall problems faced by the customers while availing banking services. Hence, there is a significant difference among monthly income of the customers with relate to the service quality dimensions of tangibility, reliability, empathy, overall satisfaction, overall problems faced by the customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of responsiveness, assurance and overall customers' service quality perception related to banking services. Hence, there is a significant difference among monthly income of the customers with relate to the service quality dimensions of responsiveness, assurance and overall customers' service quality related to banking services. Based on Duncan Multiple Range Test (DMRT), customers earning monthly income of below ₹20000 is significantly differed from other group of income categorisation of ₹20000-25000, ₹25000-30000 and above ₹30000 in overall customers' service quality perception towards banking services, customers earning below ₹20000, ₹20000-25000, ₹25000-30000 and above ₹30000 are significantly differed from each other group of income categorisation in customers' overall service quality, overall satisfaction and overall problems while availing banking services.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of responsiveness, empathy, overall service quality, satisfaction and problems faced by customers while availing banking services. Hence, there is a significant difference among monthly income of the customers with relate to the service quality dimensions of

responsiveness, empathy, overall service quality, satisfaction and problems faced by customers while availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of tangibility, reliability and assurance. Hence, there is a significant difference among monthly income of the customers with relate to the service quality dimensions of tangibility, reliability and assurance. Based on Duncan Multiple Range Test (DMRT), customers earning monthly income of below ₹20000, ₹20000-25000, ₹25000-30000 and above ₹30000 are in less than one category. It shows that monthly income of the customers doesn't influence on the overall service quality, satisfaction and problems of the customers while availing banking services.

Number of years as Bank Customer with relate to customers' overall service quality, satisfaction and problems in availing banking services

In public sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, overall satisfaction and overall problems faced by the customers while availing banking services. Hence, there is a significant difference among number of years as bank customers with relate to the service quality dimensions of tangibility, reliability, responsiveness, assurance, empathy, overall service quality, overall satisfaction and overall problems faced by the customers while availing banking services. Based on Duncan Multiple Range Test (DMRT), customers who are having account with the select banks between below 5 years and 5-10 years are significantly differed from

customers who are having account with the select banks for above 10 years in overall service quality and overall satisfaction about banking services. Above 10 years customers' overall problems on banking services are significantly differed from customers who are having account with the select banks between 2-5 years and 5-10 years. It shows that tenure of relationship with the bank plays a vital role to determine the overall service quality, satisfaction and problems of the customers in availing banking services.

In private sector, since P value is less than 0.01, null hypothesis is rejected at 1 per cent level with regard to service quality dimensions of tangibility, empathy and overall service quality of the customers availing banking services. Hence, there is a significant difference among number of years as bank customers with relate to the service quality dimensions of tangibility, empathy and overall service quality of the customers availing banking services.

Since P value is less than 0.05, null hypothesis is rejected at 5 per cent level with regard to service quality dimensions of reliability, responsiveness, assurance, overall satisfaction and overall problems faced by the customers while availing banking services. Hence, there is a significant difference among number of years as bank customers with relate to the service quality dimensions of reliability, responsiveness, assurance, overall satisfaction and overall problems faced by the customers while availing banking services. Based on Duncan Multiple Range Test (DMRT), customers who are having account with the select banks for less than 5 years are significantly differed from customers who are having account with the select banks for 5-10 years and above 10 years.

Mean ranks towards factors determining the selection of bank

Since P value is less than 0.01, the null hypothesis is rejected at 1 percent level of significance. Hence, it has been concluded that there is a significant difference among mean ranks towards factors determining the selection of bank. As it is a ranking data, the least mean rank is taken as first and highest mean is taken as last. Based on mean rank, 'safety of funds' (2.69) is an important factor which determines the selection of bank, followed by 'due to salary account' (3.99) and more number of branches and services (5.65). It is observed that customers are selecting the bank to safeguard their funds due to the fear about theft and to avoid unnecessary expenses and few customers are having the account with the select banks due to their salary account. It shows that nowadays most of the employees' salary is directly credited in their bank account.

CORRELATION ANALYSIS ON SERVICE QUALITY PERCEPTION OF CUSTOMERS ABOUT BANKING SERVICES

❖ The correlation coefficient between customers' service quality perception on tangibility and reliability is 0.580, which indicates 58 percentage positive relationship between customers' service quality perception on tangibility and service quality on reliability and is significant at 1% level. The correlation coefficient between customers' service quality perception on tangibility and responsiveness is 0.520, which indicate 52 percentage positive relationship between customers' service quality perception on tangibility and responsiveness and is significant at 1% level. The correlation coefficient between service quality perception on tangibility and assurance is 0.615, which indicate 61.50 percentage positive relationship between customers' service quality perception

on tangibility and assurance and is significant at 1% level. The correlation coefficient between customers' service quality perception on tangibility and empathy is 0.622, which indicates 62.20 percentage positive relationship between customers' service quality perception on tangibility and empathy and is significant at 1% level.

❖ The correlation coefficient between customers' service quality perception on reliability and responsiveness is 0.590, which indicates 59 percentage positive relationship between customers' service quality perception on reliability and responsiveness and is significant at 1% level. The correlation coefficient between customers' service quality perception on reliability and assurance is 0.714, which indicates 71.4 percentage positive relationship between customers' service quality perception on reliability and assurance and is significant at 1% level. The correlation coefficient between service quality perception on reliability and empathy is 0.829, which indicates 82.90 percentage positive relationship between customers' service quality perception on reliability and empathy and is significant at 1% level.

❖ The correlation coefficient between service quality perception on responsiveness and assurance is 0.576, which indicates 57.60 percentage positive relationship between customers' service quality perception on responsiveness and assurance and is significant at 1% level. The correlation coefficient between service quality perception on responsiveness and empathy is 0.541, which indicates 54.10 percentage positive relationship between service quality perception on responsiveness and empathy and is significant at 1% level.

❖ The correlation coefficient between service quality perception on assurance and empathy is 0.757, which indicates 75.70 percentage positive relationship

between customers' service quality perception on assurance and empathy and is significant at 1% level.

Based on the Canonical Discriminant Function coefficient, the linear discrminant equation can be written as

$$Y = -8.350 + 0.251X_1 + 0.141 X_2 + 0.061 X_3 - 0.158 X_4 + 0.006 X_5$$

Of the cases used to create the model, 163 of the 200 public sectors bank customers (81.5 %) are classified correctly. 149 of the 200 private sector bank customers (74.5%) are classified correctly. Overall, 85.4 per cent of the cases are classified correctly based on the customers' service quality perception towards banking services.

7.1.3 FINDINGS BASED ON SERVICE QUALITY GAP

❖ In public sector, the gap score of each item and dimension was computed by subtracting the perception score from the expectation score. Table 6.1 further shows that the highest gap of the quality relates to the tangibility dimension (gap mean score = 0.52) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the empathy dimension (gap mean score = 0.31).

❖ In private sector, the gap score of each item and dimension was computed by subtracting the perception score from the expectation score. The study shows that the highest gap of the quality relates to the tangibility dimension (gap mean score = 0.60) and there is a considerable gap between the customer's expectation and perception. The lowest gap of the quality relates to the responsiveness and assurance dimensions (gap mean score = 0.41).

❖ *The level of expectation of different type of customers as regards banking service in Tirunelveli District*. Out of 400 respondents in Tirunelveli District, 162 respondents (40.5 per cent) have expectation scores of 50 to 70 points, 122 respondents (30.5 per cent) have expectation scores of 71 to 90 points, 61 respondents (15.3 per cent) have expectation scores of below 50 points and 55 respondents (13.7 per cent) have expectation scores of 91-110 points.

❖ Out of 400 respondents, 231 (57.7 per cent) customers are moderately expecting the service quality of banking services, 115 respondents (28.8 per cent) are expecting at low level and 54 respondents (13.5 per cent) have expected the service quality of banking services at high level.

❖ *The level of perception of different type of customers as regards to banking service in Tirunelveli District*. Out of 400 respondents in Tirunelveli District, 162 respondents (40.5 per cent) have satisfied to the scores of 50 to 70 points, 118 respondents (29.5 per cent) have satisfied in between to the scores of 71 to 90 points, 71 respondents (17.8 per cent) have satisfied in between to the scores of below 50 points and 49 respondents (12.2 per cent) have satisfied in between to the score level of 91-110 points.

❖ Out of 400 respondents, 239 (59.7 per cent) customers are moderately satisfied with the service quality of banking services offered by public and private sector banks. 102 respondents (25.5 per cent) are satisfied at low level and 59 respondents (14.8 per cent) have satisfied with the service quality of banking services at high level.

7.2 SUGGESTIONS

Based on the findings of the study, the following suggestions are given:

➢ The banks should encourage women to open account and avail banking services and also to have full access with their accounts.

➢ The banking services should be provided based on age. It helps to attract the customers. Technological banking for younger generation and traditional banking for elder customers.

➢ For married customers, the banks should provide various schemes to take care of their entire family. Also the interest rate for pre-closure should be increased.

➢ Majority of the respondents are graduates yet, they are unaware of using banking services effectively. So, the bank should take necessary steps to make their customers to utilise the banking services so effectively.

➢ As majority of the respondents are employed, the bank should encourage and motivate the customers to invest amount in productive schemes.

➢ The bank should give more importance to rural customers and they should create awareness among rural customers to avail banking services to the fullest extent.

➢ The banks should provide profitable services to savings accountholders. Because, the savings accountholders felt that the services provided to them are not beneficial.

➢ Enquiries must be clearly answered and complaints should be handled and settled immediately and effectively.

➢ Training programmes for the bank employees must be given periodically for technological upgradation and they must possess complete knowledge about the services offered by their banks.

➢ Disagreements with the customers should be avoided and the employees must apologise for their mistakes.

➢ The banks both public sector and private sector, must keep in touch with their customers always and a good and strong customer relationship must be maintained in order to satisfy their customers and create a strong bond of confidence in all respects.

➢ More self service technologies can be introduced in banks to help customers in carrying out bank transactions quickly and easily without much waste of time and advertisements regarding retail sale of gold coins/bars can be made in popular media.

➢ The banks must conduct survey at frequent intervals to know about the expectations of the customers, prevailing market conditions and trends, technological developments and perceptions of the customers and feed back about the quality of service rendered in all respects regarding the functioning of banks.

SPECIFIC SUGGESTIONS TO THE PUBLIC SECTOR BANKS

➢ Based on the findings of the study with special reference to service quality gap of public sector banks, the researcher offers the following suggestions so as to narrow down the gap and thereby to improve the service quality perception of such customers:

➢ As the highest gap of service quality exists as to tangibility dimension, it is suggested that the select public sector banks should pay due attention on tangibility dimension of service quality in general. In specific, as there is a considerable gap as regards the variable 'the bank has modern looking equipment', the public sector banks should pay still more attention on this particular variable. In this regard, it is suggested that the banks should take necessary steps as to install modern looking equipment in the banks' premises.

➢ It is found in the study that immediately after tangibility dimension of service quality, there is high level of service quality gap in the case of reliability dimension. Hence, it is suggested that the select public sector banks should give due emphasis on enhancing the service quality as regards reliability dimension in general. In specific, there is a considerable gap as regards the variable 'when customers have a problem the bank shows a sincere interest in solving it' the public sector banks should give still more emphasis on this particular variable. In this regard, it is specifically suggested that the banks should give due training and orientation programme

on 'effective handling of customer' problems while they avail banking services.

➢ It is found in the study that the assurance dimension of service quality has been in the third position as regards the existence of high service quality gap. Therefore, it is suggested that the select public sector banks should be keen on improving assurance dimension of service quality in general. In specific, as there is a considerable gap as regards the variable ' customers feel safe in their transactions with the banks', the public sector banks should be still more keen on this particular variable. In this regard, it is suggested that the banks should take necessary steps so as to assure the customers that their transactions with the bank are safe.

SPECIFIC SUGGESTIONS TO PRIVATE SECTOR BANKS

➢ Based on the findings of the study with special reference to service quality gap of private sector banks, the researcher offers the following suggestions so as to narrow down the gap and thereby to improve the service quality perception of such customers:

➢ As the highest gap of service quality exists as to tangibility dimension, it is suggested that the select private sector banks should pay due attention on tangibility dimension of service quality in general. In specific, as there is a considerable gap as regards the variable 'the banks has modern looking equipment', the private sector banks should pay still more attention on this particular variable. In this regard, it is suggested that the banks should take

necessary steps as to install modern looking equipment in the banks'
premises.

➢ It is found in this study that immediately after tangibility dimension of
service quality, there is a high level of service quality gap in the case of
reliability dimension. Hence, it is suggested that the select private sector
banks should give due emphasis on enhancing the service quality as regards
reliability dimension in general. In specific, as there is a considerable gap as
regards the variable ' the bank performs the service right at the first time',
the private sector banks should give still more emphasis on this particular
variable. In this regard, it is specifically suggested that the banks should duly
train and orient their staff in such a way that they perform their services right
at the first time.

➢ It is found in the study that the empathy dimension of service quality has
been in the third position as regards the existence of high service quality gap.
Therefore, it is suggested that the select private sector banks should be keen
on improving empathy dimension of service quality in general. In specific,
there is a considerable gap as regards the variable 'the bank has operating
hours convenient to all its customers', the private sector banks should be still
more keen on this particular variable. In this regard, it is suggested that the
banks should introduce flexi operating hours in such a way that their
operating hours are convenient to all its customers.

7.3 CONCLUSION

The results of the present study show that from tangibility aspect of service quality is concerned, both the customers of public sector banks and private sector banks have strongly agreed that their banks are easily accessible. The customers of private sector banks have strongly agreed that their banks show sincere interest in solving problems from reliability point of view of service quality. As far as assurance dimension of service quality is concerned both the customers of public sector and private sector banks have reported that their banks assure safety of transactions and the customers of private sector banks have strongly agreed that their bank employees have complete knowledge about bank products.

Therefore, it is concluded that the customers of private sector banks are more satisfied than the customers of public sector banks and there is a strong bondage between expectations, level of satisfaction and customer loyalty in such banks. The level of customer satisfaction towards banking services chiefly depends upon the service quality, technology and customer relationship management between bankers and customers. The demographic variables of customers are very crucial in determining the quality of services offered by the public and private sector banks. The general conclusion indicates that the service charges are fluctuating between public and private sector banks. It is concluded that the prospective customers in both public and private sector banks expect maximum service quality at a minimum cost in the day-to-day banking transactions services.

7.4 SCOPE FOR FURTHER RESEARCH

The future research can be carried out on the following topics:

- ❖ A study on customer relationship management in public sector banks.

- ❖ An empirical study on the functioning of Regional Rural Banks and Cooperative banks.

- ❖ A comparative study on service quality perception of private sector and foreign banks.

- ❖ A study on the various services offered by the development banks.

- ❖ A comparative study on services offered by public, private and foreign banks.

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A STUDY ON SERVICE QUALITY PERCEPTION OF CUSTOMERS ABOUT SELECT PUBLIC AND PRIVATE BANKS IN TIRUNELVELI DISTRICT

QUESTIONNAIRE

I. Demographic Profile

1. Name of the bank : _____

2. Gender : a) Male ☐ b) Female ☐

3. Age : _____ years

4. Marital Status : a) Married ☐ b) Unmarried ☐

    c) Others ☐

5. Education : a) Up to HSC ☐ b) Graduates (UG/PG) ☐

    c) Professional ☐ d) Technical (Diploma/ITI) ☐

6. Occupation : a) Employed ☐ b) Self-Employed ☐

    c) Professionalist ☐

7. Monthly Income : _____

8. Area of residence : a) Rural ☐ b) Urban ☐

II. Specific Information

8. Which type of account do you have?

    a) Savings Account ☐ b) Current Account ☐

9. How long you have been being the customer of this bank?

    a) Below 5 years ☐ b) 5-10 years ☐ c) 11-15 years ☐ d) Above 15years ☐

10. Rank the factors determining to select the bank (Rank it)

S. No	Factors	Rank
1.	Safety of funds	
2.	Proximity to work place	
3.	Proximity to home	
4.	Bank Image	
5.	More number of branches and services	
6.	Friends referral	
7.	Advertisements	
8.	Due to salary account	
9.	Efficient and timely services	
10.	Attractive interest rate	
11.	Low/reasonable service charges	

12.	Latest technology based services	
13	Security and trust	
14	Easy to avail all the services	
15	Easy to understand the procedures in bank	

III. MEASUREMENT OF SERVICE QUALITY PERCEPTION ON BANKING SERVICES

Expectations   This section of the survey deals with your opinions of banks. Please show the extent to which you think banks should posses the following features. What we are interested in here is a number that best shows your expectations about institutions offering banking services.

You should rank each statement as follows:

Strongly   Strongly
Disagree   Agree

1   2   3   4   5

Statement	SA	A	N	DA	SDA
1. Excellent banking companies will have modern looking equipment.					
2. The physical facilities at excellent banks will be visually appealing.					
3. Employees at excellent banks will be neat in their appearance.					
4. Materials associated with the service (pamphlets or statements) will be visually appealing at an excellent bank.					
5. When excellent banks promise to do something by a certain time, they do.					
6. When a customer has a problem, excellent banks will show a sincere interest in solving it.					
7. Excellent banks will perform the service right the first time.					

Statement	SA	A	N	DA	SDA
8. Excellent banks will provide the service at the time they promise to do so.					
9. Excellent banks will insist on error free records.					
10. Employees of excellent banks will tell customers exactly when services will be performed.					
11. Employees of excellent banks will give prompt service to customers.					
12. Employees of excellent banks will always be willing to help customers.					
13. Employees of excellent banks will never be too busy to respond to customers' requests.					
14. The behaviour of employees in excellent banks will instil confidence in customers					
15. Customers of excellent banks will feel safe in transactions.					
16. Employees of excellent banks will be consistently courteous with customers.					
17. Employees of excellent banks will have the knowledge to answer customers' questions.					
18. Excellent banks will give customers individual attention.					
19. Excellent banks will have operating hours convenient to all their customers.					
20. Excellent banks will have employees who give customers personal service.					
21. Excellent banks will have their customers' best interest at heart.					
22. The employees of excellent banks will understand the specific needs of their customers.					

Perceptions   The following statements relate to your feelings about the particular bank you have chosen. Please show the extent to which you believe this bank has the feature described in the statement. Here, we are interested in a number from 1 to 5 that shows your perceptions about the bank.

You should rank each statement as follows:

Strongly
Disagree

Strongly
Agree

1   2   3   4   5

Statement	SA	A	N	DA	SDA
1. The bank has modern looking equipment.					
2. The bank's physical features are visually appealing.					
3. The bank's reception desk employees are neat appearing.					
4. Materials associated with the service (such as pamphlets or statements) are visually appealing at the bank.					
5. When the bank promises to do something by a certain time, it does so.					
6. When you have a problem, the bank shows a sincere interest in solving it.					
7. The bank performs the service right the first time.					
8. The bank provides its service at the time it promises to do so.					
9. The bank insists on error free records.					
10. Employees in the bank tell you exactly when the services will be performed.					
11. Employees in the bank give you prompt service.					
12. Employees in the bank are always willing to help you.					

Statement	SA	A	N	DA	SDA
13. Employees in the bank are never too busy to respond to your request.					
14. The behaviour of employees in the bank instils confidence in you.					
15. You feel safe in your transactions with the bank.					
16. Employees in the bank are consistently courteous with you.					
17. Employees in the bank have the knowledge to answer your questions.					
18. The bank gives you individual attention.					
19. The bank has operating hours convenient to all its customers.					
20. The bank has employees who give you personal attention.					
21. The bank has your best interests at heart.					
22. The employees of the bank understand your specific needs.					

IV .SATISFACTION LEVELS REGARDING THE VARIOUS SERVICES QUALITY DIMENSIONS:

(HS-Highly Satisfied, S- Satisfied, N-Neutral, DS-Dissatisfied, HDS- Highly Dissatisfied)

SATISFACTION LEVEL	HS	S	N	DS	HDS
Bank has up - to - date equipment & technology					
Location of the Bank					
Sufficient number of ATM machines					
Cash counting machines					
Counter partitions in bank and its branches					
Materials associated with the banks office (Pamphlets, brochures) are visually appealing at the banks office					

SATISFACTION LEVEL	HS	S	N	DS	HDS
Employees approach					
Guide signs indicating as to which counters are offering which services					
The bank website does not freeze after customer put in all the information					
Information provided on website					
Up to date content					
Process of transactions					
Wide range of products and services provided					
Customer service representative.					
Bank performs the services right the first time					
Quick confirmation					
Our requests are handled promptly					
Employees of bank have the knowledge to answer customer questions					
Politeness and friendly staff					
Employees are always willing to help you.					
Experienced management team.					
Time bound work of employee					
Help desks, call centres of bank					
Specific needs understood					
Provisions of financial advices					
Faster log in facility					
Performance of Plastic cards(ATM, Debit/Credit)					
Transfer of Funds(NEFT, RTGS)					
Clearing Services(ECS-Credit/Debit)					
Problem solving through instant information					
Bank insists on error-free transaction records					

SATISFACTION LEVEL	HS	S	N	DS	HDS
Electronic Bills payments					
Service charges					
Security for ATMs					
Online filling					
Protection of banking transactions					
Privacy / Confidentiality of the bank.					
Care in collection of personal information					
Language and information content					
Easy to find and change					
Instructions on the website					
User friendly system					
Convenient hours of operation (24 X7)					
Customer friendly environment at Bank					
customer feedback services					
capable of solving complaints adequately					
brochures to educate new users					
Special services for the elders and disabled					

V. PROBLEM FACED BY CUSTOMERS WHILE AVAILING BANKING SERVICE

PROBLEMS	SA	A	N	DA	HDA
E-channels are creating more confusion to the customers.					
E-bank service charges are high (hidden cost).					
More formalities are required					
Smart card sometime creates technical hurdles to make payments.					

Lack of ATM service, Crowd in peak hours and Restriction in withdrawal.					
Lack of infrastructure and unsuitable location of ATMs.					
Unauthorized access within the network and loss or damage of data by hackers.					
Inability to manage information properly and to deliver products or services.					
Inadequate information to customers about product use and problem solution procedures.					
Inaccurate processing of transactions and transaction has not been uploaded.					
Data privacy and confidentiality.					
Significant problem with network connection.					
E-channels are creating relationship among the bank customers and bank employees.					
Lack of knowledge regarding use of E-channels.					

VI SUGGESTIONS

Any other suggestions

_____

_____

_____

APPENDIX - II

SALIENT FEATURES OF THE DISTRICT

Introduction:

Tirunelveli District was formed in 1790 by the East India Company, later came under the direct control of the British Crown Queen Victoria. The name Tirunelveli has been composed from the three Tamil words i.e. 'Thiru - Nel - Veli' meaning Sacred Paddy Hedge.

Geographical data:

Tirunelveli District having geographical area of 6759 sq.kms, in the Southeastern portion of Tamil Nadu is triangular in shape. It lies between 8°.05' and 9°.30' of the Northern latitude and 77°.05' and 78°.25' of Eastern longitude.

Topography:

The district is located in the southern part of Tamil Nadu and surrounded by Virudhunagar District on the north, Western Ghats on the West, Kanniyakumari District on the south, Tuticorin District on the East. The lifeline of the district river Tamiraparani feeds the district and quenches the thirst of residents of Tuticorin district too.

Administrative Setup:

This District is having 3 Revenue Divisions comprising of 11 Taluks, 60 Firkas 19 Development Blocks, 616 Revenue Villages and 425 Village Panchayats.

Demographic Details:

The population of this District was 2723988 as per 2001 Census and 30,72,880 as per 2011 census. The Density of Population per sq.km. was 399 as per 2001 census and 455 persons as per 2011 census. Tirunelveli, Tenkasi and Ambasamudram are the most densely populated Taluks in the District as per 2001 census.

The Sex ratio is 1024 females for every 1000 males in the District as per 2011 census. The Literacy rate is 76.09% in the District as per 2001 census.

Out of the total population, males are 1333939and females1390049 as per 2001 census. Out of the total population, males are 1518595 and females 1554285 as per 2011census. The district having Schedule caste population of 481052 which represents 17.66% to total population as per 2001 census. Schedule Tribes are found to be very small in numbers 8358 which is 0.31% of the Total population. 4.36% of State population lives in Tirunelveli district., 1415742 live in Rural area and 1308246 live in urban area forming 52% and 48% respectively as per 2001

Climate and Rainfall:

The district has peculiar climate and receives rainfall in all the seasons which represent 947.6mm in 2010-2011. The maximum precipitation is contributed by the North East Monsoon(555.08mm) followed by the South west monsoon(189.6mm)and the Summer (127.7mm). and the Winter (74.5 mm)

Occupation:

Agriculture plays a Vital role in the District's economy. The total cropped area was 171155 hectares, which worked out 25.32% of the total area of 675850. The important food crops are Paddy, Cholam, Ragi, Cumbu Maize and other minor millets. The commercial crops are Cotton, Chillies, Sugarcane and Groundnut. Of the total cultivated area of 145047 hectares in the district, 26108 hectares were sown more than once.

Irrigation:

The District is blessed with the western ghats from which all the perennial rivers follow and drain towards the east. The surface water of the District is drained into major river basin viz Thamiraparani, Vaippar, Nambiar and Hanumanathi.

Thamiraparani is the major river basin in the District. The other Streams which are seasonal in nature are Servallar, Manimuthar, Ramanathi, Pachayar, Chittar and Uppodai rivers which drain into

the Tamiraparani basin. The source of irrigation are Canal, Tank and Well, which covers 133106 hectares. Among the total area irrigated, Well irrigation covers 50096 hectares, Tanks 55382 hectares and Canal 27128 hectares

Industry:

There are 25 medium and major industries such as Cement, Cotton yarn, Calcium carbide, Sugar, Cotton seed oil, Printing papers and flour Mill etc. Among the other industries in the District Pin, Clip, Matches, Beedi, Vessels making and Engineering industries are important. The important Village industries functioning in the district are Handloom, Poultry farming, Brick making, Jaggary production. The Handloom products Lungi, Sarees etc are marketed in north India. So also the fine Korai mats from Pathamadi have one world fame. Kallidaikurichi Pappads, Karukurichi mud pots, also Tirunelveli "Halva" are specialities which earned many laurels to the District.

Tourist spots:

Courtallam is situated at the Western Ghats in Tenkasi Taluk. The famous waterfalls on rocks and tiny droplets are sprinkled in the air. The water falls of Courtalam have medicinal value as they run through forest and herbs before their decent. Pappanasam Agasthiar falls also attracts tourist and pilgrims.There is a Wild life sanctuary at Mundanthurai and Kalakadu. Spotted deers, Liontailed monkeys, Elephants and Tigers are plenty.

Religious Significance:

The Nellaiappar temple at Tirunelveli, Sankaranainar temple at Sankarankoil, Kasiviswanathar temple at Tenkasi and Vanamamalai Temple at Nanguneri are the land marks of the District signifying the Hindu Culture. . Palayamkottai has many Christian missions and Athankaraipallivasal & Pottalpudur Darga have considered to be important sacred places for Muslims.

<p align="center">**DISTRICT PROFILE 2010-2011**</p>

<p align="center">**TIRUNELVELI DISTRICT**</p>

1.GEOGRAPHICAL POSITION

North Latitude Between	:	8°.05` and 9°.30`	
East Longitude Between	:	77°.05` and 78°.25`	

2. AREA AND POPULATION –		**2001 Census**	**2011 Census**
i. Area (Sq.Km.)	:	6823	6759
ii Population			
a. Male	:	1333939	1518595
b. Female	:	1390049	1554285
c. Total	:	2723988	3072880
d. Rural	:	1415742	NA
e. Urban	:	1308246	NA
iii. Density/Sq.Km	:	399	455
iv. Literates			
a. Male	:	85.21	NA
b. Female	:	67.43	NA
v. Main Workers (2001 Census)			
a. Total Workers	:	1281117	NA
b. Male Workers	:	737911	NA

c.	Female Workers	:	543206	NA
d.	Rural Workers	:	729776	NA
e.	Urban Workers	:	551341	NA
f.	Cultivators	:	137516	NA
g.	Agricultural Labourers	:	356055	NA
h.	Household Industry	:	282282	NA
i.	Other Workers	:	505264	NA
vi.	Non-Workers	:	1442871	NA
vii	Language spoken in the Districts		Tamil & English	

3. VITAL STATISTICS

i.	Birth	:	41447
ii.	Death	:	13738
iii.	Infant Deaths	:	347
iv.	Birth Rate (per 1000 Population)	:	13.49
v.	Death Rate (per 1000 Population)	:	4.47
vi.	Infant Mortality Rate(Per 1000 Live Births	:	-
vii.	Expectation o life at Birth	:	-
a.	Male	:	-
b.	Female	:	-
viii	No. of Deaths of Women due to		

Problems related to child birth   :   -

a.	At the time of delivery	:	15
b.	During Pregnancy	:	-

4. TEMPERATURE (IN CELSIUS)

     a.   Plains

i.	Maximum	:	35.6
ii.	Minimum	:	21.7

     b.   Hill Stations

i.	Maximum	:	-
ii.	Minimum	:	-

5. RAINFALL (in mm)

a.	Normal	:	736.9
i.	North East Monsoon	:	429.8
ii.	SouthWest Monsoon	:	092.6
iii.	Winder season	:	072.6
iv.	Summer	:	141.9
b.	Actual	:	947.6
i.	North East Monsoon	:	555.8
ii.	SouthWest Monsoon	:	189.6
iii.	Winder season	:	074.5
iv.	Summer	:	127.7

6. AGRICULTURE (in Hec.)

a.	Total Cultivated Area (Hec	:	171155
b.	Net Area Sown (Hec.)	:	145047
c.	Area Sown more than once (Hec.)	:	26108
d.	Area and Production of Principal Crops	:	Area (Hec.)
i.	Rice	:	79765
ii.	Millets and Other Cereals	:	9229

iii.	Pulses	:	16492
iv.	Sugarcrops	:	5963
v.	Groundnut	:	1010
vi.	Gingelly	:	0756
vii.	Cotton	:	2431
e.	Agricultural Land Holdings		2005-06 (8th Agri Census)
a.	Holdings (Nos)	:	276721
b.	Area in Hect.	:	232255.54
c.	Average Size of holdings in Hect	:	0.81
f.	Important Food Crops	:	Paddy, Black gram, Banana, Green gram, Sugarcane, Cashewnut and Maize
g.	Important non Food Crops	:	Groundnut, Coconut, Cotton & Gingelly

7. IRRIGATION (Fasli 1420)

i.	Net Area Irrigated by	:	(in Hec.)
a	Government Canals	:	17283
b.	Private Canals	:	Nil
c.	Tanks	:	46375
d.	Tube Wells	:	990
e.	Other Wells	:	44801
f.	Other Sources	:	Nil
g.	Total Net Area Irrigated	:	109449
ii.	Gross Area Irrigated	:	132606

iii.	Name of the River	:	Tamirabarani, Ramanathi, Kadananathi, Karuppanathi, Kundaru and Chittaru
iv.	Name of the Lake	:	Nil

8. ANIMAL HUSBANDRY

i. Veterinary Institutions

	a.	Veterinary Hospitals	:	7
	b.	Veterinary Dispensaries	:	59
	c.	Clinician Centres(Poly clinic)	:	1
	d.	Sub-centres	:	60

ii. Poultry Development

	a.	Chicks produced in hatcheries	:	10920000
	b.	Birds sold for breeding	:	Nil
	c.	Birds sold for food	:	8751000

iii. Livestock and Poultry Population 2004 Census

	a.	Cattle	:	418694
	b.	Buffaloes	:	78777
	c.	Sheep	:	487273
	d.	Goat	:	390570
	e.	Poultry	:	1218583

9. DAIRY DEVELOPMENT (Govt.)

a.	Dairies	:	1
b.	Milk Chilling Plants	:	2
c.	No. of Milk Co-operative Societies	:	312

d.	Milk Production (Lakh Litres)	:	180.37

10. FISHERIES

I.	Length of Coastal Line (Km)	:	48.9
II.	No,of Coastal Blocks	:	2
III.	No. of Coastal Centres (Landing)	:	7
IV.	Marine Fish Production (Tonnes)	:	1250
V.	Inland Fish Production (Tonnes)	:	1343

11. FOREST

I.	Forest Area (Hec.) : -		
	a. Forests	:	127758
	b. Social Forests	:	1088
	c. Unclassed Forests : -		

12. ELECTRICITY (IN M.U.)

I.	Generation of Electricity : In M.U		
	a. Hydro	:	868.245
	b. Wind Mill Generation	:	1145.045
	c. Thermal	:	Nil
	d. Power Purchased	:	260.269
	e. Gas Turbine : -		
II.	Consumption of Electricity (in m.u.)		
	a. Agriculture	:	NA
	b. Industry	:	80.535
	c. Commercial	:	146.672
	d. Domestic	:	594.567
	e. Public Lighting & Public Works	:	79.726

f.	Sales to Licensees	:	NIL
g.	Sales to Other States	:	NIL
h.	Miscellaneous	:	31.315

III. Rural Electrification

a.	No.of Pump sets Electrified	:	80297
b.	No. of Villages Electrified	:	616
c.	Number of Hamlets Electrified	:	1932

13. ENTERPRISES 5th Economic Census 2005   Rural   Urban

			Rural	Urban
a.	No. of Agri. Enterprises	:	24668	1880
b.	No. of Non-Agri. Enterprises	:	204405	80542
c.	No. of Enterprises			

i.	With premises	:	221628 80567
ii..	Without premises	:	7445 1855

14. INDUSTRIES

No. of Working Factories (Regd)	:	597
No. of Workers	:	21162
No. of Trade Unions	:	923
No. of Strikes	:	1

No. of Lockouts : -

Large Scale Industries	:	NA
Medium Scale Industries	:	NA
Small Scale Industries	:	NA
Cottage Industries	:	NA
No. of new factories set up	:	NA

Name of the important industries in the district :   The India Cements Ltd.,

Sankar Nagar,

Sundaram Textiles Ltd.,

Nanguneri,

Subburaj Spinning Mills,

Sankar Nagar,

Dharani Sugars Ltd.

Dharani Nagar.

Sun Paper mill private Ltd

Cheranmahadevi EM.Pee

Sugars & Chemical Ltd

Idaikal,

Syed cotton mills

Alangulam &Nanguneri ,

Survalakshmi Paper

Board Ltd, Seethaparbanallur

Name of the industrial park   : Gangaikondan, Nanguneri

SIDCO Industrial Estate Valliyoor

15. KHADI AND VILLAGE INDUSTRIES

I   KHADI   :

Production (Rs.in Lakhs) Sales (Rs.in Lakhs)

		Production (Rs.in Lakhs)	Sales (Rs.in Lakhs)
a.	Khadi :	24.10	Nil
b.	Woolen	-	-
c.	Silk	-	-
d.	Yarn	16.74	-

II VILLAGE INDUSTIRES

a.	Soaps	10.14	8.07
b.	Leather Goods	2.00	2.00
c.	Industrial Co.Op Societies	276.40	290.31

16. MEDICAL AND HEALTH (in numbers)

I.   Modern Medicine(Government only)

a.	No. of Hospitals	:	13
b.	Primary Health Centres	:	69
c.	Health Sub Centres	:	383
d.	Other Medical Institution	:	1+1 (TVMCH + Sidha)
e.	Beds in Hospitals	:	3316
f.	Doctors	:	348
g.	Nurses	:	809

II.   Indian Medicine (Government only)

a.	Hospitals	:	1
b.	Primary Health Centres	:	-
c.	Beds in Hospitals	:	350
d.	Doctors	:	56
e.	Nurses	:	22

III.   Homoeopathy(Government only)

a.	Hospitals	:	-
b.	Primary Health Centres	:	-
c.	Beds in Hospitals	:	-
d.	Doctors	:	-

| e. | Nurses | : | - |

17. EDUCATION

I.	Universities	:	2
II.	Arts and Science Colleges	:	24
III.	Colleges for Professional Education		

	a.	Allopathy	:	1
	b.	Indian Medicine	:	1
	c.	Homoeopathy	:	-
	d.	Engineering Colleges	:	18
	e.	Agriculture Colleges	:	-
	f.	Veterinary Colleges	:	-
	g.	Law Colleges : 1		

IV.	Colleges for Special Education	:	25
V.	Pre primary Schools	:	-
VI.	Primary Schools	:	1757
VII.	Middle Schools	:	429
VIII.	High Schools	:	169
IX.	Hr. Sec. School	:	142
X.	Education guarantee scheme	:	-

18. TRANSPORT

I.	Road Length (Km.)	:	
	National Highways	:	71.40 (NH208)
	State Highways	:	654.849
	Major District Road	:	387.140
	Other District Road	:	1795.164

		Sugarcane Road	:	8.000

II. Registered Motor Vehicles

    a.   Commercial   :   3820

    b.   Non-Commercial   :   30017

III. Railway Length(in Km)

    a.   Route Length   :   170.24

    b.   Track Length   :   239.42

    c.   Number of Railway Stations   :   26

IV. Number of Sea Ports   :   NIL

V. Number of Air Ports   :   NIL

VI. Name of the Air Port   :   NIL

VII. Name of the Export Commodity   :   MAT, Cloth, Onion, Chillies.

19. COMMUNICATION

I. Post & Telegraph (in No.)

    a.   Post Offices doing postal business alone   :   388

    b.   Post Offices doing Postal &

Telegraph Business   :   Nil

II. Telephones

    a.   No. of Telephones in use   :   92557

    b.   No. of Public Call Offices   :   7186

    c..   No. of Telephones Exchanges   :   81

20. CO-OPERATION

I. District Central Cooperative Banks

(including branches)   :   27

II.	District Co-operative Union	:	1
III.	Co-Operative Training Institute	:	1
IV.	Co-Operative Printing Press	:	1
V.	P.A.C.B	:	158
VI.	Primary Agricultural and Rural Development Bank	:	8
VII.	Cooperative Urban Bank	:	6
VIII	Whole Sale Co.Operative Store	:	1
1X.	Primary Cooperative Stores	:	33
X.	Students Cooperative Store	:	145
XI.	Cooperative Employees Thrift and Credit Society	:	81

21. REGISTRATIONS

| I. | No. of Registration Offices | : | 40 |
| II. | Aggregate Value of property Transferred (Rs. in Crores) | : | 3149.90 |

22. HOUSING

i.	No. of tenements constructed by TNHB	:	Nil
ii.	Dy Registrar Housing	:	Nil
iii.	No. of tenements constructed by TNSCB	:	207
iv.	No. of tenements constructed by TNPHB	:	-
v.	Deputy Registrar, Housing-Rural	:	-
vi.	Deputy Registrar,Housing-Urban	:	-
vii.	Samathuvapuram	:	-
viii.	Total No. of Households	:	-

23. SOCIAL WELFARE (in Nos.)

I.	Old Age Pension for aged	:	40066
II	Physically Handicapped Pension	:	2 3 4 3
III.	Widow Pension	:	7467
IV.	Agri. Labour pension	:	1968
V.	Deserted Wives Pension	:	2257
VI.	Unmarried woman Pension	:	492
VII	Uzhavar Sandhai	:	5

24. NUTRITIOUS MEALS PROGRAMME

		No.of Centres	No. of Beneficiaries
I.	C.D.S Scheme :	2562	168087
	Purachi Thalaivar Noon Meal	2085	220894

25.REVENUE ADMINISTRATIVE DIVISIONS

i.	Revenue Divisions	:	3
ii.	Revenue Taluks	:	11
iii.	Revenue Firkas	:	60
iv.	Revenue Villages	:	616

26. LOCAL BODIES

i.	Corporations	:	1
ii.	Municipalities	:	7
iii.	Panchayat Unions	:	19
iv.	Town Panchayats	:	36
v.	Village Panchayats	:	425

27. COMMUNITY DEVELOPMENT

i.	No. of Development Divisions	:	1
ii.	No. of Blocks Covered	:	19

iii.	Population Covered (Lakhs)	:	14.16
iv.	Area Covered (Sq.Km.)	:	6429

28. POLICE AND PRISIONS

Police Force

Local	:	2346
Armed Reserve	:	934
Police Stations	:	117
Police Outposts	:	5
Central Prisons	:	1
Other Prisons	:	12

29. LEGISLATURE

Members of the Legislative Assembly

Elected	:	10
Nominated	:	Nil
Members of Parliament (Lok Sabha)	:	2
Members of Parliament (Rajya Sabha)	:	1

30. CINEMA THEATRES (in. Nos)

Permanent

a.	Air-conditioned	:	6
b.	Non-Air conditioned	:	36
c.	Air Cooled	:	-
	Open Air Theatres	:	Nil
	Semi Permanent	:	2
	Touring	:	Nil

31. BANKS / INSURANCE

Bank

Commercial Banks	:	196
DCCB etc.	:	47
Private Sector Banks	:	36
Regional rural Banks	:	50
Lead Bank	:	53

Life Insurance

Offices	:	16
Policies Issued	:	249151
Premium Received (Rs.in Crores)	:	2850.57

32 NATURAL RESOURCES

Name of the mineral found in the District : Lime stone, Garnet sand, Rough stone sully, Kankar, Illuminate

33. GENERAL

I. Name of the important pilgrim Centre

: 1. Tirunelveli Arulmigu Gandhimathi Nellaiappar Temple

: 2 .Krishnapuram Ancient Sculpture

: 3. Sankarankoil Arulmigu Sankaranarayana Temple

: 4. Tenkasi Arulmigu KasiviswanatharTemple

: 5. Thirukurunkudi Arulmigu Nambi Temple

: 6. Nanguneri Arulmigu Vanumanalai Temple

: 7. Parathar Uvari Kappal Matha Temple

: 8. Nadar Uvari Arulmigu Syambulingasamy Temple

: 9. Athankarai Pallivasal Dharga

: 10. Papanasam Arulmigu Sivan Temple

: 11. Courtalam Arulmigu Courtaleesuwar Temple

: 12. Panpozhi Arulmigu Thirumalai Kumarasamy Temple

: 13. Pottal Pudur: Dharga

II. Name of the important Tourist Centre

: 1. Courtalam: Main falls, Old Falls, Five Falls, Honey Falls,

Tiger Falls and Boating

: 2. Papanasam: Dam site, Agasthiar falls and Temple

: 3. Manimuthar:Dam site and falls

: 4. Mundanthurai: Wild life Sanctuary

: 5. Kalakadu:Wild life sanctuary

: 6. Koondhankulam: Birds sanctuary

: 7. Tirunelveli: District Science Centre and Temple

**PUBLIC AND PRIVATE SECTORS BANKS AND NO. OF
BRANCHES IN TIRUNELVELI**

Sl. No.	Name of the Bank	No. of Branches				
		R	SU	U	M	Total
Nationalised Banks						
1	State Bank of India	9	10	9	0	27
2	State Bank of Travancore	4	7	2	0	13
3	state Bank of Hyderabad	0	0	1	0	1
	Total	13	17	11	0	41
1	Allahabad Bank	1	2	0	0	3
2	Andhra Bank	0	2	1	0	3
3	Bank of Baroda	0	1	3	0	4
4	Bank of India	1	2	1	0	4

5	Bank of Maharastra	0	0	1	0	1
6	Canara Bank	13	13	10	0	36
7	Central Bank of India	3	4	4	0	11
8	Corporation Bank	4	2	2	0	8
9	Dena Bank	0	0	1	0	1
10	IDBI	0	3	0	0	3
11	Indian Bank	6	10	11	0	27
12	Indian Overseas Bank	30	26	13	0	69
13	Oriental Bank of Commerce	0	0	1	0	1
14	Punjab National Bank	1	4	1	0	6
15	Syndicate Bank	2	2	3	0	7
16	Uco Bank	0	1	1	0	2
17	Union Bank of India	1	2	3	0	6
18	United Bank of India	0	0	1	0	1
19	Vijaya Bank	1	1	1	0	3
		63	75	58	0	196
Private Sector Banks						
1	Axis Bank	2	2	1	0	5
2	City Union Bank	0	6	3	0	9
3	Federal Bank	1	3	1	0	5
4	HDFC	1	3	2	0	6
5	ICICI	6	4	1	0	11
6	Kanataka Bank	0	0	1	0	1
7	Karur Vysya Bank	1	7	1	0	9
8	Lakshmi Vilas Bank	2	2	2	0	6
9	South Indian Bank	1	1	1	0	3
10	Tamilnadu Mercantile Bank	18	17	3	0	38
Total		32	45	16	0	93

Source: Lead bank in Tirunelveli (2016) (Indian Overseas Bank

Growth of Branches in Rural Area

GROWTH OF BRANCHES IN RURAL AREA

BANKS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
State Bank of India	9	9	9	9	7	5	5	7
State Bank of Travancore	0	0	0	1	1	5	5	4
Allahabad Bank	0	0	0	0	0	1	1	1
Andhra Bank	0	0	0	0	0	0	0	0
Bank of Baroda	0	0	0	0	0	0	0	0
Bank of India	1	1	1	1	1	1	1	2
Bank of Maharastra							0	0
Canara Bank	7	7	8	10	10	15	13	13
Central Bank of India	2	2	2	2	2	3	4	4
Corporation Bank	0	0	0	0	1	3	3	3
Deena Bank								0
IDBI	0	0	0	0	0	0	0	0
Indian Bank	2	2	2	2	3	4	6	5
Indian Overseas Bank	21	21	22	27	27	30	30	30
Punjab National Bank	1	1	1	1	1	1	1	1
Syndicate Bank	0	0	0	0	0	0	1	2
Union Bank of India	0	0	0	0	0	0	0	1
United Bank of India								0
UCO Bank	1	1	1	1	1	1	1	1
Vijaya Bank	0	0	0	0	0	0	0	1
Total	44	44	46	54	54	59	61	64

Source : Secondary Data

Growth of Branches in Semi-Urban Area

GROWTH OF BRANCHES IN SEMI-URBAN AREA

Banks	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
State Bank of India	4	4	6	6	10	12	12	9
State Bank of Travancore	5	5	3	3	5	5	5	7
Allahabad Bank	1	1	1	1	1	1	1	1
Andhra Bank	0	0	0	0	0	0	1	2
Bank of Baroda	0	0	0	0	0	1	1	1
Bank of India	1	1	1	1	1	1	1	0
Bank of Maharastra						0	0	0
Canara Bank	11	11	12	12	21	9	13	13
Central Bank of India	3	3	3	3	4	2	3	3
Corporation Bank	2	2	2	2	1	1	2	2
Deena Bak							0	0
IDBI	0	0	0	0	0	1	1	2
Indian Bank	9	9	10	10	10	9	9	10
Indian Overseas Bank	20	20	21	23	23	26	26	26
Punjab National Bank	2	2	2	2	2	2	3	3
Syndicate Bank	0	0	0	0	1	2	2	2
Union Bank of India	3	3	3	3	3	4	3	2
United Bank of India							0	0
UCO Bank	0	0	0	0	0	0	0	0
Vijaya Bank	0	0	0	0	0	1	1	1
Total	61	61	64	66	82	77	84	84

Source : Secondary Data

Growth of Branches in Urban Area

The details of growth of branches in urban areas in Tirunelveli District are shown in Table 3.13.

GROWTH OF BRANCHES IN URBAN AREA

BANKS	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
State Bank of India	7	7	7	7	8	8	8	9
State Bank of Travancore	0	0	2	2	2	2	2	2
Allahabad Bank	0	0	0	0	1	1	1	1
Andhra Bank	1	1	1	1	1	1	1	1
Bank of Baroda	2	2	2	2	4	3	3	3
Bank of India	2	2	2	2	2	2	2	2
Bank of Maharastra						1	1	1
Canara Bank	10	10	9	9	10	10	10	10
Dena Bank						1	1	1
Central Bank of India	3	3	3	3	4	4	4	4
Corporation Bank	1	1	1	1	3	3	2	2
IDBI	1	1	1	1	1	1	1	1
Indian Bank	8	8	8	10	10	10	10	11
Indian Overseas Bank	10	10	10	12	12	13	13	13
Punjab National Bank	1	1	1	1	1	2	1	1
Oriental Bank of Commerce								1
Syndicate Bank	1	1	2	2	2	2	2	3
Union Bank of India	2	2	2	2	2	2	3	3
UCO Bank	1	1	1	1	1	1	1	1
Vijaya Bank	1	1	1	1	1	1	1	1
United Bank of India						1	1	1
Total	51	51	53	57	65	69	68	72

Source : Secondary Data

PRIVATE SECTOR BANKS IN TIRUNELVELI

PRIVATE SECTOR BANKS AND NO. OF BRANCHES IN TIRUNELVELI

Private Sector Banks	Location			Total
	R	SU	U	
Axis Bank	2	2	1	5
City Union Bank	0	6	3	9
Federal Bank	1	3	1	5
HDFC	1	3	2	6
ICICI	6	4	1	11
Kanataka Bank	0	0	1	1
Karur Vysya Bank	1	7	1	9
Lakshmi Vilas Bank	2	2	2	6
South Indian Bank	1	1	1	3
Tamilnadu Mercantile Bank	18	17	3	38
	32	45	16	93

Source: Lead bank in Tirunelveli (2013), (Indian Overseas Bank)

GROWTH OF BRANCHES OF PRIVATE SECTOR BANKS IN RURAL AREA

Private sector banks	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Axis Bank Ltd.	2	2	2	2	2	**2**	2	2
City Union Bank Ltd.	0	0	0	0	0	**0**	0	0
Federal Bank Ltd.	0	0	0	0	0	**0**	1	1
HDFC Bank Ltd.	0	0	0	0	0	**0**	1	1
ICICI Bank Ltd.	7	7	7	7	7	**7**	6	6
Karnataka Bank	-	-	-	-	-	**-**	0	0
Karur Vysya Bank Ltd.	0	0	0	0	0	**0**	1	1
Lakshmi Vilas Bank Ltd.	0	0	0	0	0	**0**	1	1
South Indian Bank Ltd.	0	0	0	0	0	**0**	1	1
Tamilnad Mercantile Bank Ltd.	8	8	8	10	10	**14**	20	16

Source : Secondary Data

Growth of Branches of Private Sector Banks in Semi-Urban Area

GROWTH OF BRANCHES OF PRIVATE SECTOR BANKS IN SEMI-URBAN AREA

Private sector banks	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Axis Bank Ltd.	0	0	0	0	2	**2**	0	0
City Union Bank Ltd.	0	0	0	1	6	**5**	5	5
Federal Bank Ltd.	0	0	0	3	3	**3**	3	3
HDFC Bank Ltd.	0	0	0	0	1	**1**	3	3
ICICI Bank Ltd.	2	2	2	2	2	**1**	2	2
Karnataka Bank						**-**	0	0
Karur Vysya Bank Ltd.	2	2	2	4	6	**6**	6	7
Lakshmi Vilas Bank Ltd.	1	1	1	1	1	**1**	1	1
South Indian Bank Ltd.	0	0	0	0	1	**1**	1	1
Tamilnad Mercantile Bank Ltd.	5	5	5	8	8	**11**	12	17

Source : Secondary Data

3.3.5 Growth of Branches of Private Sector Banks in Urban Area

GROWTH OF BRANCHES OF PRIVATE SECTOR BANKS IN URBAN AREA

Private sector banks	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Axis Bank Ltd.	1	1	1	1	0	0	2	2
City Union Bank Ltd.	1	1	2	2	1	2	2	3
Federal Bank Ltd.	1	1	1	1	1	1	1	1
HDFC Bank Ltd.	1	1	1	1	1	1	2	2
ICICI Bank Ltd.	0	0	0	0	0	2	2	2
Karnataka Bank	-	-	-	-	-		1	1
Karur Vysya Bank Ltd.	1	1	1	1	1	1	1	1
Lakshmi Vilas Bank Ltd.	1	1	1	1	1	1	2	2
South Indian Bank Ltd.	1	1	1	1	1	1	1	1
Tamilnad Mercantile Bank Ltd.	1	1	1	1	1	2	1	2

Source : Secondary Data