

**A STUDY ON BANKER'S PERCEPTION AND  
CUSTOMER'S PERCEPTION TOWARDS THE  
SERVICE QUALITY OF RETAIL BANKING BY  
DIFFERENT BANKS IN LUCKNOW**

Submitted

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Submitted by:

**Puja Gope**

(Enrollment no.- 15-PHDM-1154)

**Under the Supervision of  
Guide**

**Prof. (Dr.) Trupti Singh**

Assistant Professor

RBS College, Agra

**Co- guide**

**Prof. (Dr.) Supriya Awasthi**

Associate Professor

Maharishi University of Information Technology, Lucknow

# **DECLARATION**

I hereby declare that the research titled “A Study on Banker’s Perception and Customer’s Perception towards the service Quality of Retail banking by different banks in Lucknow” Submitted for the Award of Ph.D.in Management at Maharishi University of Information Technology, Lucknow; is my original work and the thesis has not formed the basis for the award of any degree, associateship, fellowship or any other.

The material borrowed from similar titles other sources and incorporated in the thesis has been duly acknowledged.

I understand that I myself could be held responsible and accountable for plagiarism, if any, detected later on.

The research papers published based on the research conducted out of the course of the study are also based on the study and not borrowed from other sources.

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## **CERTIFICATE**

This is to certify that the thesis titled — “A Study on Banker’s Perception and Customer’s Perception towards the service Quality of Retail banking by different banks in Lucknow” the bona-fide research work carried out by Ms. Puja Gope, student of Ph.D. at Maharishi University of Information Technology, in partial fulfilment of the requirements for the award of the Degree of Ph.D. and that the thesis has not formed the basis for the award previously of any degree, diploma, associateship, fellowship or any other similar title.

**Place:**

**Date:**

**Signature of the Dean**

**Prof. (Dr.) Shweta Singh**

**Signature of Guide**

**Prof. (Dr.) Trupti Singh**

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**Signature of Student**

# TABLE OF CONTENTS

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
	Title Page	i
	Declaration	ii
	Certificate	iii
	Acknowledgement	iv
	Table of Contents	v-vii
	List of Abbreviation	viii
	List of Tables	ix-x
	List of Charts	xi-xii
	List of Figures	xiii-xiv
<b>CHAPTER1</b>	<b>INTRODUCTION</b>	
1.1	Introduction	1
1.2	Background of the Study	1 - 3
1.3	Background of the Company	4 - 9
1.4	Research Rationale	9 - 12
1.5	Research Problem	12
1.6	Research Aim	13
1.7	Research Objectives	13
1.8	Research Questions	13 - 14
1.9	Significance of Research	14 - 15
1.10	Structure of the Dissertation	16
1.11	Summary	16
<b>CHAPTER 2</b>	<b>LITERATURE REVIEW</b>	
2.1	Introduction	17
2.2	Concept of banking system and industry	17 - 22
2.3	Theories on banking system or service	22 - 26
2.4	Models on banking system or service	26 - 29
2.5	Concept of banking service quality based on bank profiles	30 - 35

2.6	Theories on consumer perception or expectation	35 - 39
2.7	Models on consumer perception or expectation	39 - 43
2.8	Degree of importance attached to various dimensions of service quality	43 - 49
2.9	Difference between public, private and foreign banks	49 - 53
2.10	Gap between customers' expectations and perception of quality of services for public, private and foreign banks	53 - 56
2.11	The Perception analysis of the employees of public, private and foreign banks	57 - 64
2.12	Challenges faced by banks	64 - 69
2.13	Evaluation of performance of public, private and foreign banks on the basis of quality of services	70 - 74
2.14	Recommendations	74 - 76
2.15	Impact of service quality on banker or customer expectation	76 - 81
2.16	Research Gap	81 - 82
2.17	Summary	82 - 83
<b>CHAPTER 3</b>	<b>RESEARCH METHODOLOGY</b>	
3.1	Introduction	84
3.2	Research Onion	84 - 85
3.3	Research Philosophy	85 - 87
3.3.1	Justification for choosing the philosophy	88
3.4	Research Approach	88 - 91
3.4.1	Justification for choosing the approach	91 - 92
3.5	Research Design	92 - 94
3.5.1	Justification for choosing the design	94 - 95
3.6	Data collections methods	95 - 96
3.7	Data analysis techniques	96 - 98
3.8	Sampling techniques	98 - 99
3.8.1	Justification for choosing sampling technique	99

3.9	Sampling Size	99
3.10	Ethical consideration	99 - 100
3.11	Timeline	100 -101
3.12	Summary	101
<b>CHAPTER 4</b>	<b>DATA ANALYSIS</b>	
4.1	Introduction	102
4.2	Quantitative data analysis	102 - 136
4.3	Summary	136
<b>CHAPTER 5</b>	<b>FINDINGS, CONCLUSION &amp;SUGGESTIONS</b>	
5.1	Findings on service quality rating according to the profile of respondents	137 - 138
5.2	Findings from customer perception of varied dimensions	138 - 139
5.3	Servqual Gap findings	139
5.4	Findings from the banker's perception in respect to customer service quality	139- 140
5.5	Conclusion	140
5.6	Linking with Objectives	140 - 141
5.7	Suggestions	141 - 144
5.8	Limitation of study	145
5.9	Future scope of the study	145
	<b>APPENDICES</b>	
Appendix 1	Bibliography	xv-xxxiv
Appendix 2	Questionnaire for Customer	xxxv- xxxvii
Appendix 3	Questionnaire for Banker	xxxviii

## LIST OF ABBREVIATIONS

<b>RBI</b>	Reserve Bank of India
<b>SBI</b>	State Bank of India
<b>PNB</b>	Punjab National Bank
<b>HDFC</b>	Housing Development Finance
<b>RRB</b>	Regional Rural Bank
<b>NRI</b>	Non-Resident Indian
<b>PSU</b>	Public Sector Bank
<b>PSIB</b>	Private Sector Bank
<b>CASA</b>	Current Account Saving Account
<b>ATM</b>	Automatic Teller Machine
<b>KYC</b>	Know Your Customer
<b>SERVQUAL</b>	Service Quality
<b>E</b>	Expectation
<b>P</b>	Perception



## LIST OF TABLES

<b>Table No.</b>	<b>Title</b>	<b>Page No.</b>
2.1	Comparison of Banks	52
2.2	Banking Service assured to the valuable Custom	57 - 58
2.3	Reliable Banking Services	58 - 59
2.4	Help to the Customer	59 - 60
2.5	Customer-Friendly attentive approach to the bankers	61
2.6	Proper- Banking Knowledge	62 - 63
2.7	Ambiance and the physical facilities	63 - 64
2.8	Appearance and Dress	64
2.9	Challenges faced in Foreign Bank, Private sector Bank, Public Sector bank in India	69
3.1	Time	101
4.1	Gender of the Customer	103
4.2	Customer Age group	103 - 104
4.3	Customer's Annual Income	104
4.4	Customer's Occupation	105
4.5	Account Type	106
4.6	Account Duration	106
4.7	Age Group related distribution	108
4.8	Gender related distribution	109
4.9	Income related distribution	110
4.10	Occupation related distribution	112
4.11	Account holding duration related distribution	113

4.12	Account type related distribution	114
4.13	Annova Test	115 - 116
4.14	Annova Test P value	126

## LIST OF CHARTS

<b>Chart No.</b>	<b>Title</b>	<b>Page No.</b>
4.1	Age Group related distribution	108
4.2	Gender related distribution	109
4.3	Income related distribution	111
4.4	Occupation related distribution	112
4.5	Account holding duration related distribution	113
4.6	Account type related distribution	115
4.7	Consumer Perception of Reliability	117
4.8	Consumer Perception of Empathy	118
4.9	Consumer Perception of Responsiveness	119
4.10	Consumer Perception of Assurance	120
4.11	Consumer Perception of Tangibility	121
4.12	Servqual Gap in Banks	122
4.13	Servqual Gap in Reliability	122
4.14	Servqual Gap in Empathy	123
4.15	Servqual Gap in Responsiveness	124
4.16	Servqual Gap in Assurance	124
4.17	Servqual Gap in Tangibility	125
4.18	Perception of Reliability	127
4.19	Perception of Reliability	127
4.20	Perception of Empathy	128
4.21	Perception of Responsiveness	129
4.22	Perception of Assurance	129

4.23	Perception of Tangibility	130
4.24	Perception of Tangibility	131
4.25	Appreciation of the consumer for the Public Sector Bankers	131
4.26	Appreciation of the consumer for the Foreign Sector Bankers	132
4.27	Appreciation of the consumer for the Private Sector Bankers	132
4.28	Challenges for providing expected service in Public Sector Banks	133
4.29	Challenges for providing expected service in Foreign Banks	134
4.30	Challenges for providing expected service in Private Sector Banks	134
4.31	Banker's suggestion of Public Banks	134
4.32	Banker's suggestion of Foreign Banks	135
4.33	Banker's suggestion of Private Banks	135

## LIST OF FIGURES

<b>Figure No.</b>	<b>Title</b>	<b>Page No.</b>
2.1	Financial Intermediation Theory of Banking	22
2.2	Older Fractional Reserve Theory of Banking	24
2.3	Credit Creation Theory of Banking	25
2.4	Loans Drive Profits	27
2.5	Five different types of drivers	28
2.6	Operating Leverages	29
2.7	Different Banking Sector	30
2.8	Expectation Confirmation Theory	37
2.9	Theory of Planned Behaviour	38
2.10	Loyalty Business Model	40
2.11	Apostle Model	41
2.12	Disconfirmation Model of Customer Satisfaction	41
2.13	Customer Experience Gap Model	43
2.14	Various dimensions of Service Quality	46
2.15	Banking Structure	50
3.1	Research Onion	85
3.2	Research Philosophy	85
3.3	Approaches of Research	89
3.4	Designs of Research	92
3.5	Data Collection Method	96
3.6	Techniques of Data Analysis	97

3.7	Methods of Sampling	98
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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Introduction**

This is the introductory chapter of an entire thesis paper which evaluates significant facts about the selected research topic. In this chapter, the perception of both bankers and customer is going to be analysed in respect of the service quality of different type of banks. The chapter put its emphasis on the understanding of history or background of banking industry along with the evaluation of Indian banking system. Besides, the chapter helps to analyse about background of different type of banks through proper determination of their profile. It helps to differentiate about the service quality of different banks in respect to the bankers and customer perspective. In addition, the chapter sheds its light upon the research rationale which helps in evaluating the current status of the Indian banking system by reflecting light on current issues and its possible consequences. Therefore, it can be understood that the first chapter of the thesis paper helps in understanding about the aim of the entire research paper.

However, the chapter also highlights different objectives and research question associated with the service quality of Indian banking system in respect to the perception of bankers and customers both. Therefore, it is understood that the chapter also helps in analysing the significances of the entire thesis paper which impacts positively on the making of potential summary of this research paper. In respect to the entire introductory matter it is analysed that the core aim of the chapter is to examine the phases and history of Indian banking system for determining their service quality in respect to the conduct further explanatory analysis.

### **1.2 Background of the study**

This section helps to determine the background of the entire thesis paper which related to the research topic. The thesis paper keeps its focus on the study of customer's and banker's perception towards the service quality of retail banking system associated with different type of banks. Therefore, it was needed to put emphasis on the background determination of Indian banking system along with the examination of

bank product and innovative services of different type of banks. Moreover, it was also need to reflect a light on the background of retail banking along with its product and services. It helps to understand the current state of Indian banking system in respect to the service quality by focusing on the perception of different customers and bankers. Therefore, it was understood to analyse the service quality of retail banking system, the background of Indian banking system or industry need to examine.

### ***Banking industry introduction***

In the era of modern economy, the contribution of banking industry plays a role as the strongest pillar for strengthening the economic structure of India. Banking industry was called the lifeline of economic structure of a country as it plays significant functions related to the financial development activities (Alexander, George Smith, 2004). Among the entire financial sector, the banking industry holds a powerful position to make a country's economic structure strong. In the modern economic era, banking sectors are associated with the different type of financial activities relates to the trade and agriculture (Balakrishnan and Gayathri, 2010). Therefore, it can be understood that the service of banking sectors are primarily related to the economic development of a country. However, the banks are not considered as money dealer only but also called the leaders of development because of its special service for deposit mobilisation and credit disbursement to different sectors of a single economy.

Based on the information mentioned in above, it analysed that the service of banking industry is immensely related to economic health of a country. An efficient banking system helps to mobilise savings within the productive sectors whereas a solvent system of banks helps in assuring about capability for obligation meeting in respect to the depositors (Bharathe *et al.* 2008). Banks play a significant role in India for the progress and development of socio-economic aspects after its independence. Moreover, the banking industry holds more than half of the assets within entire financial sector in India. It found that the Indian banks were going through a fascinating journey since independence that can be divided into various phases (GhoshHazaraSandip and Kailash, 2010). In respect to the perception of different type of bankers, the current transformation process of Indian banking system can play a role as an opportunity for converting the money rolling process into a profitable system which does not impose burdens on government (Fatima and EdwardGnanadhas, 2011).



The Indian government announced a number of reforms after the Indian economy liberalisation by following the recommendations of Narasimhan committee in respect to make banks economically strong and viable.

### ***Introduction to the retail banking system***

It is a mass-market banking where individuals enjoy the services of local bank branches of large commercial banks. There are numbers of significant services offered by the retail's banks such as current and savings account, personal loan or mortgages along with card facilities (Ghobadian, 1994). The retail banking is quite different from the services or nature of wholesale banking. Retail banking system within India was known since the era of independence and most of the banks were nationalised in India to provide banking services to the masses of unbanked (Heryanto, 2011). Therefore, it was understood that retail bank is important in India to provide financial services to the unbanked masses through local bank branches of an entire commercial bank.

The system of retail banking was introduced in India at the time of first establishment of bank and also found that cooperative banks were the core thrust of retail banks within India. Since the mid of nineteen's retail banking service utilised as a means of conscious foray reinforcing (Jain and Gupta Garima, 2004). The retail banks offered various types of services which were most significant for business line and financial profitability for a country. The primary service segment of Indian retail banks generally associated with house loans, auto loans, consumption loans along with card services (credit card mainly) and educational loans.

Such loans were known as brand names in the market which were offered by different banks by differentiating products. However, it has been found that retail banks focused on the consumer market only and did transaction with the customers directly without the help of other banks or corporations (Jain *et al.* 2012). Now days, various retail banking products are extended to the medium and small sized banks and follows the service of streamlining through electronic facilities. In the present era, the services of retail banks are rapidly grown with the help of innovative technologies of foreign and new generation banks (Jun *et al.* 2001). Therefore, it has been understood that the banking service within India become most significant aspects in the present days by focusing on the growth of retail banking system.

### 1.3 Background of the company

This section helps in determining various profiles of the different banking organisations. It helps to gather knowledge regarding the different type of service of different Indian banking organisations. The banking organisations mainly includes

- **Punjab National Bank**

Punjab National Bank is one of the leading Indian financial services providing company and multinational reputed Bank. Punjab National Bank was founded in the year 1894. This bank has around 6968 branches across 764 cities all around. Apart from that, PNB provides services through 9935 ATMs. Approximately more than 80 million customers avail PNB service. It has been traced that Punjab National Bank has such banking subsidiary in UK with seven branches to perform these operations as PNB international. The CEO of Punjab National Bank is Usha Ananth Subramanian. She is also the MD of Punjab National Bank. The head quarter of Punjab National Bank is located in New Delhi in India. This bank (PNB) was registered on 1894. The founding board members were derived from various parts of India. It has been enlisted that Lala Lajpat Roy was directed associated with the Bank management in its initial days. Punjab National Bank started its business in the year 1895 (Mishra AnubhavAnand, 2010).

In this relevance; it must be included that Punjab National Bank was the first Indian Bank which started its operation with Indian capital and it has survived till today. It has been enlisted as such that Punjab National Bank had such privilege of keeping the financial records of national leader such as Lal Bahadur Shastri, Jawaharlal Nehru, Mahatma Gandhi, Indira Gandhi (Newman Karin, 2001). The account details of the Jallianwala Bagh Committee were also regulated through this banking service.

#### ***Business Performance***

- Punjab National bank has been operating since last 122 years. It has been merged with seven other banks. As earlier reported, it has almost 6888 domestic branches as reported on 31<sup>st</sup> December, 2016.
- Savings Deposits Rs. 2,20,000 Crore
- Global Business Rs. 10,00,000 Crore
- Global Deposits Rs. 6,00,000 Crore
- Domestic CASA Ratio 47 %

- Domestic Deposits Rs. 5,50,000 Crore
- CASA Deposits Rs.2,60,000 Crore

### ***Enhanced Visibility***

In order to sustain in the competitive zone in present context, Punjab national Bank is focused to strengthen the banking equity through connecting with such generation next programme. Those steps can be categorized in the following manner.

- Now adays “Brand PNB” is being promoted through various social networking sites. LinkedIn, Twitter are considered as such reputed social networking platform which are extensively used to engage the customers concern to Brand PNB. This approach is also very much cost effective as compared to others (Parasuraman *et al.* 1985).
- Mr. Virat Kohli has been appointed as the brand ambassador for Punjab National Bank due to his immense popularity and mass appeal among the youth across the globe.
- **Axis Bank**

Axis Bank Ltd is entitled as the third largest bank among all the reputed private sector banks running in India. The head office of Axis bank is located in Mumbai. The core registered office of axis bank is located in Ahmadabad. This bank has nine international offices across the globe. Almost 13003 ATMs are regulated through this bank. Axis Bank has approximately 3300 branches. It has been estimated that Axis bank has provided 50,000 employments approximately (Munusamy *et al.* 2010). Mr. Sanjiv Misra is the Chairman of Axis bank. Shikha Sharma is the concerned CEO of Axis Bank. Apart from that, Shikha Sharma is also the MD of Axis Bank. Axis Bank launched travel currency card in India for the first time in the year 2003. Axis Bank enlisted its name on the list of London Stock exchange in the year 2005.

Axis Bank opened Axis House in Worli, Mumbai in the year 2011. It is one of the newest corporate office belongs to this bank. In this relevance, some overseas openings of Axis bank must be included. In 2011, axis bank launched its branch in Colombo. In the year 2013, Axis Bank has commenced its banking operation as Axis bank UK. It has also opened a branch in London. Apart from that, Axis Bank inaugurated a representative office in Dhaka in the year 2015. Dipika Padukone has been chosen as the Brand ambassador for Axis Bank due to her popularity as an eminent bollywood actress across the globe.

### ***Indian Business***

It has been estimated that Axis Bank has the most expanded ATM networks among all the private banks running presently in India. Axis Bank operates an ATM which is located at one of highest site (4023 meters) of the world, namely Thegu, Sikkim.

### ***International Business***

Axis Bank has 9 international branches across the globe. The Bank has expanded its business Shanghai, Colombo, Hong Kong, Singapore, and Dubai. As mentioned earlier, axis bank has also opened its representative office in Dhaka. Even Axis Bank UK is operating successfully in London also.

### ***Subsidiaries***

The ten subsidiaries of Axis bank are mentioned below.

- Axis Mutual Fund Trustee Ltd.
- Axis Capital Ltd.
- Axis Bank UK Ltd.
- A. Treds Limited
- Axis Finance Ltd.
- Axis Securities Ltd
- Axis Private Equity Ltd.
- Axis Asset Management Company Ltd.
- Axis Securities Europe Ltd.
- Axis Trustee Services Ltd.
- **State Bank of India**

State Bank of India is the most eminent public sector financial and banking service providing company in India. Undoubtedly, it is considered as one of the largest multinational company running successfully till to date. State Bank of India is a government owned corporation. The headquarters of State bank of India is located in Mumbai. State Bank of India is considered as the largest bank of India. It has merged with five Associate Banks comprising State Bank of Hyderabad, State Bank of Bikaner and Jaipur, state Bank of Patiala, State Bank of Travancore and State Bank of Mysore (Parasuraman *et al.* 1988). Apart from that, State Bank of India has also merged with Bhartiya Mahila Bank. State Bank of India has secured 232nd position on Fortune Global 500 list as reported in the year 2016. State Bank of India was founded in the

year 1955. The bank was nationalized on 2<sup>nd</sup> June in the year 1956. The present chairman of State bank of India is Mr. Rajnish Kumar.

### ***Operations***

State Bank of India provides banking and financial services in India through 57 zonal offices and 14 regional hubs. This bank provides its services in overseas also. It has been estimated that 18354 branches of State bank of India is working all together to provide best banking experience throughout in India (Parasuraman *et al.* 1991). In Singapore, 7 retail banking outlets of state bank of India is traced. The non-banking subsidiaries of State bank of India are enlisted below.

- SBI DFHI Ltd
- SBI Funds Management Pvt Ltd
- SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)
- SBI Life Insurance Company Limited
- SBI Capital Markets Ltd
- SBI Factors & Commercial Services Pvt Ltd
- SBI General Insurance

SBI Life Insurance Company is a joint venture which was built in 2001. BNP Paribas and SBI merged all together to form SBI Life Insurance Company.

- **CITI Bank**

While discussing about a particular bank, some relevant information must be included initially. The headquarters of city bank is located in Sioux Falls in United States. Luz Marina Caicedo is the chairman of Citi group. The CEO of the Citi bank is Barbara J. Desoer. The earlier or initial name of city bank was Citi Bank of New York (Parimal Vyas, 2002). It was formed in the year 1812. The bank has expanded its business across the globe having 2649 branches in almost 19 countries. In United States, 723 branches of CITI Bank are traced. Nowadays, CITI Bank is also an private bank which is operating successfully in India also.

- **HDFC Bank**

Housing Development Finance Corporation Limited (HDFC) is one of the early organizations which got approval from Reserve Bank of India to set up private bank in Indian economy. The headquarters of Housing Development Finance Corporation Limited (HDFC) is located in Mumbai. It has been reported that approximately 84,325

employees are employed through Housing Development Finance Corporation Limited (HDFC). Apart from India, this bank also provides its financial services to foreign countries. HDFC bank has its branches in Hongkong, Bahrain, Dubai (Rayappan and Shunmughan 2008). In 2016, it has been reported that HDFC become the largest bank of India in terms of market capitalization. Due to this, Housing Development Finance Corporation Limited (HDFC) has secured 69<sup>th</sup> position on BrandZ Top 100 Most Valuable Global Brands in the year 2016.

Aditya Puri is the honourable managing director of HDFC bank. Housing Development Finance Corporation Limited (HDFC) was incorporated in the year 1994. The first corporate office of HDFC was founded in Sandoz House, Mumbai. In this relevance, it must be included that the inauguration has privileged by Manmohan Singh. He was appointed as the Union Finance Minister of India that time. In order to discuss about the capital structure of HDFC bank, 'share' is the concern that comes first in mind. The shares of HDFC banks are listed on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). Reserved Bank of India approved the amalgamation of HDFC Bank with Centurion Bank of Punjab in the year 2008 (Russel, 2001). Due to this amalgamation, the branch number of HDFC bank increased gradually thereafter. In this relevance, another point must be included such as HDFC bank also merged with Times bank limited in the year 2000.

- **Standard Chartered Bank**

Headquarter of Standard Chartered Plc is located in London. Standard Chartered Plc is a renowned financial service providing company. It is a British Multinational banking which is operating successfully across the globe. More than 1200 branches of Standard Chartered Plc is traced across the globe. Precisely, almost 70 countries are experiencing world class banking facilities from this financial services providing company (Standard Chartered plc) along with its significant banking products. It has been estimated that Standard Chartered Plc has already been appointed around 87,000 people as its employee to different position across the globe (Rayan, 1998). This bank is considered as universal bank due to its huge business expansion worldwide. It is a UK based banking organization. It provides its banking facilities and operations to Middle East, Asia, and Africa.

It is very important to mention the name of the key people associated to this banking service. Bill Winters is the CEO of Standard Chartered plc. The head quarter of Standard Chartered Plc is located in London. In the year 1969, Standard Chartered bank was formed. This bank was formed by the merging of Chartered Bank of Australia, China and India with Standard Bank of British South Africa. All these banks merged all together and were capitalized on the trade expansion of Asia, Europe and Africa. In this relevance, some additional information must be included. The Chartered bank was founded in the year 1853. It was found by James Wilson (Santhiyavalli, 2011). It was in the year 1858 when the bank opened in Kolkata, Shanghai, and Mumbai (Bombay). The chartered bank also opened its branches in Singapore and Hongkong in the year 1859. As stated earlier, the roles played by this bank to expand the trade of that time cannot be ignored. This is how it played an important role to boost up the economy that period.

John Peterson is the founder of The Standard Chartered Bank. It was founded in the year 1862. Initially the bank was established in London. Gradually the bank was expanded to various locations across the globe. It was expanded to central, eastern, southern Africa with time. It had around 600 offices by the year 1953. The Standard Bank was merged with the bank of West Africa later. The merge of these two banks (bank of west Africa and the standard bank) was performed in the year 1965. Due to this it was possible to expand the operation into Sierra, Ghana, Nigeria etc (Sivakumar and Srinivasan, 2003). Standard Chartered plc is considered as such UK based parent for Standard Chartered Bank which is operating in India. It has started its operation in India in the year 2010. The name of such subsidiaries operating in India is mentioned below.

- Standard Chartered Private Equity Advisory (India) Private Limited
- Standard Chartered (India) Modeling and Analytics Centre Pvt. Ltd.
- Standard Chartered Finance limited and SCOPE International.
- Standard Chartered Securities (India) Ltd, the vehicle for the equities business
- Standard Chartered Investments and Loans (India) Limited

## **1.4 Research rationale**

The research rational of the thesis paper generally focused on the current problem associated with the Indian banking system along with the challenges of retail banking

service. Moreover, the section also helps in understanding why the issue within banking service quality has been recognised as the most significant issue in the present business market. Besides, it also focused on the significant aspects related to the customer and banker's perception in respect to the service quality of banks. Based on the abovementioned company profile of the different type of banks it can be analysed that different type of banks offered different type of service which influence both the opportunity and threats for bankers and customers. However, in the context of determining different type of perceptions of the bankers and customers related to bank service quality, it was needed to focus on liberal economic policies for opening the market places.

The debt crisis of India in the year of 1990 forced the Indian government to reform the economic policies. As a result, the program for liberalisation had been conducted which opened foreign investment market which impacts on the fostering of domestic competition and privatisation (Goyal and Vijay Joshi, 2012). In the year of 1992 when privatisation became a fruitful method for financial profit in India, the government found some difficulties in accessing external business market especially in banking system. Therefore, the government of India focused on the changing of banking service for the foreign market by emphasising on retail market. By focusing of the market growth and other significant financial issues the Indian government started to change the service of corporate banks into retail banks (Keerthe and Vijayalakshmi 2009).

Retail sectors within India plays significant role in the context of developing economic growth. Therefore, the Indian government put its emphasis on the improvement of the financial contribution to the retail banking segment of India by offering different type of product and services. In spite of having significant growth retail banking creates some issues within the smooth financial transaction process by following the rule of 1:1 (Customer: Bank) (Kumar Ashok and Rajesh, 2009). Due to the presence of delivery channels and bundling of services the field of potential interest conflicts tend to increase within universal banks. Moreover, it holds some key policy problems based on financial conglomerates such as responsible lending, long term savings, and financial inclusion, customer protection and so on. Besides, the retail banking system also faced lots of challenges due to the customer data security with the side-by-side development of the technological innovation (Keller, 2006). Apart from this, retail



banking system also influences the challenges for both stakeholders and entire banking industry.

It has been found that the customer retention can create big challenges in retail banking industry as it influences the profitability of market share and banking business. According to the situation of India, it was seen that the household debts recognised as the proportion of disposable income which is much higher (Kotler and Philip, 2005). Therefore, it can be understood that retail banking segments may create the uncertainty for high growth in the customer credit segment. Finally, the growth of information technology also influences the challenges for retail banking system within Indian continent. Cybercrime, password hacking and other cloud security related problems are become most significant challenges for conducting retail banking system. In addition to this, most of the customers who are unknown to the technological service of banking prefer traditional approaches for cash transaction due to security issue (Malik *et al.* 2011). Therefore, it is understood that the culture conflicts also can be recognised one of the most significant issue for retail industry.

However, technological service in retail banking system helps for delivering service throughout the networks of branch banks along with update providence for checking accounts. Moreover, the technology also helps retail banks for transferring stock of money; therefore, it understood that the dependency of retail banking system on network or IT desks has been increased than previous (Mehta, 2012). Likewise, it also understood that the bank also holds some responsibilities for controlling or monitoring the activities of IT departments or helps desks. Such kind of additional responsibilities creates challenges for the banking sectors in the context of managing, optimising and maintaining the performances of retail banking networks.

Apart from the above-mentioned challenges of retail banking sector, entire Indian banking system was facing significant challenges related to their offered service. The implementation of Basel III as per the rules of RBI faced lots of issue in the market of macro financial environment. Moreover, commercial banks were facing the issue of capital mobilisation in the field of untapped savings. Therefore, it can be understood that such kind of banking service issue impacts negatively on the service quality of the banks in respect to the banker and customer perception. Another issue faced by the banks was lies upon the controlling and monitoring the activities of risk management

system which influences the negative impact of data breaching (Sivakumar and Srinivasan, 2003). Besides, the issue of finance inclusion along with poor governance system within the Indian banks increase the intensity of poor service quality. Therefore, it can be understood that such kind of hindrance also create challenges for the bankers to serve their product or facilities to the customers. On the contrary, customers were also unsatisfied with such kind of irresponsible security of the banks.

Based on the mentioned issues which were faced by the retail banks and entire banking industry, the study sheds its light upon the understanding of proper Indian banking system to examine its service characteristics. Moreover, the research paper also keeps its focus on the determination of differentiation among public, private and foreign bank facilities and their processes. The entire study also aims to understand the proper demand of the customers and their expectations from the banking service. On the contrary, also keep its focus on the service quality of the different type of Indian bank (Trivedi and Agarwal, 2009). Therefore, it helps the researchers to find the core gap between banking service and customer expectations. The primary reason behind such kind of examination is to make proper suggestion for the Indian banking system for improving their service quality. However, the study also sheds its light upon the identification of current issues faced by the retail banks in respect to their service or offered product. Besides, the researchers of the paper put their emphasis understanding of both bankers' and customers' perception towards the banking service quality of the retail banks. It helps in identifying where the gap was situated between customer expectation and banking service quality.

## **1.5 Research problem**

Indicating to the research rational and the background of the entire research topic, the research paper focused on some significant research problems in respect to the entire thesis paper

- What is the primary reason behind the perception difference between bankers and consumers?
- What are the core loopholes associated with the industry of banking?
- Are the consumers really satisfied with the service quality provided by the different type of banks?

## **1.6 Research aim**

The aim of the research is to evaluate retail banking service quality of India in respect to the perception of both bankers and customers.

## **1.7 Research objectives**

The research objectives of the entire thesis paper were focused on the Indian banking system along with its significant services and different perceptions of both customers and bankers. The objectives mainly include

- To find out degree of significance related to different dimensions of service quality by the consumers (assurance, reliability, tangibles, responsiveness and empathy)
- To identify the gap between consumer expectation and quality service perception for private, foreign and public banks
- To analyse the comparison of private, foreign and public banks based on the quality service perception and consumer expectation
- To find out the challenges faced by different type of banks in the context of delivering expected service along with the understanding of employee perceptions of public, foreign and private banks.
- To examine the performance of different type of banks in respect to the service quality
- To recommend suggestions for development of the quality bank service within all private, public and foreign banks.

## **1.8 Research questions**

Research questions help the researchers to find out core aspects of the objectives established by the researchers for an entire thesis paper. It also helps the researchers to find out similar information related to the established research objectives which impacts positively on making conclusion. However, the research questions of the paper include

- What is the concept of banking system or industry?

- What is the concept of bank service quality based on different bank profiles?
- What is the degree of significance related to different dimensions of service quality by the consumers? (assurance, reliability, tangibles, responsiveness and empathy)
- Where is the gap between consumer expectation and quality service perception for private, foreign and public banks?
- What are the differences among private, foreign and public banks based on the quality service perception and consumer expectation?
- What are the challenges faced by different types of banks in the context of delivering expected service to the customers?
- What are the perceptions of employees in respect to public, foreign and private banks?
- How the different types of bank performance impact on service quality?
- What are the best ways for development of the quality bank service within all private, public and foreign banks?

## **1.9 Significations of research**

This section of the chapter helps to understand what the significance of the entire research paper is. Besides, it also helps in accumulating the core extracts which can be gathered from the research information related to the topic. It has been seen that the research paper keep its focus on the banking industry of India since its early stage. Therefore, the paper helps to gather knowledge regarding the first establishment of the banking sector within Indian continent along with-it primary service process. The significant stages of banking industry development also can be understood from the study. Apart from this, the paper determined various stages of the Indian banking system through which the banking industry developed its service and products in respect to their customer demand. Therefore, the significance of the research paper also indicates for gathering knowledge about different phases of the Indian banking system. Likewise, it can also be understood how the banking industry of India developed the quality and process of their service since its Independence and present days.

The research paper keeps its focus on the analysis of the bankers and customer perception to understand their expectations. Therefore, the satisfaction level of the

banking employees and customers would be measured from the entire research paper. On the other hand, the study evaluated various products or services offered by the banks which lies on the significance of proper knowledge gathering about different type of service of various banks (Zareian *et al.* 2009). It helps to identify different types of strategies of different banks which they applied for satisfying their customers. On the other side, the determination of the customers' perception towards the banking service quality helps in understanding the significant strength and weaknesses of the different type of banks (Virani Varsha, 2008). The focus on public, private and foreign banks helps the researchers to accumulate data regarding customer dealing and various types of products. It also helps in differentiating between the services provided by the three types of banks. Therefore, the researchers can understand how foreign banks provide their service to their customers to earn their best experience.

On the other side, determination of the bankers' perception helps the researchers to understand how the employees tried to provide their best service to their customers in the context of developing their brand value. Moreover, employee perception helps to understand about their business strategies by which they attract their customers and increase their revenue generation or profit. The study also sheds its light upon the different type of products offered by the different type of banks (Zeithaml *et al.* 1993). By examining the bank products or services the researchers can analyse the demand of different type of products in the financial business market in respect to the customer requirements. Therefore, the study helps in understanding about right product for right market or customer which may improve the financial profitability of the banks.

The research study also keeps its focus on the core reason behind the changing of commercial bank service utilisation into the retail banking service providence. It helps the researchers the advantages of retail banking in the financial market. On the contrary, the rational section highlights some issues of retail banking service along with entire banking industry. Such analysis of the paper helps the researchers to understand about the possible challenges for retail market growth (Zeithaml *et al.* 2008). Therefore, the study can help to build strong business strategies for the bankers in the context of developing the service quality for future. Finally, it has been seen that the entire paper portrayed lots of significance for banking industry development on the basis of both customer and banker perception analysis.

## **1.10 Structure of the dissertation**

**CHAPTER 1: INTRODUCTION**  
**CHAPTER 2: LITERATURE REVIEW**  
**CHAPTER 3: RESEARCH METHODOLOGY**  
**CHAPTER 4: DATA ANALYSIS**  
**CHAPTER 5: FINDINGS, CONCLUSION AND**  
**SUGGESTIONS**

## **1.11 Summary**

Determination of the information mentioned in the above, the chapter summarises about the introductory part of banking service and customer perception which helps to conduct the further study. The information of the chapter helps in summarising about the core reason behind analysis of the research topic. Besides, this chapter also helps the researchers to understand the research problem which need to be determined properly in the next chapters of the thesis paper. In addition to this, the chapter signify main aim of the entire research study which helps the researchers to conduct further research in an effective manner to establish proper conclusion. Core objectives and research questions of the chapter also helps the researchers in summarising about the core contents which needs to be determined in the further research. Moreover, the back ground portion helps in summarising about the core influences for examining banking service quality of Indian banks. On the other side, different type of challenges helps to summarise about different type of perceptions of the customers and bankers both in respect to financial advantages and profitability.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

It is the second chapter of the thesis paper which evaluated lots of significant information related to bank and customer or banker's perception. In this chapter, the researchers were going to focus on the significant concept of entire banking industry or its system along with the bank profiles and service quality. Besides, the chapter also focused on the information determination related to the significant objectives of this thesis paper. Moreover, the section of literature review also highlights the application of significant theories and models associated with the banking service and its system to determine the proper application filed for future growth of the banking industry. Therefore, it can be analysed that the chapter aims to examine different type of data related to the thesis topic for further research by following proper methods and process. However, the chapter mainly highlights different type of issues or gaps between banking system or its service along with the expectation of the customers. On the other side, this portion also sheds its light upon the proper recommendations for future development of banking service quality by following customer or banker perception both.

#### **2.2 Concept of Banking system and industry**

The lifeline of any modern economy is the banking sector or the banking system associated to it. It is considered as one of the most crucial financial pillars related to the economical background in the present context. It is almost impossible to have any development in a country without economic development or financial growth. In a nutshell, it can be said that a country cannot be marked as 'developed' without having proper economic growth. This is the reason why the concept of banking system has been evolved (Mosteanu, 2017). Banking sector plays a vital role to regulate the economy. On the contrary, it can be said that the prime regulatory approach of any country's economy is the core banking system implemented into its financial structure. This is the reason why Banking sector is considered as core financial pillar for the economy of any country. The same is also applicable for Indian economy. This portion

of the study is going to elaborate the concept of Indian banking system and its effective approach to Indian economy.

The financial growth and the regulatory factors associated to the economic background along with all over industrial approach are going to be discussed and analysed gradually. Based on the discussion mentioned above, it can be said that such development of a nation is linked with the development of the financial regulation or banking structure as well. In modern economy, the mobilization of deposits (cash, liquid money etc) and particular disbursement (i.e release of money) of credit for various sectors are monitored through banks. This is the reason why digitalization in banking sector has enhanced such a revolution in Indian economy for procuring better results in this regard (Raut *et al.* 2017). The efficiency and strength of the financial system of a nation is responsible to regulate the entire economy of the country.

After independence, the socio-economic growth of India has been regulated through the banking system. In a nutshell, it can be said that banks play such a vital role for in economic development of India through enhancing proper financial services among the citizen. It has been estimated that more than half of the assets invested in Indian financial sector is regulated through Indian banking system. This is the reason why it can be said that banking systems in India is quite dominant to regulate the entire economy for the nation. Through several financial reforms has been implemented into Indian economy recently (example: digitalization). This sort of changes or modification has also been implemented in banking sector also to upgrade the entire banking system more accessible (Aithal, 2016). Such recent trend of transformation can be considered as an indispensable approach to convert the Indian banking structure into a vibrant, protected, easy and portable system.

These kinds effective, sound financial system will surely play its significant part to boost the Indian economy without create complications as well as burden to the government. According to the recommendation of the Narasimhan Committee, the concerned Indian government announced such suitable reform measures to upgrade the banking sectors of India considering the economic growth of the country. This approach can also be considered as the 'liberalization effect' in Indian economy. Reserve Bank of India and Government of India both collaboratively is willing to bring some changes into the entire banking structure of the nation to bring out the best possible results that will surely enhance the outcome of Indian economy (Mosteanu, 2017). Ensuring price stability in Indian economy is a prime concern which is



monitored and regulated by Reserve Bank of India. In order to ensure the price stability in Indian economy, Reserve Bank of India has proposed some changes into its existing policies to avoid money deficit. Some new policies need to be implemented to enhance the economic growth of the nation.

On the contrary, it can be said that policies or proposed changes are considered 'indispensible' to enhance the effectiveness and efficiency of entire banking system which will surely impact on the entire economy system of the nation. Considering this scenario, it is very important to maintain the progress report or the effectiveness of current banking system of the country in terms of efficiency. By doing this, the scopes of betterment can be traced and the entire Indian economy can be benefited due to adopting such corrective measures. In a nutshell, it can be said that it is quite impossible to have a healthy economy for a nation without having a proper structural system in banking sector. This is also effective and appropriate in case of Indian economy also. This is the reason why the Indian banking system must have to be portable, easily accessible, enabling of quick retrieval. In a word, banking systems must have to be hassle free and freely accessible to the common citizens (Raut *et al.* 2017). It should be able to meet the new challenges in technological aspects also such as implementation of digitalization etc. In the year 1786, bank was established in India for the first time. The ongoing journey of Indian banking system can be address in 3 phases as enlisted below.

- 1786 to 1969- early phase
- Nationalization of particular banks in India
- After 1991, Indian Banking and financial reforms

Phase I, Phase II and Phase III denotes the scenario of such evaluation implemented into the Indian banking system.

***Phase I:***

In the year 1786, the first general bank was established in India. Later, Bank of Bengal was established by British East India Company in the year 1806. Bank of Bombay was established in the year 1840 and Bank of Madras was established in the year 1843. These three banks were formed as independent unit and they are considered as 'presidency bank'. Later, these three banks were merged altogether and formed Imperial Bank of India. Imperial Bank of India was founded in 1921. Allahabad Bank was formed by the Indians in 1865. Punjab National Bank was formed in 1894 and the

headquarters was located in Lahore at that time (Aithal, 2016). In the meantime, Indian Bank, Bank of Baroda, Bank of India, Canara Bank, Bank of Mysore, Central Bank of India was formed in between 1885 and 1913. In order to regulate the activities of these already established banks, Reserve Bank of India was formed in the year 1935.

The approximate growth found at the initial phase after formation of these banks was quite low. Even such periodic failures were also experienced by these banks as reported. Around 1100 banks branches in total were found in India at that time. Considering this scenario, Reserve Bank of India was given supreme power to investigate such issues which were responsible for the failure occurred that time along with the regulatory power to control the banking activities of these banks. Due to having this supreme regulatory authority, Reserve Bank of India is considered as the 'Central Banking Authority' (Aithal, 2016). If compared between postal departments and banking sector, people preferred to avail postal department for saving, deposits and other monetary purpose. Slow deposit mobilization in banking system was the actual reason for such preference.

### ***Phase II:***

It must be mentioned in this relevance while discussing about the concept of such banking systems in India and related financial industry that Indian government had taken vital steps to reform Indian Banking Sector after 1947( Independence of India). These initiatives were implemented gradually. The initial initiatives were taken in the year 1955. It was in the year 1959 when State Bank of India was nationalized. Prime Minister Mrs. Indira Gandhi had taken serious initiatives to nationalize those established banks in India (Abdul-Rahman and Nor, 2017). It was in the year 1969, 14 vital commercial banks were nationalized at that time. In the year 1980, second phase of nationalization of Indian banking reform was initiated. 6 more commercial banks in India were nationalized at that time.

In order to regulate the Banking institution in India, these are the particular steps which are followed by Government of India.

- 1959: Nationalisation of SBI subsidiaries.
- 1961: Insurance cover extended to deposits.
- 1969: Nationalisation of 14 major banks.
- 1949: Enactment of Banking Regulation Act.
- 1975: Creation of regional rural banks.

- 1955: Nationalisation of State Bank of India.
- 1980: Nationalisation of 6 banks with deposits over 200 crores
- 1971: Creation of credit guarantee corporation.

### ***Phase III:***

In this particular phase, several banking products along with relevant banking facilities have been introduced as revolutionary reform approach. Banking liberalization is the 'term' which was considered to be practiced at these phase of banking reforms. Such proposal was implemented through Narasimham committee. Nowadays India is flooded with several foreign banks and their upgraded ATM services. Internet banking and phone banking has been introduced to provide instant services to the customer where much importance is given to time rather than money (Abdul-Rahman and Nor, 2017). In a nutshell, it can be said that client satisfaction has become the ultimate objective. In order to avail best customer service, swift and convenient mechanism in banking system is appreciated. Banking plays an important role in Indian economy. In order to discuss about the same, some information must be enlisted in this relevance. After independence, government of India is quite focused to enhance the economic condition of the nation. In order to do this needful, reforms in banking sector plays a crucial role in this regard. As stated earlier, banking plays a major role to regulate the economy of a nation. It is also considered as one of the regulatory factors to control the current economy of a nation. Considering the same, the roles played by banking sectors (financial sectors) also important to figure it out properly while the entire economy of a country are considered to be analysed. The same is also applicable for India as this country is still considered as a developing nation. In order to have a clear estimation about the same in detail, Industrial policy resolution was framed in the year 1948 (Aithal and Kumar, 2016). This was absolutely focused on the mixed 'nature' of the Indian economy. Later banking regulation act was enacted. It was in the year 1949 when the banking regulation act was enacted and all the other established commercial banks was supposed to be controlled by the regulating authority of Reserve bank of India.

In a nutshell, it can be said that all the banks in this country are responsible to play such a dynamic role for the purpose of the economic development of the country. In the era of Privatization, Globalization and Liberalization, some contributions of these commercial banks for the Indian economic development are enlisted below.

- Promotion in Capital Formation
- Role played as a facilitator for Monetary Policy
- Monetization effect
- Encouragement in Innovation
- Influence the Economic Activity

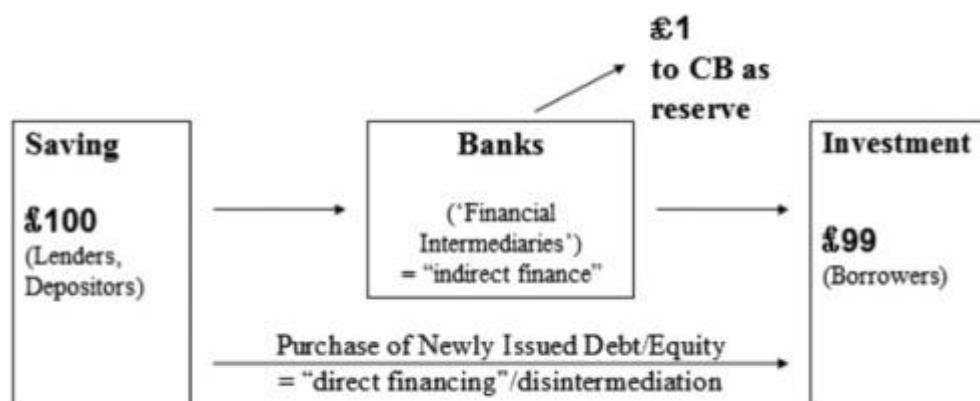
Based on the discussion framed above, it can be said that banking has become an inseparable part in our day-to-day life in terms of savings and proper investment of money as well. Banking has become an indispensable approach not only in our daily activity, but also the importance of effective banking regulates the entire economy for a country individually or as a whole (Aithal and Kumar, 2016).

### 2.3 Theories on banking system or service

This section helps in evaluating the significant theories of banking system or its service quality. The significant theories mainly include

- *Financial intermediation theory of banking*

The financial intermediation theory of banking evaluated that banking organisations are acts as the financial intermediaries which are not different from the non-bank financial organisations. This theory emphasised on the specific services of entire financial institutions including banks (Dzombo *et al.* 2017). Therefore, it can be understood that the theory helps in identifying similarities between non-banking organisations and banking organisations. The theory of banking evaluated below diagram in respect to the banking service



**Figure 2.1: Financial intermediation theory of banking**

(Source: Dzombo *et al.* 2017)

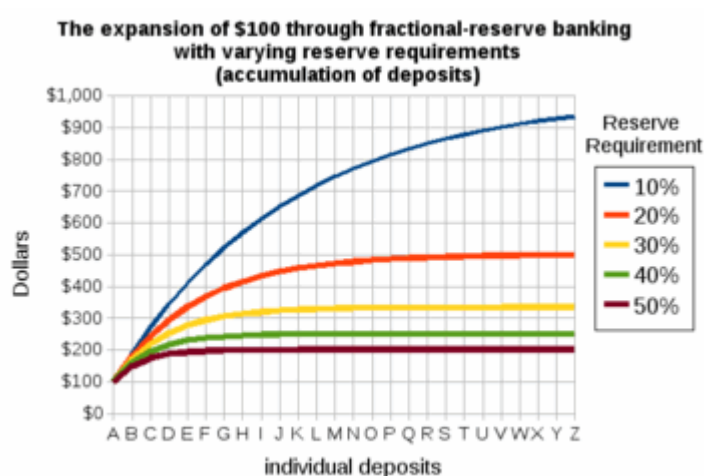
The portrayed picture of the banking theory helps to understand that banks generally created liquidity by borrowing liquid money for short term and lending liquid money for long term. It means the banks borrowed from depositors in respect to the short-term maturities whereas lend for borrowings in respect to longer maturities. Therefore, it can be understood that the theory helps to understand how banks can invest their assets in the context of increasing their savings and profitability (Dzombo *et al.* 2017). As a result, banks can also develop their service quality for their customers by improving their liquid stock which helps in conducting financial transactions. Moreover, the researchers also understood by applying the concept of the theory in improving banking service, the core reason behind incorporate bank failure can be determined.

Besides, it also helps in identifying the proper operational process for improving economic policies. In addition to this, the application of the banking theory helps the researchers to apply the concept of indirect finance within financial intermediaries. Therefore, a banking organisation can understand how bank utilise the money of the depositors as investment for rolling the money in the context of making profit (Spearman and Vivian, 2016). Therefore, it is understood that by applying the concept of the theory Indian banks can invest their money to domestic improvement through lending from the international banks.

- ***The older fractional reserve theory of banking***

This theory evaluates that every individual bank is an intermediary of finance without the power for creating money. On the contrary, the banking system is able to create capital or money through multiple deposit expansion process. Therefore, it can be understood that individual banks are unable to create money where as the entire banking system is able to create money. It means all banking organisation need to follow the banking system properly to sharpen their service for creating profitable money (Jayasekara *et al.* 2018). The theory also evaluated that fractional reserve system is a specific process by which only a bank deposit fraction was backed by the actual cash on hand along with the cash available for withdrawal. Therefore, it is understood that such kind of service or system of the bans allow them to credit money to people which represents immediate liquidity to depositors.

The theory also evaluated that fractional reserve also helps a banking organisation for providing long term loans to the customers which would act financial intermediaries for the particular funds. Therefore, it was understood that by applying the concept of this theory the bankers can develop their money lending service for the consumers in long term basis. The long-term lending money also helps the bankers to make profit by increasing financial intermediaries based on the lending funds (Huber, 2017). Therefore, it was also understood that by applying the concept of this theory in banking system, the banking organisations can earn best customer experience along with the profitability for near future.



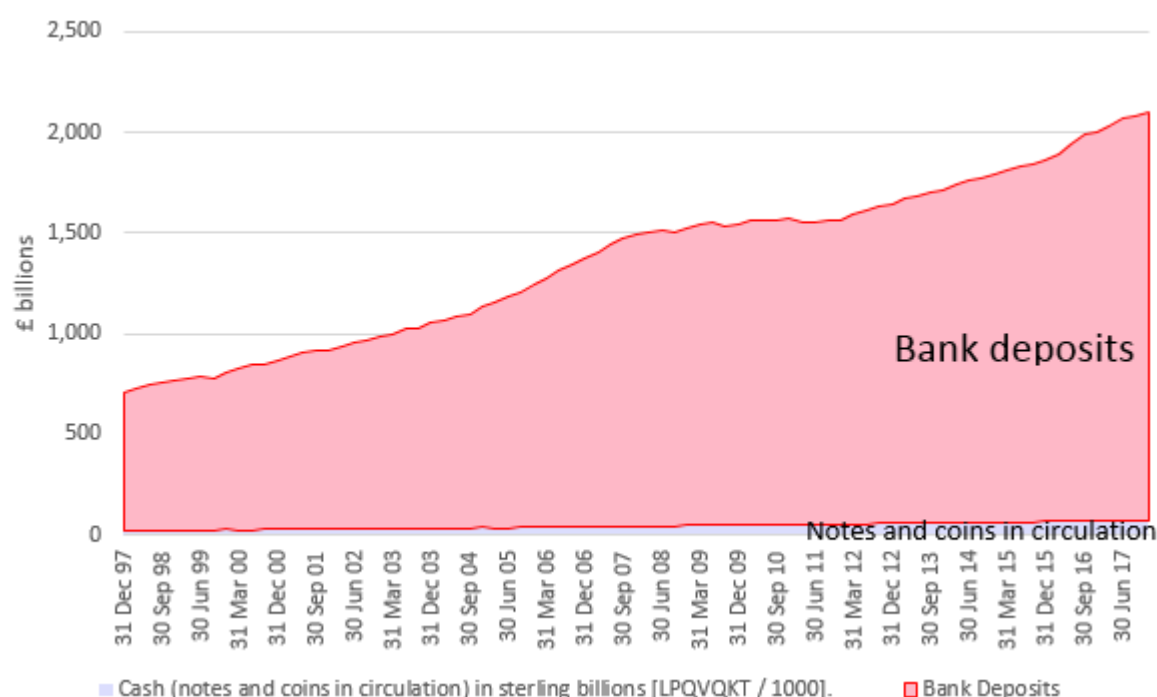
**Figure 2.2: Older fractional reserve theory of banking**

(Source: Huber, 2017)

The above-mentioned picture evaluates the fractional reserve banking process of \$ 100 in respect to the different reserve requirements. By determining the different reserve requirements portrayed in the picture, it was understood that the less amount of an individual deposit for long term process holds maximum number of profit for the banks. Therefore, it can be understood that the banking organisations can improve their money lending service to the customers only then when they collect individual deposit for long term (Jayasekara *et al.* 2018). Likewise, it can also be understood that by applying the concept of this theory the researchers can develop new economic policies for government in respect to individual deposit.

- ***Credit creation theory of banking***

The banking theory of credit creation evaluated that individual bank can create money whereas the banks did not solely lend out the deposits which were provided by the customers to the banks. Moreover, the theory also evaluated that the ability of a bank is to create new money that was referred to as the credit money and it also act as the consequence of range factors. Credit money is the creation credit by the commercial banks along with its limitation (Campiglio, 2016). Therefore, it can be understood that credits can be created by purchasing securities along with advancing loans. Moreover, the theory also supports lending money to the individuals in respect to the business deposits accepted by the people. Such concept helps the banking organisations to accumulate the new process for creating money especially for the commercial banks. In addition to the information mentioned in the above, the theory also evaluates that the repayment of the existing debts may destroys money because of bank loan reducing consequences along with customer deposit (Bezemer, 2016). Besides, the theory indicates that account of records within the financial system enable banking organisations for creating the fiction which a borrower deposited.



**Figure 2.3: Credit creation theory of banking**

(Source: Stiglitz, 2017)

The above-mentioned graph of a bank evaluates the ratio of bank deposit which can be utilised as the credit amount for public or consumers. The concept of the theory helps banks to apply the significant process for creating money through the utilisation of public credit. Therefore, it can be understood that the theory concept helps researchers to understand how the banks can create money from the credit loans to the public. The theory concept would be appropriate for the commercial banks mostly as it depends on the credit money which is the core role of commercial banks (Stiglitz, 2017). Therefore, it can be understood that the theory helps commercial banks to improve their service or process quality for lending money to the customers in the context of creating money from the credit amounts.

## **2.4 Models on banking system or service**

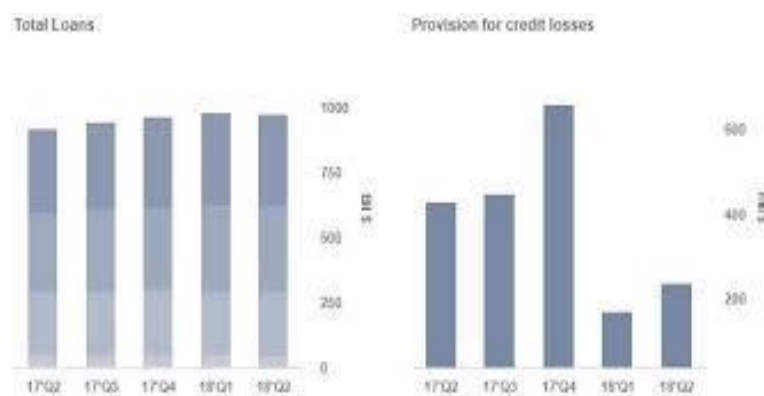
Successful banking is considered as the collaborative approach of doing a lot of smaller implementation effectively. Providing excellent customer service, proper advertisement of banking products (marketing management), profitable customer management are considered as some of the initial concern which must be handled effectively in order to sustain in contemporary competitive business environment. In order to accomplish all the necessary attributes to provide excellent banking experience to its valuable customers, it is important to follow particular specified models on banking system. While discussing about the business model in banking system, it must be stated that all the commercial banks are generally categorized into any of the five selected business model. This classification is structured depending on the particular challenges or strength of the bank. This portion of the study is going to discuss about the three business models out of the five particular business models of banking in this relevance.

- ***Loans drive profits***

Generally, banks know their weaknesses and strength. Considering their attributes, selection of particular business model is chosen in order to amplify the environment and the core competencies. This business model is immensely popular particularly for the community banks. Such banks are characterized by high rate of gross loans and increased net interest income to entire assets (Borio *et al.* 2017). Average marginal rate is another characteristic of this business model of banking. It has been found that these kinds of banks are more asset sensitive as compared to other types of other categories. Due to this feature, earnings are mostly stable. Additionally, it must be



included that such banks which are categorized into this business model are usually effective to gathering deposits and loan procurement.



**Figure 2.4: Loans drive profits**

(Source: Lee and Isa, 2017)

Considering all the attributes, some private banks which are successfully operating in India has adopted this business model of banking into their organizational structure in order to procure the best ever results possible along with assuring client satisfaction.

- ***Fee drives profits***

Out of five business models of banking, this one is considered as one of the most suitable and recommended business models. This model is suitable to outperform in approximately all business environment. Payment related banking, insurance is categorized into this kind of business model for banking (Lee and Shin, 2018). Operation risk is considered as one of the vital concerns while this business model is chosen to enhance banking service. Limited credit exposure is another concern which is traced in this business model.



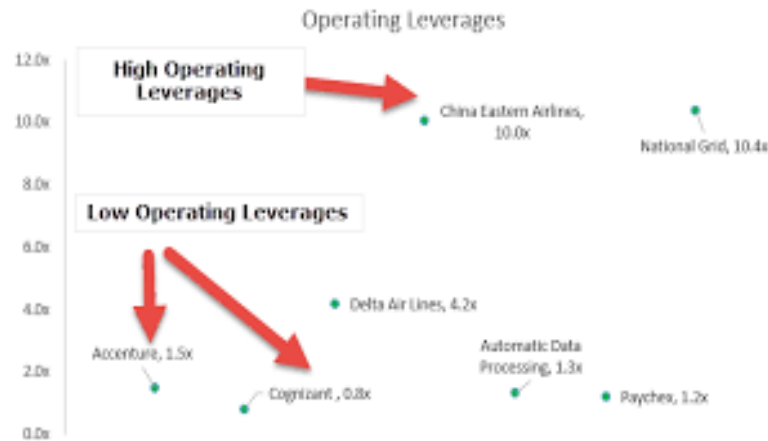
**Figure 2.5: Five different types of drivers**

(Source: Begenau and Landvoigt, 2018)

Considering all these attributes, this business model is immensely popular among some nationalized banking service providing organization in India. Apart from that, this model has been adopted among the various financial services providing organization apart from banking service provider. Various insurance companies have also implemented this business model into their organizational structure to provide excellent customer service along with securing their organizational needs in terms of revenue.

- ***Low leverage / high margin***

The banks which choose such business model for banking are selective to opt particularly single loan category. Credit cards, student loans are some of these arenas which are considered to be applicable into these categories. Actually, these are some particular category where profit can be obtained through margin (Rannenberg, 2016). Most of the commercial banks adopt this business model for banking due to higher net interest of margins, lower leverage etc. In this case, Liquidity is generally kept high (increased in nature) as counter balance to credit. Considering this attribute, such banks generally have an updated advanced credit model for allowing both sales/ marketing arbitrage and credit as well.



**Figure 2.6: Operating leverages**

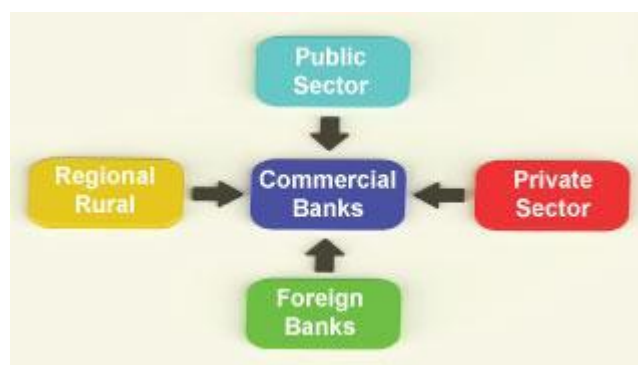
(Source: Islam *et al.* 2017)

The banks which adopt this business model for banking generally outperform in all business environment. Due to this dynamic nature, this business model for banking is quite popular in some renowned banking service providing organization in India. While discussing about suitable business models of banking, effectiveness is another concern that needs to keep in mind before choosing suitable business model for a particular banking organization or financial service providing companies. In a nutshell, it can be state that enhancing effective banking experience is the ultimate organizational objective that must be taken care of. In order to discuss about the same, certain additional attributes must be considered as ‘add on’ feature in this context (Islam *et al.* 2017).

It has been figured out that most of the banks which are successfully operating in India are hybrid in nature and they are intended to drive profits applying many ways apart from the specified applicable methods categorized in business model for banking. There are certain utility or advantages of having a suitable business model for a particular bank. On the contrary, it can be said that a particular bank must rely on a specific business model for the further expansion of its business (Rannenberg, 2016). Having a suitable business model for a particular bank allows the management authority to focus on the banking resources which may need to be improved over time to provide better service to its valuable client in every possible way.

## 2.5 Concept of banking service quality based on bank profiles

As earlier stated, banking plays such a significant role for the economic development of the country. Considering this fact, Indian banking system is considered as the backbone of the entire Indian economy. Precisely, it can be said that commercial banks are collaboratively considered as 'driving force' of the development of Indian economy. This portion of the study is going to emphasize on the concept of banking service quality provided in India based on the bank profiles (Žliobaitė *et al.* 2016). Apart from that, unsecured and secured loans can also be availed from these commercial banks. Such Indian commercial banks either may run as a private sector or these banks may be owned by the government. These commercial banks are categorized as enlisted below and the 'service quality' provided by all these banks are going to be discussed in this portion of the study one by one.



**Figure 2.7: Different banking sector**

(Source: Žliobaitė *et al.* 2016)

- **Public sector banks**

It has been estimated that Government of India has major stake in Public sector banks currently operating in India. These banks are inclined to emphasize on various social activities rather than ensuring the banking profitability. Public sector banks play a significant role in providing lending. In a nutshell, it can be said that 'lending/ providing loans to the priority sector is the main purpose which is included in the core 'service quality' provided by public sector banks in India (Baghla and Garai, 2016). Apart from that, public sector banks provide lending facilities to the small-scale industries, small business initiatives. Lending facilities are also provided for the development of agriculture industry or overall agricultural sector. In this relevance, some information must be included in this regard such as 27 public sector banks in India have been nationalized till today.

The concerned government of India had taken such initiatives to nationalize all these banks in order to protect the interest of major population of the country. The prime banking categories that belong to public sector banks are classified as mentioned below.

### **1. *SBI and Associates:***

State Bank of India is considered as the largest bank currently operating in India due to its expansion and immense popularity among the masses. SBI is India based financial service providing multinational company. This bank is entirely owned by the government of India. It has five associates' banks which are also currently operative all over India. These associates' banks are also termed as SBI (Baghla and Garai, 2016). SBI associate's banks are namely, State Bank of Patiala, State Bank of Hyderabad, State Bank of Travancore, State Bank of Mysore, State Bank of Bikaner & Jaipur. Public 'money deposits' is one of the prime features that is performed by all these banks belong to such category.

### **2. *Other Public sector banks***

The total number of 'other public sector banks' belong to this category is mainly two. Bharatiya Mahila Bank is included under this category. The latter is IDBI. As stated earlier, the most important role played by these banks are lending or providing loans (Rabbani *et al.* 2016). Apart from that, banks belong to this category also deals with 'public money deposit'.

### **3. *Some nationalized banks***

This portion of the study is going to discuss about the 'service quality' provided by the nationalized banks currently operating in India. There are 19 nationalized banks currently operating all over India. Undoubtedly, the activities performed by these banks optimize the development of Indian economy. The banking roles played by the nationalized banks are inclined to deal with public deposits. It starts from opening individual bank accounts to providing loans to individual as per their requirement based on the rules and regulations specified by the Reserve bank of India. Nationalized banks provide loans to small business initiatives, small scale industries, agriculture industry etc (Paul *et al.* 2016). In order to make this discussion a little specific, the names of those banks belong to nationalized category must be enlisted. They are; Punjab National Banks, Bank of Baroda, Bank of India, Canara Bank, Union Bank of India, United Bank of India, UCO bank, Dena bank, IOB, Bank of Maharashtra,

Allahabad Bank, Syndicate Bank, Central Bank of India, Indian Bank, Oriental Bank of Commerce, Vijaya Bank, Andhra Bank, Punjab and Sind Bank, Corporation bank. All these banks are inclined to enhance their 'service quality' based on the public interest of Indian Citizen. In a nutshell, it can be said that customer-centric banking services are provided through this public sector banks currently operating in India. Due to this, these banks need to be customer friendly in nature (Ali and Ratwani, 2017). With the advent of technology or introduction of digitalization in banking sector, all these banks have adopted E banking approach. Customers can avail internet banking, e banking and phone banking in a customized way in order to avail banking experience as per their requirements.

- **Private sector banks**

It must be mentioned in this relevance while discussing about the concept of banking 'service quality' provided by Private sectors banks currently operating in India, that the majority of the ownership of Private banks in our country is held by absolutely private shareholders and not by the government of India. Private sector banks are controlled, managed and of course owned by private promoters. According to market forces, such banks belong to this category is operated. Private Banks also deal with the 'public money deposits' (Manoj, 2016). These banks also provide loans or lending loans to the customers as per their requirement and priority as well, depending on specified banking guidelines (rules and regulations). Banks belongs to private sector banking genre in Indian banking industry is bound to abide by the rules and regulations instructed by Reserve bank of India.

In a nutshell, it can be said that private banks also need to follow the customer friendly approach as these banks also deals with public money deposit. More customized and advanced digitized banking experience is availed through private sector banks in India than the public banks operating in this country till to-date.

- **Foreign Bank**

Foreign banks only have branches in our country. The head office and registered office of all the foreign banks are located in foreign country. The 'service quality' provided by these foreign banks are much groomed as compared to the several public and private sectors banks operating in this country. Customer friendly approach is their main USP for further expansion in India. Apart from that, customized service offering to the valuable customers and advanced digitalized online banking platform enhances the service quality provided by all the foreign banks operating in India (Iberahim *et al.*

2016). It has been found that corporate segment is the core genre where the most activities of the foreign banks are inclined to. The foreign banks operating in India offer banking products such as credit cards, automobile finance, house hold customer finance, home loans etc. The operational guidelines of all the foreign banks currently operating in India are also regulated by Reserve of India up to such extent.

- **Regional Rural Banks**

Regional rural banks were established in the year 1975 to serve the various rural regions of the country by providing financial and banking services. Banks belongs to this category support marginal farmers through extending credit to them in the rural region of the country. This same is also applicable for the small farmers who are involved in different kinds of agricultural activities in such rural part of the country. Regional rural bank caters credits to agricultural labours, small entrepreneurs, artisans as per their requirements for the further development in their productivity. Rural banks mainly provide services to the rural parts of the country. Still many regional rural banks may have some branches in the urban areas also to cater their service in the urban area (Iberahim *et al.* 2016). Banks belongs to these categories is also termed as Grameen bank. While discussing about the service quality provided by the regional rural banks (Grameen bank) all over the country, customer-friendly is the term which comes first.

Mostly, the regional rural bank employees' deal with the people belongs to grass-root level. Due to this, the employees need to be very understanding and empathetic to the wants and needs of the end customers and provide banking service accordingly. Most employees of any regional rural banks need to be proficient in local languages where they are posted to provide banking services. This also helps to enhance the relationship between the bank employees and the valuable customers (Iberahim *et al.* 2016). Such improvement in customer relationship enhances customer loyalty which leads to customer satisfaction. In a nutshell, it can be said that banking service quality of regional rural banks can be improved by providing services maintaining 'customer friendly' approach.

Apart from these four categories of commercial banks enlisted in the Indian banking sector as discussed above, a brief discussion should be depicted on the following categories mentioned below.

### ➤ **Cooperative Bank**

Cooperative Banks belongs to kind of Private sector banks currently operating in India. Cooperative banks are also considered as mutual savings banks. This bank provides credit at a low rate of interest to its members. Precisely, it can be said that any cooperative bank is a voluntary association of its own members for the fulfilment of the purpose of self-help. Apart from that, cooperative banks provide loans to the members associated to it as per their financial requirements. While discussing about the banking service quality based on the bank profiles, the various categories of cooperative bank must be enlisted in this relevance (Ali and Ratwani, 2017). They are classified as Central Co-operative Banks, Primary Agricultural Credit Societies and State Co-operative Banks. The entire financial catering (loan providing) process is based on mutual basis.

It has been observed that various Cooperative bank operative banks in India tends to make mortgage, accept public deposits of its members and sanction loans to the members associated with it. Cooperative banks in India are also an important source for agricultural financing. In order to enhance the service quality of cooperative banks in India, reserve bank of India provides medium- and short-term loans to these banks so that uninterrupted cooperative banking service can be provided (Ali and Ratwani, 2017). Apart from that, Cooperative banks are also subjected to be controlled and monitored according to the specific guidelines and regulations furnished by Reserve bank of India.

### ➤ **Retail Banks**

In order to discuss about the banking service quality, retail bank is the banking category that comes next. Every individual Indian customer can avail various kinds of banking services from the various retail banks operating in India. Recurring, fixed deposits, savings account, unsecured and secured loans are some sort of banking services those can be availed from retail banking services. Apart from that, cheque facilities, savings accounting, safe deposit boxes, certificates of deposits, mortgages, personal credits, car loans, customer loans are such banking products and services which are provided by retail banking in India to its valuable customers. In this relevance, it must be included that all the retail banks operating in India are bound to abide by the rules and regulations specified by the Reserve Bank of India (Rabbani *et al.* 2016). Additionally, it must be mentioned that the activities of all the Indian retail



banks are controlled and monitored by the Reserve Bank of India. Based on the services provided by retail banks in India, they are classified into following categories as enlisted accordingly. Such as; postal savings banks, Savings bank, land development banks, Export-import banks, community development banks etc.

#### ➤ **Industrial Banks**

Industrial banks are founded to promote such industrial development of the country. In order to discuss about the banking service quality of Industrial bank, this portion of the study is going to address some relevant points in this relevance. These banks provide loans to the long term and medium-term basis to the industrial sectors for its further industrial development. Generally, all the industrial banks support the industrial growth by preparing necessary project reports, rendering managerial services, proper project identification, providing technical advice etc. ICICI (Industrial Credit and Investment Corporation of India Ltd), IFI (Industrial Finance Corporation of India) are renowned industrial banks belong to the private bank category which provides banking services all over India (Manoj, 2016). Based on the discussion furnished above, it can be said that all the banks currently operating in India is performing various roles to contribute in the economic development of the nation. In a nutshell, it can be summarized such as; the development of our country is next to impossible without having proper banking system as a ‘backbone’ to economic infrastructure of the country.

## **2.6 Theories on consumer perception or expectation**

The theory of consumer perception mainly aims to analyse the behaviour of the customers along with their motivation or expectation in respect to the buying of any product or service. Mostly the retailers utilized such kind of theories within their business to understand the consumer wants and needs properly for meeting their demands. As now commercial banks are changing their service into retail banking in respect to meet the perception of the consumers, the bankers must focus on the analysis of customer behaviour. The behaviour or perception of the consumers can be determined through below mentioned theories properly

- ***Expectation confirmation theory***

Expectation confirmation theory is recognised as the cognitive theory which aims to determine post adoption and post purchase satisfaction as the expectation functions

along with disconfirmation of beliefs and perceived performance. The theory generally helps in understanding customer preferences after purchasing any product or service by proper analysis (Osei *et al.* 2016). However, the core concept of the four elements is mentioned in the below

➤ ***Expectations***

Expectation mainly refers to the characteristics which an individual predicts in respect to any product or service. As per the theory, expectation of a person influences both disconfirmation of beliefs and perception performance. Pre purchase expectation and post purchase satisfaction must be measured by the organisations in respect to their product or service (Osei *et al.* 2016).

➤ ***Perceived performance***

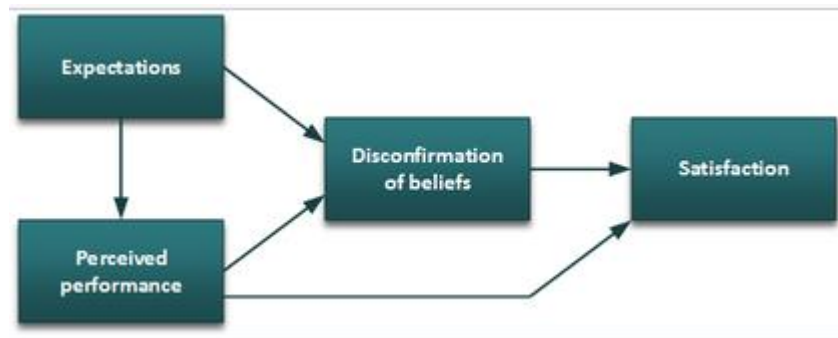
The perceived performance mainly refers to the perceptions of an individual in respect to the actual performance of any product or service. As per the concept of expectation confirmation theory, perceived performances were directly influenced by the pre adoption expectation and pre purchase expectation. Perceived performance is also posited for indirectly influence post adoption and post purchase satisfaction by the ways of mediational relationship through the construction of disconfirmation (Ltifi *et al.* 2016).

➤ ***Disconfirmation of beliefs***

Disconfirmation model of beliefs generally refer to the evaluation and judgement that an individual made in respect to a product and service. These judgment and evaluation were made on the basis of original characteristics and expectations of the product and service.

➤ ***Satisfaction***

Post purchase and post adoption satisfaction stands for the pleasing moment of an individual after purchasing any product and service. It helps to understand that the customer feels good or not after purchasing the product or service in respect to the meeting of requirements.



**Figure 2.8: Expectation confirmation theory**

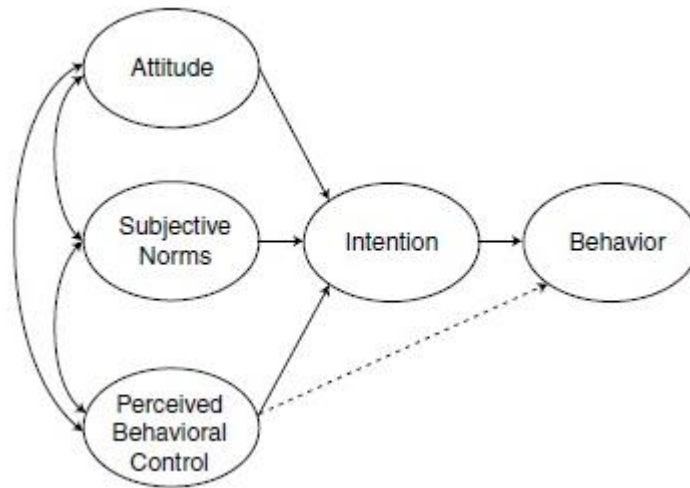
(Source: Dwivedi *et al.* 2016)

Based on the mentioned aspects and picture in the above, it can be understood that by applying the concept of the theory the bankers can measure expectation level of the customers. It helps the researchers to identify what kind of factors can influence the satisfaction level of the customers in respect to any financial product or service. Besides, by applying the theory concepts bankers also can change theory perception related to their existing banking service by measuring the expectation of their customers in against of theory banking product and service (Dwivedi *et al.* 2016). Therefore, it can be understood that the theory mainly helps in improving customer satisfaction level by developing banking service quality.

- ***Theory of planned behaviour***

The theory of planned behaviour deals with the intentions of the individual towards their behaviour. The theory helps to understand about the entire psychology of an individual which may shape the behaviour and behavioural intention of the particular individual together. The theory helps to determine perceived behavioural control of an individual through its significant variables (Farah, 2017). The theory emphasised on some significant key concepts such as

- Subjective norms and normative control
- Perceived behavioural control and beliefs control
- Behaviour and behavioural intention
- Operational comparison and conceptual



**Figure 2.9: Theory of planned behaviour**

(Source: Khasawneh and Irshaidat, 2017)

Based on the mentioned picture in the above, it can be understood that how a behaviour of an individual can be measured through various factors. On the other hand, the theory also helps in understanding by influencing the psychological factors of an individual the behaviour of the person can be influenced and control in respect to any product or service. Therefore, it was understood that by applying the theoretical concept, bankers can understand different type of behaviour or behavioural intention of their customers (Khasawneh and Irshaidat, 2017). It helps to present service or products in front of the customers by characterising their intentions and behaviour. Therefore, it was understood that the theory concept helps bankers to develop theory way of customer control by satisfying their psychological demand from the banking organisations.

- ***Consumer choice theory***

The theory of consumer choice helps to understand the preferences of consumer expenditure along with consumer demand curves. The theory mainly determines the decision of the consumers which they made at the time of purchasing any goods or products. Therefore, it can be understood that the theory helps the researchers to understand how the customers decide their choice in respect to any product or service purchasing (Dwivedi *et al.* 2016). The theory evaluated three types of aspects which influence the consumers to decide their choice for buying and the three aspects are common human nature. The aspects are

- Happiness assumption
- Satisfaction assumption
- Consumption

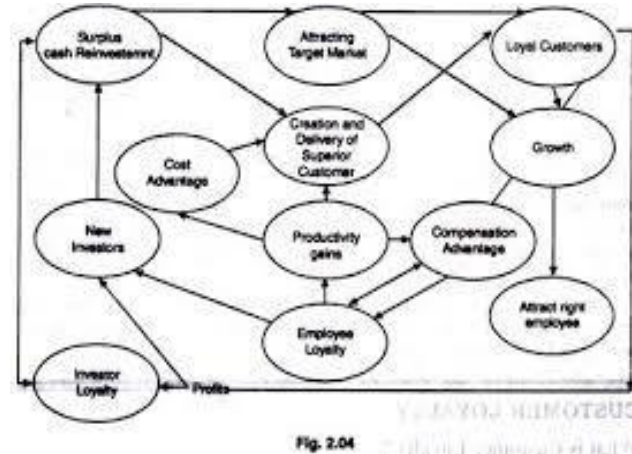
Based on the mentioned aspects of human nature, it can be understood that the decision of the consumers was based on their happiness and satisfaction mainly. On the contrary, consumption also plays a significant role in influencing consumer decision. As an example, if a customer buys one product and get satisfaction, he or she will buy another one but it not will be able to happy the customer like first time as he or she knows its quality. Therefore, there is a chance for the business developer to catch the attraction of the customers towards new products for giving them more happiness and satisfaction. Therefore, it can be understood that by applying the theory concept the bankers can approach new products or financial services to their consumers (Nguyen *et al.* 2018). Apart from this, the theory helps bankers to measure customers' happiness and satisfaction level which helps to make the banking organisations able for introducing new financial service with great quality as per customer requirements. Besides, the entire theory concept helps researchers to understand how the buying decision of the consumers can be influenced through proper approaching for new service in respect to their preferences.

## **2.7 Models on consumer perception or expectation**

In order to discuss such customer expectation towards banking service, some important 'wants and needs' of the valuable customer must be enlisted in this relevance. Earlier, this study has emphasized on several approaches related to best banking experience. Considering all these, it can be said that customers are willing to grab the best ever financial products offered by the bank with minimal terms and conditions. Customers simply want to avail 'error free' services with quick retrieval approach (Chai *et al.* 2016). In a nutshell, it can be said that customer's need include 24\*7 banking service throughout. With the advent of technology, conventional banking system is upgraded to e banking. This is the reason why customers are acquainted with the phone banking, e banking, net banking etc and wants to avail banking facility seamlessly. Such expectations of the valuable customers towards banking service can be categorized and analysed with the help of pre-defined model.

- **Loyalty business model**

It is considered as one of the best business models which is used to frame strategic management. According to this model, company resources (banking product/ banking resources) are utilized to increase the customer loyalty along with securing the ultimate corporate objective (Alnaser *et al.* 2017).



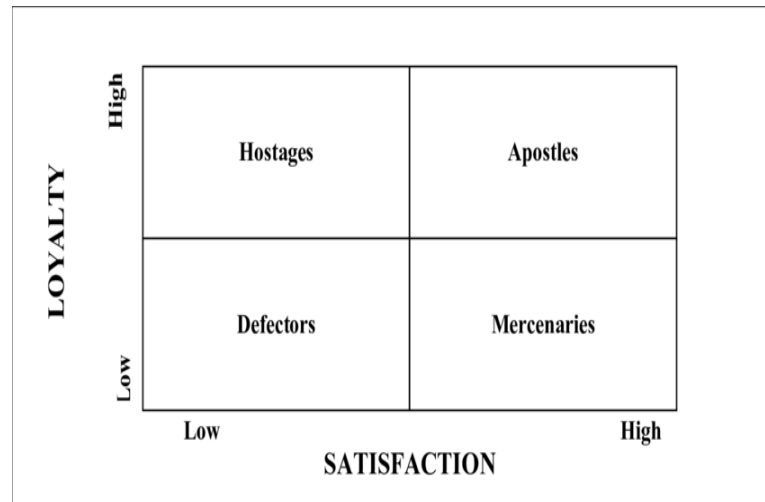
**Figure 2.10: loyalty business model**

(Source: Jiang and Zhang, 2016)

In a nutshell, it can be said that ‘customer loyalty’ is prioritized in this business model through which expectations of the customer towards banking system is clearly addressed.

- **Apostle model**

This model is also associated to the customer loyalty. With the help of Apostle Model, customer satisfaction is also addressed in elaborative manner. According to recent economic report of the nation, Indian Banking industry is also facing various challenges as compared to other financial service providing non-financial companies operating presently in India (Ampaw *et al.* 2019).



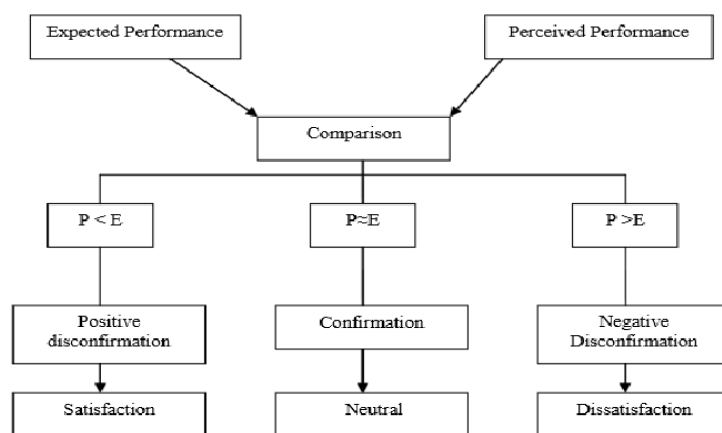
**Figure 2.11: Apostle Model**

(Source: Wibisono, 2018)

This is the reason why customer satisfaction towards banking service, brand etc is needs to be estimated. Apostle model is considered as an effective approach to figure out the satisfaction of the valuable customers towards banking services and various financial products as well.

- **Disconfirmation model of customer satisfaction**

Disconfirmation model of customer satisfaction evaluates the consumers satisfaction along with the initial perception of the customers towards getting a service and the actual service they are provided. This model analyses the customer satisfaction towards banking service based on their perception and ‘wants and needs’ towards availing the banking service on the present context (Shen *et al.* 2018).



**Figure 2.12: Disconfirmation model of customer satisfaction**

(Source: Hsu *et al.* 2016)

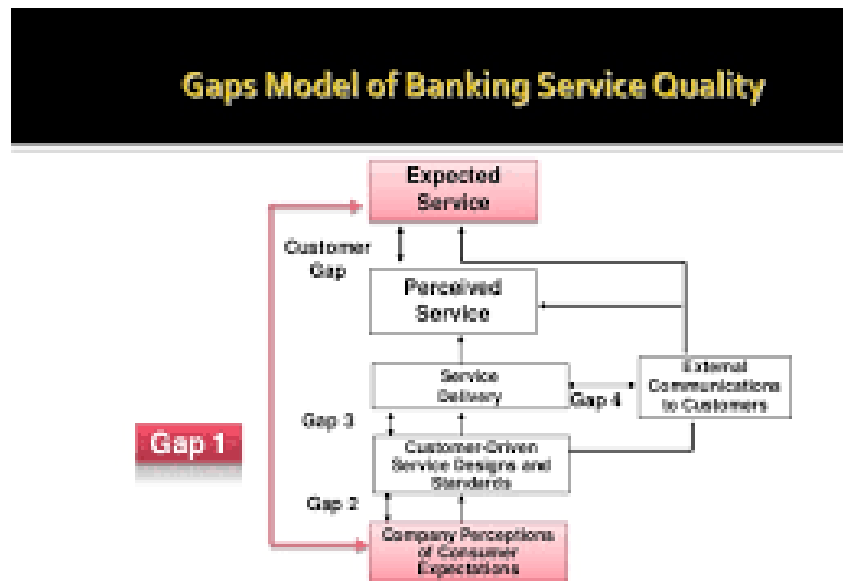
This model analyses the customer satisfaction towards banking service based on their perception and ‘wants and needs’ towards availing the banking service on the present context.

- **Customer experience gap model**

Customer experience gap model is used to determine the satisfaction of the valuable customers towards availing a service. Precisely, Customer experience gap model is considered as a parameter to estimate the satisfaction level of the customer towards availing a service based on their expectation and requirements as well. Earlier, it has been enlisted that customers are willing to avail banking service with ‘quick retrieval’ approach. Unfortunately, sometimes they are unable to avail banking service as quick responsive they wish to avail. In such cases, customer dissatisfaction is addressed (Halvorsrud *et al.* 2016). With the advent of technology, phone banking, e banking, net banking are quite common terms associated to banking industry. In some cases, customers failed to availed 24\*7 banking experience according to their need due to lack of technological availability. This kind of mismanagement mainly occurs in rural areas. Apart from that, another gap that may arise in case of availing banking service is language gap.

This kind of issue is also addressed maximum in the rural region of the country where bankers are not proficient with the local languages of that place. This may create communication gap among the valuable customers and the bankers. Due to this, sometimes bankers failed to understand the requirements of the valuable customers and failed to provide smooth banking service according to their need. This miscommunication leads to the mismanagement to provide seamless banking services throughout. These are considered some common scenario occurred in banking service due to which non-cooperation among the valuable clients originated (Lemon and Verhoef, 2016). On the contrary, such mismanagement and non-cooperation among the customers creates gap between the bankers and the customers, resulting interrupted banking services in many cases.





**Figure 2.13: Customer experience gap model**

(Source: Lemon and Verhoef, 2016)

This model is appropriate to understand such client satisfaction towards getting proper banking service in recent competitive market scenario. Generally, this model helps to evaluate the gap between the services availed and the service expected.

## 2.8 Degree of importance attached to various dimensions of service quality

Improvement in service quality enhances the overall productivity obtained through the entire banking system currently operating in India. It has already been revealed in another section of this study how banking industry enriches the entire economic growth of the nation. In a nutshell, it can be said that banking industry presently operating in India has a sincere contribution to the development of the economic growth of the nation. This is the reason why service quality provided in the present banking system operating in India should be enhanced. Banking products include credit product, deposit product and several customized banking services (Ali and Raza, 2017). In order to sustain in the recent competitive market, banks are needed to focus on for the development of the service quality that they are providing for the valuable customers. According to the recent banking pattern currently operating in India, customization of banking services are introduced. Customers can avail banking service in digitalized mode.

In a nutshell, it can be said that customers can avail seamless banking service whenever they want to avail or wherever they want to avail banking service with the advent of technology. Phone banking, e banking, net banking is some extensively used banking trends through which people generally wants to avail seamless banking across the country (Al-dweeri *et al.* 2017). In order to provide such advanced banking services for the welfare of the customers, service quality must be enhanced. In this portion of this study such degree of importance attached to various dimensions of service quality provided in the banking sector is going to be analysed. The term ‘Quality’ is considered as a concept. Both the banking products and the banking services can be enhanced in terms of quality.

Better quality of banking services leads to customer satisfaction. Similarly, an affordable and customized banking product which is able to serve the purpose according to the need of the valuable customer enhances customer satisfaction. In a nutshell, it can be said that service quality stimulates customer satisfaction. On the contrary, it can be said that customer satisfaction is regulated through the quality of services provided by the banking system. In order to address the degree of importance attached to the various dimensions of service quality provided in the banking sectors operating in India, SERVQUAL measure can be applied (Kasiri *et al.* 2017). Through these approaches five dimensions of service quality provided in the banking sector operating in India can be measured with analytical approach. These five dimensions are classified as

- **Responsiveness**

It is considered as one of the prime attributes that should be provided while better banking services is offered to the valuable customers. With the advent of technology, customers are willing to avail ‘quick responsive’ action from the bankers while they are willing to buy any kind of banking service. In a nutshell, it can be said that ‘quick responsive approach’ is another trend that present banking system is inclined to provide to the valuable customers and clients are also fond to avail this approach in banking services (Dabestani *et al.* 2016). According to various researches, lack of responsiveness has been estimated mainly in the bank branches located in the rural area of the country. This is due to low employment of bankers in banks located in the rural area as compared to the urban region of the country.

Due to this, the bankers are needed to handle more pressure for not having sufficient manpower in the workplace and they are unable to provide sufficient ‘care’ to individual customer even though they want to. In some cases, customer dissatisfaction arises due to not getting proper attention from the bankers. Unable to be responsive to the calls of the valuable customers is also considered as a red alert in terms of providing ‘quality’ banking service. Customers expectation gets affected due to getting unresponsive approach from the bankers and sometimes the desired service also get delayed (Dabestani *et al.* 2016). In a nutshell, it can be said that ‘responsiveness’ stimulates the service quality provided through the banking sector. On the contrary, it can be said that responsiveness is considered as one of the core attributes which enhances customer satisfaction.

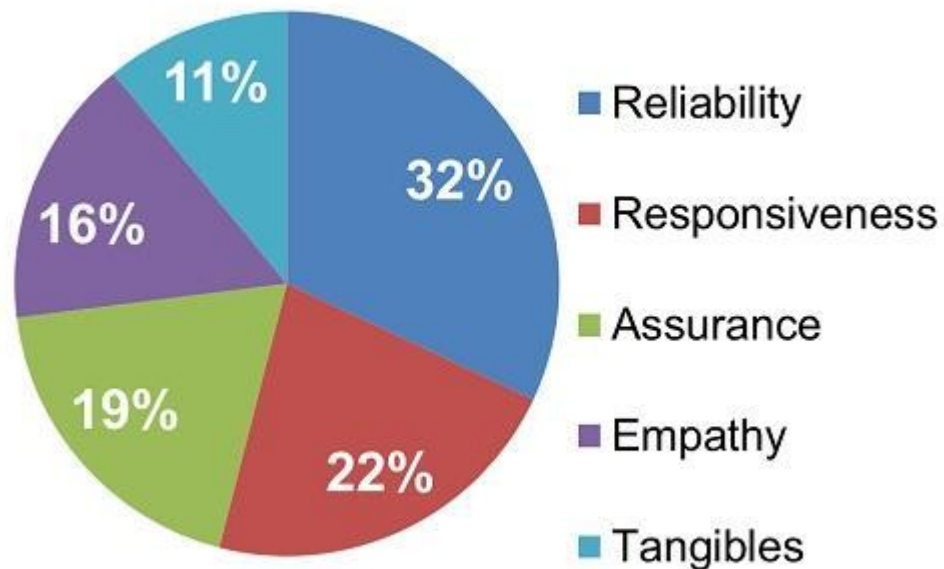
- **Reliability**

In order to discuss about the degree of importance attached to various dimensions of service quality. Reliability is the next ‘term’ which is going to be analysed in this portion of this study. In order to sustain in recent competitive market, it is important to keep promise of the assured services. Services must be provided accurately in order to sustain in present competitive scenario. This same is also applicable in the case of the banking industry for providing banking services to its valuable customer also (Felix, 2017). While discussing about ‘reliability’ in terms of banking service, some information must be enlisted in this regard. Customers tend to shift to another bank if they are unable to receive the ‘promised service’ accurately.

In a nutshell, it can be said that customer loyalty gets dismissed if reliability violated from the banker’s side or banking service is delayed. Due to this, it can be said that time is considered as a crucial factor in such cases. A minimal number of reliability issues is traced in the bank branches located in the urban region of the country. On the contrary, a large number of reliability issues is estimated in the bank branches located in the rural part of the nation due to having a lack of manpower (low employment in the banking sector) working in the workplace (Felix, 2017). Due to this, availing banking service is time taking in some cases and comparatively lesser number of bank employees are bound to handle a lot of clients at a time for having less manpower than the actual requirement. In some cases, non-accuracy and mismanagement is observed. This sort of scenario leads to customer dissatisfaction.

On the contrary, it can be said that the expectations of the customers get affected due to having reliability issues in case of availing services from the bank. In a nutshell, it

can be said that the reliability of the services must be maintained while providing banking services to the valuable customers. Due to this, loyalty of the customers can be gained in return through providing uninterrupted banking services seamlessly across the country.



**Figure 2.14: Various dimensions of service quality**

(Source: Tam and Oliveira, 2017)

- **Assurance**

Assurance is the next 'attribute' which is to be considered while discussing about the degree of importance attached to various dimensions of service quality. Precisely, assurance is the next dimension which is going to be addressed in this portion of this study with analytical approach. Assurance is undoubtedly considered as a prime feature which is needs to be addressed while discussing the specified service quality. This same is also applicable in the case of banking service also. Assurance includes courtesy, security, credibility, competence (Tam and Oliveira, 2017). The courtesy and the knowledge of the employees (i.e. bankers) are considered as the assurance for any organization. It has been found that the banks which offer customer-friendly approach have comparatively well-mannered employee working for them.

Even the valuable customers are also willing to take service from those banks which provide customer-friendly approach while providing banking services to the valuable customers. Bank security is another concern which needs to be addressed while

discussing about assurance in terms of one of the major dimensions of banking service quality. Customers worry about their hard-earned money. They want to keep their money as a 'deposit' in order to get interest from it. This is the reason why the valuable customers are always looking for 'money-security' which is absolutely justified from their perspective (Tam and Oliveira, 2017). The commercial bank must secure their 'deposits/ money' in the form of doing business with the customers. This is why the security system of banking infrastructure must be well-equipped. This approach also stimulates customer satisfaction. Due to this, customer loyalty can be earned as the expectation of the valuable customers gets fulfilled through providing better banking experience (banking services) to them.

KYC (know your customer) is a term which must be addressed under assurance while discussing about five different dimensions of service quality.

The confidence of the banker enhances his skills of providing banking services to the valuable customers. On the contrary, it can be said that confidence in the banker lies on the information or the knowledge he has. The recently launched proper KYC system into the banking structure helps the bankers to know about the customers in detail with proper credentials. Apart from that, he is quite acquainted with the knowledge about the financial status of the customers due to proper KYC completion (Tam and Oliveira, 2017). This helps a banker to play the role of a financial advisor (banking advisor/ banking expert) so that he can suggest the customer regarding the most suitable plan/option which the client can opt as per his requirement. This approach also encourages the customer satisfaction up-to such extend. On the contrary, it can be said that customer satisfaction is gained only if the expectation of the customer is fulfilled. This is how the loyalty of the valuable customer can also be achieved.

- **Empathy**

Empathy is considered as one of the most important dimensions related to service quality. It is needed to be addressed while analytical discussion is going to be reflected on such degree of importance attached to various dimensions of banking service quality in this portion of the study. Precisely, it can be said that empathy can be considered as a quality enhancer while it comes to address banking service in India. Empathetic approach towards customer includes customer-friendly approach, individualistic proper attention, proper communication and understanding with the valuable customers while they are willing to avail banking service as per their

requirements (Jiang *et al.* 2016). It has been observed that valuable customers are willing to avail banking services from those banks which are customer-friendly in nature. Apart from that, people are generally keen to receive individualistic proper attention when they arrive to the bank branches with such queries related to banking services.

In the rural part of the country, generally customers are deprived of getting individualistic attention due to having inadequate bankers working in the workplace. On the contrary, it can be said that bankers are failed to provide proper attention (in respect of time) to each and every query coming from individual customers due to having shortage of manpower (or bankers) working in the bank branches located in the rural part of the country. This is how the relationship between the valuable customers and bankers are hampered (Jiang *et al.* 2016). Apart from that, customers usually tend to shift to another bank if they do not receive empathetic customer- friendly approach from the bankers. In order to shed light on this important dimension (i.e. empathy) included as the ‘quality enhancer’ of banking service, it must be enlisted that ‘language gap’ is also considered as a constraint for damaging customer-banker relationship in some bank branches located mainly in interior section of the country.

- **Tangibles**

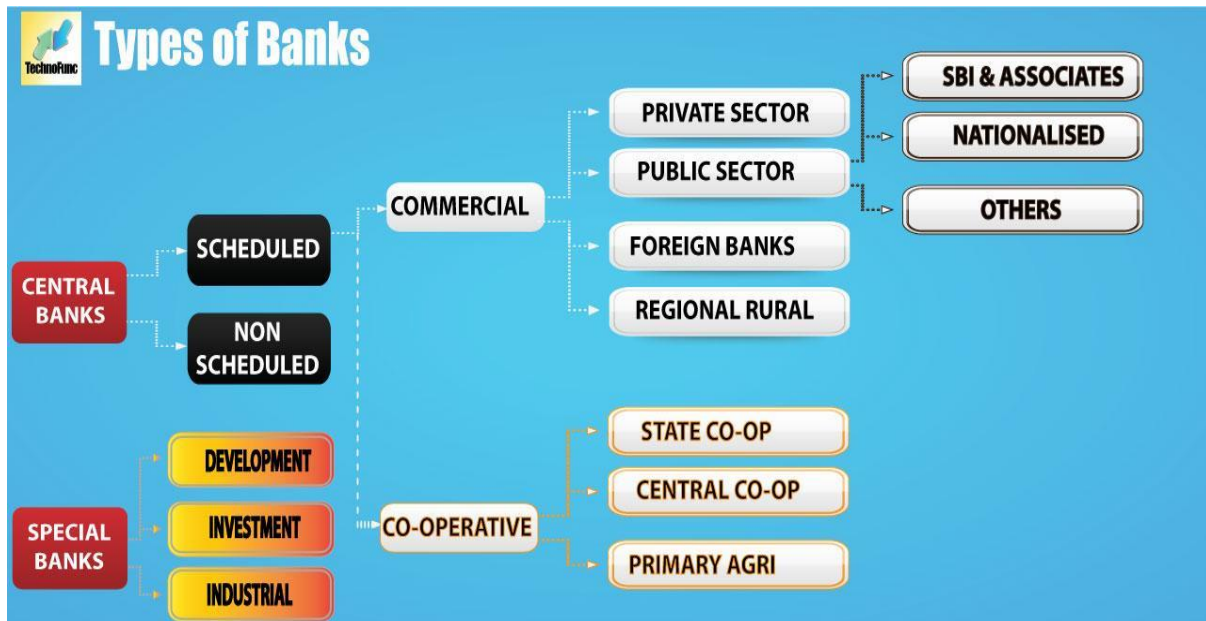
‘Tangibles’ is another dimension which needs to be addressed while discussing about different dimensions related to banking service quality. Appearance of the personnel (concerned bankers), uniforms and physical facilities of the banking infrastructure are considered to be addressed in this portion of this study. Some information in this relevance must be included in order to discuss about it in detail. The banking infrastructure is comparatively vulnerable in the rural region of the country if compared to the bank branches located in the urban region of India. With the advent of technological advancement, valuable customers are not dependent only the offline services provided by the concerned bank as the customers can avail banking services more customized way whenever they want to avail (Alwan and Al-Zubi, 2016). Still, online banking facilities are somehow interrupted in the rural areas due to having poor internet facilities in some areas as illustrated earlier.

Due to this, the customers belong to those regions of the country need to rely on the offline services provided by the bank particularly in rural areas. Most of the cases, banking services are delayed in the rural areas of India due to having poor banking infrastructure and inadequate staffs for providing assured services through offline.

This is the reason why govt. of India should focus on to develop the banking infrastructure in the rural part of the country so that the assured banking services can be provided to the valuable customers without any interruption even through offline. Employment of sufficient bankers can be considered as one of the promising approaches in order to solve this issue up-to such an extent. If Govt. of India takes proper initiatives (example: more employment of the employee) to upgrade the banking infrastructure in the rural region of the country, the concerned bankers working in the rural bank branches will be more ‘customer friendly’ (Alwan and Al-Zubi, 2016). They will be able to be more attentive to listen to the queries along with the wants and needs of the valuable customers. This approach will surely enhance the customer satisfaction up-to such an extent. Apart from that, the relationship between the customer and bankers will surely be improved if customers are provided banking services as per promised with considerably attentive way. In a nutshell, it can be said that all the attributes addressed in this portion related to customer satisfaction as well.

## **2.9 Differences between public, private and foreign banks**

This section helps in differentiating among public private and foreign banks which reflects a clear picture of the financial service differences of each bank. Moreover, it also helps in differentiating among the financial services of the different type of banks which helps to examine the service quality of different types of banks (Madan and Bajwa, 2016). There are different types of aspects associated with the public private and foreign banks which make differentiation among them. Besides, within Indian banking system there are some other types of banks exist which holds their specific financial service. The core structure of the Indian banking industry lies on mainly below mentioned picture



**Figure 2.15: Banking structure**

(Source: Paul *et al.* 2016)

Based on the mentioned picture it can be understood that the banking industry of India mainly emphasized on commercial banking which is going to change in retail banking. Within the system of commercial banking the Indian banking organization or financial business industry generally focus on the three types of bank such as public, private and foreign banks. Therefore, the researchers of the study put their emphasis on the three type of banking service for understanding the service comparison.

COMPARISON AMONG PUBLIC, PRIVATE AND FOREIGN BANK	
<b><i>Public bank</i></b>	In India there are total 27 public bank exist which can be classified as nationalized bank and other state banks. Besides, other two public banks include Bhartiya Mahila bank and IDBI bank. Therefore, it can be understood that public banks hold all the financial service as per the rule of government other governmental bodies. The core concept of the public banks lies on the service providence of the customers by following the rules and regulation of RBI and state government. It has been found that various state banks under public sectors followed the rule of their state government in the context of developing economic policies. Therefore, it can be understood that in the



	<p>service of public banks, if any problem will happen all liabilities can be compensated by the government. Besides, it also found that within the public sector banks various nationalized banks existed which directly controlled by the RBI rules. The public sector banks provide chances to the public of India for enjoying financial service. Moreover, the banks provide financial service for bank requiring in the context of saving money. Apart from this, the banks also provide the service for opening bank account including savings current and business account.</p>
<b><i>Private bank</i></b>	<p>In India there are various types of private bank exist which are approved for providing banking service to the customers by RBI. But the rules and regulations of the banks are controlled and established by the banking authority. It has been found that private banking sectors holds different type of financial rules or business rules in the context of providing interest and loans. The majority of the banking ownership of the public banks was held by the private stakeholders who were totally detached from the government holds. The private sector banks are totally managed and controlled by the stakeholders or private promoters where the role of government is less in respect to establishing any financial rules. On the contrary, if the private organizations violate the rules established by RBI in respect to a standard bank, the banking authority can be ceased from providing financial service and making business through banking activities. Private banks were free to control the entire banking service in respect to the forces of business market along with its significant change. However, the private banks ensure the safety of public deposit entrusted with different institutions. It was regulated by the guidelines of Central Banks in respect to</p>

	<p>time. Therefore, it can be understood that private banks is not suitable for the economically poor people whereas public banks provide financial services for the economically poor people. Besides, it can also understand that interest level of the private banks can be fluctuated in respect to the demand of financial business service and it impacts negatively on the profitability of people.</p>
<b><i>Foreign bank</i></b>	<p>Foreign banks hold their registered office in the foreign countries but operate their activities within India. The foreign banks are registered by the RBI to operate their financial service in India. The primary activity of the foreign banks within India lies on mainly corporate segment. Moreover, it also found that some of the foreign banks operate their service for consumer financing by applying their own rules and regulation which provide financial support to the Indian government also. The portfolios of the foreign banks are as much as higher than public and private banks. Therefore, it can be understood that foreign banks are not suitable for the middle income-based peoples and most of the service of the foreign bank's suits for the businessman and other stakeholders. These banks generally deal with some specific financial services such as credit cards, automobile finance, household consumer finance and home loans. All the services are needed to adhere to entire banking regulation of India along with the norms of priority sector lending which are applicable to the domestic banks. However, it has been found that in the current centuries private banks copied the banking process of foreign banks which influence the competition between private and foreign banks.</p>

**Table 2.1: Comparison of banks**

(Source: Al-Tamimi *et al.* 2016)

The mentioned in the above regarding three types of banking system in India, it can be concluded that mostly public banks were suitable for people of all levels. On the other hand, it also found that the rules and regulations of the public banks are safer than private and foreign banks. The reason behind safety lies on the control or regulation body of the banking segments. Public banks are regulated by the government bodies which hold the less chance for security issue. On the contrary, private and foreign banks regulate their operational service by following their own economic rules.

## **2.10 Gap between customers' expectations and perceptions of quality of services for public, private and foreign banks**

This section helps in identifying gaps between customer expectations and service quality of the different types of banks. It was seen that gap between customer expectation and banking service quality depends on various factors of a banking organisation. Mostly the management or other functional bodies within banking organisations were responsible for poor service quality of an entire banking organisation (Campiglio, 2016). Therefore, it became unable to find out the proper solution for mitigating gaps between customer expectations and service quality for an organisation. However, the gap between customer expectations and service quality perception generally associated with

- ***Management fault***

Management fault generally occurs due to the lack of proper knowledge regarding customer expectation measurement of the management team. Most of the banking organisations focused on their profitability whereas unable to keep their eye on empowerment for financial policy making. Moreover, the banking managements are also unable to determine current organisational trends for satisfying the customers by providing expected service. The management holds poor business strategies which made them unable to understand the changes within customer requirements in respect to the changing of time and market demand. Therefore, the banking organisations run their money rolling process by following back date financial policies (Ismail and Yunan, 2016). It results in improper decision making for service chain selection in respect to the non-optimum resource devoted. In addition, the management team of the banking organisations within India were less focused on improving security service for their customers. Therefore, it results in non-satisfactory results in respect to the

consumers and the consumers were less happy for the security service offered by the banks.

Apart from the information mentioned in the above, it found that the Indian banking system put less focus on the marketing research whereas the service providing companies put their focus on market research. Market research helps in gathering knowledge regarding current market trends and the changing of population demand in respect to the business demand. Therefore, it understood that Indian banking system was less updated as they did not focus on the market research. Likewise, the management teams were also unable to guess the proper customer demand which can attracts the customers for buying their financial service. Another poor strength of the Indian banking management was lies on poor customer relationship making. Most of the banks remained busy with their internal activity or service and neglect their consumers demand and urgency during office time (Ismail and Yunan, 2016). Moreover, the front office staffs were also unable to greet or interact with the customers properly. It impacts negatively on the customer expectations and make them dissatisfied in respect to the service or behaviour of the banks or management. Another mismanagement factor of the banking industries influences customer dissatisfaction which lies on the poor customer complaint understanding. It was found that the banking management did not focus on the understanding of customer complaints. Therefore, the banking sectors were unable to understand the proper demand of the customer from them.

- ***Quality specification non-arrangement***

Non arrangements of the quality specifications can impact negatively on the customer satisfaction. Most of the banking organisations properly understand the proper demand of the consumers but failed to transfer their service or conclusion in to making of proper performance standards. On the other hand, the management authority of the banks did not obtain the satisfactory level of their customers. As per the perception of different bankers or bank managers, determination of the performance standards in relation to the expectation the customers were almost impossible in respect to the offered reasons (Felix, 2017). On the contrary, the expectation of the customers was illogical or irrelevant whereas the main reason for making gap lies on the poor commitment of the management in the context of offering quality service.

- ***Poor service criteria measuring***

Poor service criteria measurement is the most significant gap between the customer expectation and banking service quality. In previous section we found two more gaps where the management was unable to find out proper customer demand and another one lies for poor conclusion providence or poor prioritise of the customer expectation. This gap evaluates the differences between making real performance and performance development in respect to the organisational staff (Ali and Raza, 2017). Presenting of service performance at the initial level along with proper presentation of relational dimension plays a most significant role in the context of customer satisfaction in banking. Therefore, it can be understood that presenting of poor service strategies in respect to the identified problem can impact negatively on the business profitability.

- ***Language gap***

Language gap is considered as one of the prime issues when it comes to figure out the reason between the services assured and services availed as well. According to various researches, it has been found in the rural areas that some bankers are not proficient in local languages. In such cases, communication gap occurred in between the valuable customers and the bankers. Sometimes the bankers are failed to understand the demands of the clients and failed to provide proper banking experience due to language gap which surely leads to customer dissatisfaction (Shabbir *et al.* 2016). In a nutshell, it can be said that proficiency in local languages is considered a 'mandate approach' to assure excellent banking services.

- ***Poor commitment and performances***

As per the management strategies, it found that organisational managers need to identify customer priorities first then prepare standard strategies for handling the requirements. On the other hand, organisational managers need to emphasis on their commitments to their customers for providing best quality. The result of poor performance within customer service in respect to the commitments provided to the customers at the beginning. It was found that the promises which are presented by servicing companies through media advertisement along with staff selling and other communications can increase the expectation of the customers (Senanayake, 2017). On the contrary the provided service in respect to the advertisement can create

dissatisfaction among customers due to lack of service promise to provide in the advertisement. Therefore, it can be understood that such kind of issues can create gap between organisational service and customer expectations.

Besides, it also understood that not only advertisement can lead the success to any banking organisation but also the keeping of promise can help the organisation to touch the apex of success. Based on the mentioned incident it can be analysed that the difference between promised service and real service can influence gap between customer expectation and organisational service. The core reason behind the problem is lies on nonconformity among the people who are busy within arrangement of advertising and service description in respect to the persons who are responsible for presenting the service (Hennayake, 2017). Therefore, the incident again keeps an example of communication gap and mismanagement related aspects which creates a big gap between organisational service and customer expectations.

- ***Improper data management system***

Customer data management system plays a significant role in keeping customer record including their entire transaction of a financial year. Moreover, the customer data management system helps in tracking customer data in respect to the need of it. Most of the banking organisation in India utilise manual method for keeping the financial record of the customers. Therefore, the minor financial data of the customers were lost by the banking management authority. As a result, when the customers asked for their bank statement and furtherer service, the authority became unable to track the customer data which impacts negatively on the satisfaction level of the customers. In addition, the manual technique for record keeping make the banking management unable to hold the five years previous data of the customers which can be utilised in solving any financial issue within further transaction (Al-Tamimi *et al.* 2016). On the contrary, the foreign banks are advance in this field and provide best service to the customers. Therefore, it can be understood that poor customer data management system of Indian banking industry creates dissatisfaction among customers due to the poor and delay service.

## 2.11 The perception analysis of the employees of public, private and foreign banks

Reality approximation is considered as perception. Precisely, it can be said that perception is a process through which a person selects, organize and interpret an impulse or stimuli into a practical, meaningful picture of reality. The perception can be entirely wrong when the concept is not clear. On the contrary, it can be said that clear conception or though clarity is needed to have a prominent perception. This portion of the study reveals the perception of the bankers on the quality of the banking service provided to the valuable customers. This perception analysis of the bankers is based on several researches and analysis projected on various public, private and foreign commercial banks currently operating in India.

- **Providing banking service as assured to the valuable customers**

Private Sector Banks	Public Sector Banks	Foreign Banks
Well-disciplinary approach is one of the key attributes that a private sector bank offers to its valuable customers. Most of the private sector bank employee claims that they provide best banking experience to its valuable customers through providing banking service in customer friendly approach. Precisely, it can be said that ‘customer friendly’ approach is their prime attribute for providing banking services across the country effectively. It has been found that the bank employees working in the private sector banks are	‘Highly credible’ is the term which is associated to the service provided by public sector banks currently operating in India according to the various bankers belong to this category. Most of the bankers belong to renowned public sector banks currently operating in India claim that customer loyalty is their prime asset which they have earned so far. According to the various researches and lots of opinions of the bankers working in the public sector banks operating in India reveals that public sector banks are providing world	Most of the bankers belong to Foreign bank claims that they provide effective banking service to the valuable customer maintaining ‘quick responsive’ approach. Apart from that, various bankers belong to foreign bank category also claims that such other banking facilities and operational procedures related to the banking services are provided ‘quicker’ than the same sort of services offered by the other banks currently operating in India. The bankers belong to foreign bank category also believe that they provide banking

professionally trained to provide effective banking services to the customers. Due to this, the ratio of customer complaints for private sector banks is decreasing gradually as compared to the other banks currently operating in India.	class banking experience to its valuable customer in the present context of the banking industry. Apart from that, public sector banks provide better product service to its valuable customers to earn big credibility as stated by various bankers working in the renowned public sector banks in India.	service in disciplined way than the other commercial banks providing banking services in India. Some of the employees belong to foreign bank also claims that their operational procedure is prompt in nature as compared to the other banks providing service in India in the current scenario.
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**Table 2.2: Banking service as assured to the valuable customers**

(Source: Bhatt and Bhatt, 2016)

● **In terms of providing reliable banking services**

Private Sector Banks	Public Sector Banks	Foreign Banks
It has been observed that most of the bankers currently working in Private sector banks operating in India claims about such consistency about the banking services they offer to the valuable customers. The bankers claimed that the banking services provided through private sector banks currently operating in India is more consistent in nature than the banking services provided through other commercial banking operating in India. Flexibility in providing	According to the bankers working in the public sector banks operating in India, claims that ‘public sector banks’ are considered as ‘most reliable’ in case of providing banking services to the valuable customers all over the country. The bankers also claim that the valuable customers are also dependent on such pattern of the banking services generally provided by Public Sector Banks. As the public ‘money deposits’ are kept in FD (fixed deposits) and facilities of	Regularity and punctuality are the two terms which are closely associated to the services provided by the commercial Foreign Banks currently operating in India. According to several bankers working in the various foreign bank branches all over India claims that Foreign banks are much ahead in providing excellent banking experience to the valuable customer due to providing ‘customized banking services’. Apart from that, consistency in providing ‘customer friendly’ banking



banking services( such as home loans, education loans in customized way) is considered as an ‘add on attribute’ for banking experience provided by Private sector banks as opined by the employees working in Private sector banks operating various parts of the country.	availing bank lockers are provided to the customers, the valuable customers are confident about to go banking with public sector banks currently operating in India according to some bankers belongs to public sector banks.	approach to the valuable Indian customers is found in the services provided by Foreign banks operating in India.
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**Table 2.3: Reliable banking services**

(Source: Caballero *et al.* 2017)

- **Banker are willing to provide ‘help’ to the customers**

It has been observed that the behaviour of the employee towards the customer handling is considered as a big challenge in recent competitive scenario. The relationship between the bankers and the valuable customers must have to be ‘friendly’ and ‘cordial’ so that best banking experience can be provided and availed vice versa.

Private Sector Banks	Public Sector Banks	Foreign Banks
According to various researches, it has been revealed that the Private sector banks operating in India is willing to figure out the requirements of the valuable customer initially. The banker belongs to private sector banks provide their banking service based on the requirements revealed by the valuable customers. The employees working in the private sector banks in India	Most of the employees working in the public sector banks in India claim that they are keen to understand the ‘wants and needs’ of the valuable customer and the bankers offer the banking service according to the requirement of the customer based on customer priority as well. As it has already been revealed in this course of the study that proficiency in the local language is considered	‘Professionalism’ is the term that suits with the pattern of the banking service provided by the Foreign banks operating in India in our current competitive scenario. In a nutshell, it can be said that the employees belong to various Foreign banks firmly believe in professionalism when it comes to provide banking services to the valuable Indian Customers. Majority of the employees

<p>have also agreed on the common fact that they work in a very calm and peaceful environment at office without having excessive working pressure so that they can perform to provide effective banking experience to the customers. Most of the bankers related to private sector banks claims that they are ‘customer friendly’ in nature. Even if they are capable to understand the actual requirements and priority of the valuable customer. Considering the demands and requirements furnished by the customer, the bankers provide effective banking services to them in order to gain the best possible results.</p>	<p>as a ‘most desired’ attribute to provide better banking services to the valuable customers, most of the bankers working in public sector banks in India claims to provide banking services in local languages of the places they are posted to perform their duty. A few of the bankers belong to public sector banks also stated that sometimes they lose control over customer handling depending on the spirit of certain circumstances.</p>	<p>belong to the Foreign bank claims that they properly understand the requirements of the valuable customers and provide banking services accordingly in order to meet the priority along with the ‘wants and needs’ of the Indian customers.</p>
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**Table 2.4: Help to the customers**

(Source: El Akremi *et al.* 2018)

- **Customer-friendly attentive approach of the bankers**

Customer–friendly approach towards the valuable customers who visits the various bank branches for availing any offline service or to buy any banking products is considered as a necessary attribute for a banker and bank employees as well. In order to sustain in recent competitive scenario, customer friendly approach must have to be maintained in order to gain customer loyalty in return. This portion of this study emphasizes on the various opinions revealed by the bankers belong to different kinds

of commercial banks currently operating in the various parts of the country on customer-friendly attribute.

Private Sector Banks	Public Sector Banks	Foreign Banks
As per the opinion revealed by the bankers belong to the private sector banks operating in India, claims that Private bank employees are very confident and proud as they are able to provide individual attention to every valuable customer. Precisely, it can be said that such employees provide individual attention to the customers in case of opening an account, form filling up etc.	Most of the bankers associated with the renowned public sector banks in India claim that they provide 'customer-centric' services. It means they are able to provide individual attention to every valuable customer who avails banking services from Public sector banks. The approach of most of the bankers towards providing attention to every individual customer is undoubtedly caring in nature according to various researches. It has been reported that the bankers are more attentive to the older customers. Apart from that, Public sector banks in India offers customer friendly attentive approach in order to keep the glory and reputation of the bank as well. In this relevance, it must be included that some bankers are willing to have more employees to be recruited for providing better banking experience to the valuable customers.	Some employees belong to the commercial Foreign banks have stated that they consider 'customer care' as a kind of job responsibility and they provide assistance to their customers just to perform their daily routine or duty as well. The estimated cases are very low in number where the bankers belong to foreign bank claims that they treat the valuable customers in such a way, the customers wanted to be treated. Though these banks are ruling all over the country due to having immense professionalism into the banking service they offer. It has been revealed from the sayings of a few bankers related to Foreign bank that premium account holder customers are treated well than the ordinary common customers who avails foreign bank services in India.

**Table 2.5: Customer-friendly attentive approach of the bankers**

(Source: Rose-Ackerman and Palifka, 2016)

- **Efficiency of employees in terms of having proper Banking- Knowledge**

The sufficient knowledge and expertise of the bank employees for performing various banking operations smoothly is undoubtedly be considered as ‘must have’ criteria in order to gain customer satisfaction in terms of customer loyalty in return. These are considered as such ‘important tool’ for enhancing the service quality of the ‘customer care’ provided by several banks to its valuable customers all over the country (Kakabadse and Bank, 2018). Such response gathered from various bankers across the country is quite remarkable in this context as most of the bank claims that their employees are well- qualified and proficient to provide best banking services to its valuable customers.

Private Sector Banks	Public Sector Banks	Foreign Banks
It has been found that Private sector banks also focus on recruiting candidates with graduation. Even after the selection, the candidates are required to undergo selective training program in order to enhance their banking skills and knowledge about banking operations so that they can offer banking services more effectively to the valuable customers. Customers are willing to discuss with a well-mannered knowledgeable bank employee about their requirements in terms of availing any kind of banking services according to various	As the minimum qualification to be eligible for working in public sector banks in India is graduation, it is expected that the employees are quite confident to understand the service quality as stated a large number of bankers associated with the public sector banks in India. Apart from that, the selected candidates are required to pass through ‘compulsory training’ so that they become well acquainted with the banking knowledge and the operation procedure of the banks which helps them to provide excellent banking	In order to provide the best banking experience to the end customers, the foreign banks only recruit the candidates with a master's degree as basic qualification in most of the cases. Due to this the recruited candidates have better understanding about the services which they are going to offer to valuable customers as revealed by several bankers belongs to foreign banks in India. The compact training program and structured orientation of the bank is also enhancing the quality of the recruited employees so that they can

scenario witnessed in private sector banks operating in India.	service to the valuable customers of the banks in future.	offer the best possible service to its customers.
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**Table 2.6: Proper Banking- Knowledge**

(Source: Schmidt, 2016)

- **Ambience and the Physical facilities of the bank (for offline services)**

It has been found that foreign banks are having excellent banking accommodation and ambience of their own as compared to the private sector banks operating in India. Even the ambience and physical facilities of the bank (for off line banking services) of the Foreign banks are much upgraded compared to the banking ambience found in the renowned public sector banks operating in India (De la Torre *et al.* 2017). Considering the competitive scenario found in recent times, such physical facilities and ambience of the banks are also important to grab the customer attention as revealed by various bankers associated to many banks. These two are also considered as countable ‘attributes’ in terms of providing customer service.

Private Sector Banks	Public Sector Banks	Foreign Banks
According to the opinion revealed by various bankers associated with the private sector banks in India, banks belongs to this category are quite confident about banking outlook and physical appearance. Some of the bankers related to the private sector banks think that the outlook of private bank is quite similar with the recent foreign banks operating in India. Some bankers claim that they have very welcoming attractive	Majority of the renowned Public Sector Banks currently operating in India claims that their banking ambience and outlook is considered quite attractive to the valuable customers. According to the feedback received from valuable customers, parking facilities and cleanliness in banking premises is appreciated as revealed by some bankers associated to various public sector banks in India. On the contrary, some of the bankers belong to	Attractive ambience and well-structured aesthetics are such finest attributes that belong to any foreign bank currently operating in India. As per the opinion revealed by several bankers related to some foreign banks in India, these banks were built with proper full-proof planning in a designed way to grab the initial attention of Indian customers. It has been found that majority of the foreign banks are inclined to maintain proper well-decorated

environment for their valuable customers.	public sector banks in India have stated that they need to upgrade the banking infrastructure as compared to the foreign banks currently operating in India.	banking floor for providing comforts to the customers who usually arrive to bank branches to avail various banking services.
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**Table 2.7: Ambience and the Physical facilities**

(Source: Sheedy and Griffin, 2018)

- **Appearance and Dress (outlook of the bank employees)**

A well – groomed, neatly dressed employees are looks more professional.

Private Sector Banks	Public Sector Banks	Foreign Banks
As revealed by some bankers associated to various Private sector banks, most of their employees wear formal dresses to look much more professional.	Some of the bankers associated with public sector bank think that their employees look professional in traditional outfits. On the contrary, some bankers wants their employees to shift their outfit pattern (such as traditional to formal) to look more professional.	In order to maintain such standard of the bank, some Foreign banks have uniform and dress code of their own as revealed by several bankers associated to various Foreign banks operating in India. Having uniform and proper dress code also considered as an ‘add on attribute’ of professionalism as stated by some bankers.

**Table 2.8: Appearance and Dress**

(Source: Cardoza *et al.* 2016)

## 2.12 Challenges faced by banks

In order to discuss about the challenges encountered in the banking industry of India, some relevant information must be enlisted at the beginning of this analysis for better understanding about the issue in details. The banking system of India consist of 20 private sector banks,93550 cooperative banks in rural region,56 regional rural banks,1589 cooperative banks in urban region,43 foreign banks and 26 public sector

banks in total. Banking sectors are considered as the lifeline of the Indian economy (Pinar *et al.* 2016). All the Indian banks are collaboratively responsible to regulate the economic growth of the nation. It has been reported that revolutionary business expansion has been traced in Indian banking system in recent years. Some banking reforms has been enacted to escalate the growth of Indian economy as it has already been stated earlier that banking plays a catalytic role to improve the economic development of the country. Considering this scenario, it has been assumed that Indian banking industry is going to be addressed as the fifth largest banking industry in the world economic chart by the year 2020.

The potential of Indian banking industry to regulate the entire economic structure of the country has been considered as the main reason to secure the position of fifth largest banking industry amidst all the countries of the rest of the world. In Spite of having such a revolutionary progress in the banking sector, Indian banking industry has also faced some challenges as well as hindrances in recent times (Parameswar *et al.* 2017). Initially, this portion of this study is going to address the nine major challenges faced by mostly all the nationalized banks in India.

- Large over dues: This kind of problem is generally faced by the small branches of nationalized commercial banks in all over India.
- Loses in the bank branches in rural region: Prevalence of barter system along with high overheads are considered as the core reasons because of what most of the bank branches in rural region is operating at a loss.
- Role of non-banking financial institution: Non-banking financial institution offers higher rate of interest than the rate of interest paid by the nationalized commercial banks presents in India. Such public deposits are attracted in terms of housing finance corporation, mutual funds etc. This is also considered as one of the crucial issues or challenges which is vehemently faced by the Indian core banking system in recent times (Ramadhan and Mokwena, 2016).
- Loan recovery: unsatisfactory rate of loan recovery from the agricultural sector especially in rural region is also considered as a challenge. Due to this, capital inadequacy is emerged in the economy. This is also considered as one of the prime reasons of inflation in Indian economy.
- Non-performing assets: Due to high range of outstanding dues to concerned banks from a large number of borrowers, banks are facing huge loss nowadays. Apart from that, a huge amount (proportion) of non-performing assets is also

considered as a challenge. In most of the cases, capital inadequacy incurred due to this (Sharma, 2016).

- Gap between performance and promise: It has been found that the post-nationalization period in banking industry has witnessed the gap between the promise and performance of banking service provided. The failure of the bank employees to adopt the new social objectives, considering the new work philosophy to provide better banking experience among the customers is addressed as the prime reason behind this gap.
- Increased competition with the foreign banks: In order to discuss about the same, some information must be included in this regard. Non-nationalized banks (foreign banks) offer much better client service rather than the nationalized banks operating in India (Ghazinoory *et al.* 2017). Due to this, the diversion of public money deposits from the existing nationalized bank to foreign banks can be traced
- Pressure arises from political arena: The growing political pressures coming from states and the centre can hamper the working spirit of the nationalized banks currently operating in India. This is the reason why it can be said that various kinds of political pressure can be considered as one of the challenges which are often faced by the nationalized banks in India (Shim and Shin, 2016). Surely, this kind of ill treatment towards work culture disturbs the working spirit of the employees which undoubtedly affects the economy of the nation directly or indirectly.
- Bureaucratization: Bureaucratization in banking system is another hindrance which is usually considered as another problem faced by the nationalized commercial banks operating in India.

These are such enlisted challenges which affect the banking industry operating as the pillar of core financial system of Indian economy. Apart from that, some operational challenges for the growing banking industry in India can be traced (Chiu *et al.* 2017). These challenges can be classified into five particular points. All of them are considered as crucial obstacle in the current banking system of the nation. This operational challenge encountered in the Indian banking industry has been enlisted below.

- Competition arises from alternation sources( non-banking financial institution)



- Lack of technological advancement
- Increased regulatory pressure
- Slow economic condition of the nation
- Increased capital requirements (demand)

Apart from the discussion depicted above, the various challenges encountered in the commercial banks operating in India can be classified in the following manner.

### ***1. Implementation of the Basel III:***

The implementation of Basel III was initiated in the year 2013 and it was already completed in the year 2018. Such implementation was guided by Reserve bank of India in a phased manner. In Spite of providing a lot of ‘security concerns’ instructed through this implementation by RBI, Basel III does not contain country cyclical capital buffer (Grima *et al.* 2016). This is undoubtedly be considered as a hindrance for full-fledged banking expansion in Indian considering the economic structure of the country.

### ***2. Risk management system:***

In order to provide better banking experience for the customers, risk management is the concern that needs to be taken care of by any means. The same should be taken care of when it comes to address public deposits in bank. In a nutshell, it can be said that the term ‘risk management’ refers to the optimization of the capital funds to maximize the profit for ensuring the expansion or the growth of the business in the banking sector (Hong *et al.* 2016).

### ***3. Mobilization of capital***

It is also considered as a threat in many cases. Low capital appreciation, low return can be considered as such vital issue that discourages investors to invest in equity investments.

### ***4. Asset quality management***

Asset quality and loan quality basically stands for the same meaning. Generally, bank managers are careful about the quality of the loans as it generates earnings for the bank. Due to this, asset quality management is considered a very important aspect’ in terms of revenue (Vasiljeva and Lukanova, 2016). Failure in recovering loans for a long-term period is surely be considered as a loss or challenge for any bank.

### ***5. Governance***

It has been reported since a long time that the pattern of banking system operating in Indian economy often failed to produce expected outcome due to improper governance

in many cases. This is the reason why weak governance framework is also considered a challenge for the banking industry in recent times operating in India.

#### **6. Financial Inclusion:**

Financial inclusion can be considered as another prime challenges that is regulated and channelized through Reserve Bank of India. Apart from that, it is also considered as one of the burning economic issues that a country ever experiences. Banking plays a vital role to regulate the inflation of the economy. According to the recent banking reforms, Reserve bank of India has enacted such proposals to curb the inflation (rate of inflation) into the society considering its harmful effect on the socio-economic balances of the country (IMSAR, 2017).

According to the ongoing current scenario, the retail banking system of India also faces some challenges. This study has also emphasized on the existing challenges encountered in the retail Indian banking system with suitable instances in this relevance. Initially retention of customers can be considered as a vital challenge for current retail banking industry operating in India. Apart from all the challenges regarding the hindrances faced in retail banking sectors in India, KYC is another concern that is also subjected as challenges. Incomplete KYC may delay the banking procedure. This may resist the bankers to provide best banking experience to its valuable customers. The importance of identification documents is an indispensable need for providing loans along with debit, credit also. Now most of the retail commercial banks operating in India have enacted the submission of KYC form to avail hassle free banking experience according to the recent banking norms proposed by the Reserve bank of India (Hong *et al.* 2016). In a nutshell, the challenges faced in retail banking sectors in India can be enlisted below.

- It is quite time consuming for a bank to design original banking products with unique features and benefits.
- Improper following up to recover long term housing loan etc
- Unable to handle numerous numbers of clients due to technological error sometime. In Spite of investing huge amount of money in technological backup, retail banking industry in India still failed to regulate an ample number of clients utilizing quick retrieval approach.
- Improper documentation

This kind of hindrances generally occurred in rural areas because sometimes the bankers are not proficient in the local language of that particular area. Due to this,

communication gap arises in between the bankers and the customers. Thus, the banking experiences get hampered in such a way. Considering the two mentioned challenges address above, non-cooperation from the customer end generally found in some cases as the patient level of the customer goes down. Due to this, effective banking service cannot be experienced in many cases.

<b>Foreign Banks</b>	<b>Private Sector Banks</b>	<b>Public Sector Banks</b>
Unable to maintain proper communication with each and every customer	High rate of interest	Unable to provide Quick Service due to having a large number of clients
High expectations of customers according to market retention	Improper KYC	Improper communication with clients
A large number of non-recovery of loans	Reliability issue	customers non-cooperation

**Table2.9: Challenges faced in foreign banks, Private sector banks, Public sector banks in India**

(Source: Chai *et al.* 2016)

According to the various reports and researches, customers are highly optimistic to avail ‘quick service’ from the foreign banks currently operating in India. Most of the cases, the bankers are able to provide services according to the wants and needs of the valuable customers. In some cases, the bankers belong to foreign banks also failed to provide banking experience according to the needs of the clients due to sudden internal mismanagement even though ‘customer friendliness’ is their core concern to promote business expansion (Vasiljeva and Lukanova, 2016). When it comes to provide quick banking service, private banks failed to offer ‘quick service’ to its customers. Even sometimes the bankers failed to convey the rules and regulation of their banking services to its customers without confusion in many cases which is surely be considered as challenge encountered in banking sector.

## **2.13 Evaluation of performance of public, private and foreign banks on the basis of quality of services**

This portion of the study is going to emphasize on the evaluation of the banking performance of all the banks belong to the private, public and foreign category operating in India nowadays. The performance analysis (evaluation of performances) of all the Indian banks can be measured on the basis of quality of services that they are offering to the valuable customers across the country. Servqual methods can be opted to figure out the evaluation of the banking performance of private, public, foreign banks currently operating in India (Shah, 2017). Such evaluation of banking performance of all the banks belong to public, private, foreign category can be estimated with the help of responsiveness, reliability, assurance, empathy, tangibles (i.e., various dimensions used in Servqual method).

In a nutshell, it can be said that performance evaluation of various categories of banks is estimated with the help of Servqual method. In order to discuss about the evaluation of the performance of the banks belongs to all category (public, private and foreign) accordingly, various dimensions used in Servqual method must be discussed to address their evaluation of banking performance.

- **Responsiveness**

Responsiveness is considered as one of the salient features that must be maintained while providing better banking services to the customers considering their requirement and priority of availing this service. Now a days, customers are looking for ‘quick responsive’ banking approach from the concerned bankers in time of availing any sort of financial or banking service as well. Precisely, it can be summarized such as; nowadays banking facilities are provided maintaining quick responsive approach and customers are also seeking to avail banking service in ‘quick responsive’/ prompt way. It has been estimated that various bank branches which are located in the rural areas of the country are failed to provide banking service in quick responsive way. Several studies also revealed that bank branches located in the urban area are ‘prompt’ to provide banking services comparatively (Macinko *et al.* 2017). This kind of discrepancy in catering banking services among the masses into the rural areas of the country is occurred due to lack of employment in the banking service.

In a nutshell, it can be said that low rate of employment in the banking sector is considered as a hindrance to respond effectively in the rural areas which surely leads

to dissatisfaction among the valuable customers of that region. This is how the quality of services provided through banking is getting affected due to mismanagement and 'huge pressure' on the employees working on the bank branches which are providing services on the rural part of the country. Considering the scenario, specific analysis can be framed to evaluate the banking performances provided by all the banks (private, public and foreign) respectively on the basis of quality of services. It has been reported that foreign bank caters their operations in India mainly in the urban region of the country (Moullin, 2017). Most of the foreign bank branches are located in urban areas. On the contrary, it can be said that foreign banks hardly have any branches in the rural region of the country. In order to measure 'quality of services' provided by the foreign bank branches to its valuable customers terms of responsiveness, it has been marked as 'excellence' due to having a sufficient number of dedicated bank employees to cater banking service. Foreign banks mainly deal with corporate banking. A mere scope of individual customer handling is traced as revealed by some bankers related to foreign bank operating in India (Moullin, 2017). Apart from that, customer-friendly attribute is found in the banking services provided by foreign banks. In a nutshell, it can be said that, proper quality of banking service is catered by foreign banks in the urban part of the country (corporate banking in many cases) in terms of prompt responsiveness towards the valuable customer.

While it comes to address the quality of banking services catered by renowned public banks, some discussion is needed to reveal the actual fact in this context. It has been estimated that public banks have lesser bank branches in the rural part of the country than needed. On the contrary, it can be said that public sector banks have sufficient bank branches to cater proper banking service in the urban part of the country. In such a scenario, prompt or quick responsive customer service is provided only in the urban part of the country. Unfortunately, the bank employees are not able to cater 'quick responsive' banking services to the rural part of the country not only having sufficient bank branches but also for lack of employees working in the bank branches than actually needed (Macinko *et al.* 2017). Considering the scenario, the customer expectation gets affected which leads to customer dissatisfaction up-to such extend. Even the bank employees working in the public bank branches in the rural part of the country are needs to attain heavy workload due to having lesser number of efficient employees. Though, some public bank claims that they follow 'quick responsive approach' to cater banking services among the masses. While it comes to measure the

quality of banking services provided by private sector banks currently operating in India, prompt or quick responsive approach is the right term to address their efficiency to cater financial services in urban part of the country. It has been estimated that, only a few private bank branches is found in the rural part of the country (Macinko *et al.* 2017). On the contrary, it can be said that private banks mostly cater their banking operation in the urban part of the country. Only urban customers are fortunate to avail the banking services provided by the private banks currently operating in India.

- **Reliability**

In order to evaluate the performances of all the banks belong to private, foreign and public sector domain in our country, reliability is considered as the next parameter which is used to measure the quality of banking services provided by these banks. Precisely, it can be said that the reliability is the next dimension of Servqual method that can be opted to figure out the quality of the performances provided by all the present banking categories (public, private and foreign) exists in India. In our recent competitive scenario found in the market, it is very important to keep the promises of the assured services and the actual services delivered (Ayadi *et al.* 2016). The same is thoroughly applicable while it comes to address providing banking service.

As earlier illustrated, banking industry in India is considered such as ‘backbone’ to the economic development of the country. This is the reason why reliability is considered as one of the salient characteristics that needs to be taken care of. Service reliability satisfies customer expectations. Due to this, customer satisfaction is achieved which leads to customer loyalty. In order to sustain present competitive market scenario, it is very important to achieve customer loyalty. It has been estimated that, customers have such a tendency to shift other company or organization if their expectations do not get fulfilled (Ayadi *et al.* 2016). This is the reason why reliability in providing banking service is also considered as a parameter to estimate the performance evaluation on the basis of the quality of service provided.

Most of the public sector banks currently operating in India claim that they exactly cater the same banking services which they promise to provide to their valuable customer, as revealed by several bankers associated with the public sectors bank currently operating in India. While it comes to estimate the service quality of these banks (public banks) in the rural parts of the country, the survey report considers having a bit ‘mis-match’ in this regard. It is due to having inadequate bank branches in the rural part of the country. Not only that, lack of efficient man-power or sufficient

bank employee posted in the rural region of the nation is also considered as another reason for interrupted banking service in those areas (Ayadi *et al.* 2016). Still, the government of India has taken several initiatives to set up new bank branches to cater uninterrupted banking services in those regions. Apart from that, several ‘training’ initiatives for the bankers have been implemented in the various regions of the country so that ‘language constraints’ can be mitigated.

- **Assurance**

Assurance is considered as one of the important parameters to measure the quality of services of all the banks belong to public, private and foreign sectors currently operating in India. Assurance includes competence, courtesy, credibility, security. Most of the banks operating in Indian economy deal with ‘public money deposit’. This is the reason why security must be ensured as banking industry deals with public money as ‘deposit’. In terms of providing assurance to the valuable customers, public banks are most confident about their security systems (Kakwezi and Nyeko, 2019). Even foreign bank also ensured well-equipped security in terms of assurance to the customers. Apart from that, all the banks belong to the private sector have own security criteria for keeping public money as deposits. In a nutshell, it can be said that banking authority must ensure the ‘assurance’ while dealing with public deposit in order to provide the best banking experience to its valuable customers.

- **Empathy**

Customers want to be treated in an empathetic way while they go to different bank branches for availing various offline banking services. This is the reason why ‘empathy’ is considered as one of the important parameters to measure such quality of banking services provided by various banks current operating in India. It has been estimated that foreign banks are considerably more customer-friendly in nature while they attain the valuable customer. Apart from that, private banks also have some guidelines to handle such customers and offer them best banking experience as per their requirement (Paul *et al.* 2018). Nowadays, the renowned public sector banks currently operating in India also claimed to be ‘customer friendly’ while they cater banking services to the masses.

- **Tangibles**

Various reports related to banking industry have revealed that customers fond to avail banking services from well-mannered, well-uniformed banking personnel. On the contrary, it can be said that a well-mannered, well-trained banking professional is more

expected to offer considerably better banking services to the customers. The foreign banks are much ahead in this regard. Even all the private banks currently operating in India are equipped with well trained, well-mannered educated banking professional as their employees (Mahmoud *et al.* 2016). All public sector banks operating currently in India have also emphasized to groom their man-power to provide best banking experiences to the valuable customers as per their requirements.

## **2.14 Recommendations**

In order to discuss the necessary recommendations required for the further improvement in banking service in India, some relevant information must be included in this regard. It has earlier been stated in this study that agricultural is considered as the backbone for our country. According to national economic report of India, commercial banks operating in our country provide loans to the traders involved in agricultural commodities for the further expansion of their business which ultimately boosts the economic structure of the nation (Novokreshchenova

*et al.* 2016). In a nutshell, it can be said that agriculture plays a major role in the economic development of the nation. On the contrary, it can be said that the socio-economic growth of our country is quite dependent on the expansion of agriculture sector in India. Thus, it can be said that ‘banking industry’ is considered as one of the regulating factors to control the entire Indian economy (Porter and Kramer, 2019).

This portion of the study aims to recommend some improvement approach in Indian banking service to provide excellent banking experience to its valuable customers. According to the various researches, it has been found that customer loyalty is dependent on customer satisfaction. Ultimately customer satisfaction is considered as the ultimate factor which is responsible for a business for further expansion. This same is also applicable in case of providing banking services and availing banking services as well. In a nutshell, it can be said that improvement in banking service is a mandatory approach to claim client loyalty considering the customer satisfaction as a parameter (Al-Habil *et al.* 2017). On the contrary, it can be said that mismanagement in handling valuable customers or improper customer handling leads to massive losses a business. This is the reason why the necessity of improvement to provide better customer service should be prioritized even in case of banking service currently operating in India.



- **Enrich the quality of the interaction**

There is a saying like ‘a client should be treated like a king’. This phrase focuses on the quality interaction to the client in every possible way. As stated earlier, the banking sector is also considered as a financial service providing sector or industry as well. Considering the competitive spirit of the market, it is really crucial to sustain in the same field by providing mediocre quality of service. This is the reason why it is very important to enrich the quality of interaction. Precisely, it can be said that well-mannered or quality interaction enhances the business quality in terms of customer satisfaction (Elias *et al.* 2016). The bankers or the employees of banks must be confident about the effect of their attitude to the valuable customers.

They should be cautious about their mannerism as it also plays a crucial role in customer handling. Positive attitude and well-mannerism of the bankers is considered ‘very effective’ to grow interest about the newly launched banking products among the customers. It is very important to be ‘quick responsive’ to the queries of the customers (Elias *et al.* 2016). In a nutshell, it can be said that well mannerism, politeness, being empathetic towards the query of the customers are some general attributes which should be taken care of in order to enhance the quality of the interaction to the customers for providing best banking service.

- **Must be well informed about services and products**

The phrase ‘a little knowledge is a dangerous thing’ is quite appropriate when it comes to denote a financial service providing sector such as banking industry. A banker or an employee of a bank must be well informed about the banking product or the services they offer. If a concerned banker or an employee is not quite acquainted about the services or the particular product of the financial organization, the person tends to invite the dissatisfaction into customer mind (Raharjo *et al.* 2017). This can be considered as the root cause of ‘displeasure’ among the valuable customers because customers have full rights to know about all the details of the product or the services which they willing to buy. Due to this, reliability of a product gets hampered. In order to get rid of such issues, bankers or employees of a bank must be well informed about their products or the services they are offering. Organizing ‘training schedule’ (awareness about the banking product and knowledge about the services) for the concerned employees or the bankers may be considered as a beneficent approach in order to curb such hindrances (Langley, 2018).

- **Prioritize the need of the customers**

Satisfied clients are considered as the pillar for any business to be successful. A banker should have to be sensitive towards the need of the valuable customer. Not only that, a banker must be willing to put more effort to meet the customer's expectations or their requirement in order to sustain in the present ongoing competitive market scenario (Vrdoljak *et al.* 2016). In a nutshell, it can be said that 'proper responsiveness' towards customer queries is surely be considered as 'mandate factor' and must be taken care of in order to provide better banking experience to the valuable clients.

Apart from that, product development or customization of the products (according to the need of the customer) also plays a crucial role while it comes to provide better services even in case of banking industry in this regard. Customer feedback can also be addressed as a helping hand in this relevance. Customer feedback not only helps to improve the product or services offered but also it enhances the quality of the experiences that the valuable customer gathers (Paul *et al.* 2016). These are some ways through which the customers need can be prioritized and better quality of services can be assured in order to achieve customer reliability on the products or services offered.

## **2.15 Impact of service quality on bankers or customer expectation**

Customer expectations towards availing a service can be analyzed in many ways. In order to fulfil specific needs, customers generally buy various products according to their choice or as per their requirements. This same is also appropriate in case of availing banking services or buying various banking products to meet such specific needs of the customers. In a service providing industry like banking, definition of the particular service quality is focused to meet the needs and the requirements specified by the valuable customers. On the contrary, it can be said that how well the particular service or products offered to the customer is able to meet the desired 'wants and needs' of the clients is considered as the parameter of 'service quality' (Beigi *et al.* 2016). This is how the definition of effective service quality is stated in terms of effectiveness. In order to maintain service quality, banking organization initially studies the requirements and wants and needs of the valuable customer.

This approach is also considered as such an 'indispensable effective approach' because of ongoing competition in present market scenario. In a nutshell, it can be said that proper market retention (extensive research on the demands of the customer) is needed

for the further improvement of the service quality provided. Good service quality enhances customer satisfaction. It is a proven way through which customer loyalty is gained. Precisely, it can be said that effective service enhances the sustainability of any organization due to having tough competition in present day context. This is the reason why the service quality must be enhanced to meet the customer expectations and to gain customer loyalty to some extent. This same is also applicable in case of providing banking service also. Generally, when a customer feels such a need for getting a product or the requirement of getting a service, they tend to get it as soon as possible (Al-Qeed *et al.* 2017). In some cases, they do not go for further analysis or market retention for availing the service or the product they buy. But when it comes to investment in a bank as money deposit or lending money to meet any personal requirements, customers tend to go for further market analysis before investment to avail the best possible service offered. This is the reason why banking services must be well strategized so that it can benefit the both, the customers and of course the banking authority (in terms of revenue).

- **Technological advancement**

With the advent of technological advancement, the zone of tolerance of customers is less as compared to the earlier time. In some cases, they tend to be more experimental to avail any services offered. Ongoing competition in the present market scenario is also considered as one of the core reasons behind this. This same is also applicable in case of availing banking services and buying the financial (banking) products as well. It has been reported that the bank branches located in the rural parts of the country are unable to provide seamless banking service due to interrupted internet service (Janahi and Al Mubarak, 2017). In this relevance, some information must be enlisted in this regard. Such as the commencement of e banking, internet banking, phone banking etc customers are inclined to obtain ‘self-reliant’ banking service.

Precisely, it can be said that customers want to avail banking services at their ‘own time’ according to their ‘own choice’. This approach can be addressed as such; people wish to avail banking services whenever they want to avail at their preferred timings as per their need. Customization is the term that is appropriate to address this approach. Banking service is needs to be more customized to earn client ‘satisfaction’ at its best. But unfortunately, this creates a problem in the bank branches located in the rural areas due to imperfection in the entire banking structure (link failure, slow internet connects, unavailability of internet etc.) as stated in the above (Ozatac *et al.* 2016). This kind of

problems also found in some bank branches located in the urban areas also. But comparatively this sort of hindrances is more visible in the rural bank branches in India.

Additionally, it must be enlisted in this relevance that customers tend to raise queries or complaints generally at night or weekends (mainly in their leisure time or according to their choice) on such services they avail from the bank. Considering the scenario, banking system must be more technologically advanced in order to gain customer satisfaction in this relevance (Atiyah, 2017). As this portion of the study emphasizes on the impact of service quality on customer expectation, some regulatory factors to enhance the service quality must be analyzed with suitable instances.

- **Insufficient employees**

According to various researches, it has been reported that the number of employees presently working in the current banking industry operating in India are sufficiently lower than the actual requirement of the employees. The rate of less employment in the banking sector is comparatively higher in rural areas than the actual requirement needed. In some cases, seamless banking service is interrupted due to low engagement of the employees. It has been reported that employees need to be engaged more than the normal allotted working hours due to heavy work pressure. Generally, this kind of problem arises due to having lack of total number of employees working in the banking sector in the rural region. In this relevance, some information must be added (Subashini, 2016). Such as the literacy rate of common people in the rural region of India is comparatively lesser than the urban parts of India.

Due to this, the valuable customer belongs to the rural region of India generally seeking for more empathetic approach from the bankers. 'Being friendly' is also considered as one of the noted attributes that a banker must have in order to provide good customer service. Apart from that a banker must have to be responsive towards the query of the valuable customers. It has been stated earlier that the literacy rate of the people is comparatively lesser as estimated in the rural part of the country. Due to this, customers failed to understand the banking rules and regulations up-to such an extent (Levy and Hino, 2016). On the contrary, it can be said that lower rate of literary is quite responsible for failure of understanding the banking rules and regulations among the people resides in rural area. Apart from that, they find it difficult to understand the modern technology extensively used in banking services.

Considering this scenario, the customers residing in the rural areas of India are more dependent on the bankers for availing banking services than the customers belong to the urban part of India. It has earlier been stated in this study that the total number of the bank employees working in rural part of India considerably lesser than the bankers working in the urban region of the country. This is the reason why it is hardly possible for a banker to attain a particular customer for a long time in order to solve his query especially in the rural region (Tweneboah-Koduah and Farley, 2016). On the contrary, it can be said that 'quick responsive' banking approach is interrupted due to low employment into the banking sector in the rural part of the country. This is how customer expectation remains unfulfilled. They are unable to avail banking services in such a way they want to. It leads to customer dissatisfaction.

It can be said that interrupted banking service also affects the relationship between the bankers and the valuable customers of the rural region in India considering the common scenario as discussed above. It is quite common that customers are willing to receive customer friendly behaviour from the bankers in case of availing banking service or buying any financial product according to their need. In order to discuss about the same a few suitable instances may be enlisted. Such as, while a customer belongs to a rural area of the country wants to avail a loan from the bank; he wants to consider a banker as an advisor not a money lender as well (Makanyeza and Chikazhe, 2017). In some cases, he wants some advice or proposal from the bankers end so that he can choose the best financial plan which can be opted as per his requirement. Sometimes the bankers have failed to fulfil their expectations in some cases mostly in rural region of the country.

Insufficient staff working in the banking sector in the rural region of the country can be considered as the prime reason behind it. Apart from that, Customer –friendly behaviour gets interrupted due to this. Sometimes a customer can not consider this unfriendly, non-empathetic approach from the bankers end and shift to another bank to avail banking service. In a nutshell, it can be said that unfriendly, non-empathetic approach from the bankers leads to customer dissatisfaction. On the contrary, it can be said that comparatively bad service quality hurts customer expectation up-to such extent (Paul *et al.* 2016). This is also considered as one of the prime reasons for interrupted banking service found in India. In order to mitigate such issues, Govt. of India should employ sufficient bankers to work for rural areas of the country.

Adequate banking staff can easily address the queries of the valuable customers. They will be able to provide necessary solutions as per the requirements of the valuable customers with no time bound. Precisely, it can be said that ‘quick responsive’ approach will be enhanced in such a way. Due to this, customer friendly approach will surely be enhanced. On the contrary, it can be said that customer friendly approach enhances customer satisfaction (Paul *et al.* 2016). Ultimately client satisfaction will be achieved which is considered as one of the prime objectives of any service providing industry. This same is also applicable in case of providing banking service.

- **Language as a constraint**

In banking services, communication in local language is always given preference the most. Considering this, some hindrances occurred due to this in the various bank branches which are located in the rural area of the country. The employees, who are placed to provide service in the rural area, are not proficient in the local languages of the particular area sometimes. Due to this, the valuable customers of that place usually do not feel comfortable talking with the bankers. On the contrary, it can be said that such bankers who are not proficient in the local languages of the particular place are failed to deal with the customers in smoother way. In such cases, the customers are also unable to make understand the concerned bankers about their requirements in proper way (Atiyah, 2017). Due to miscommunication, they fail to experience better banking service. Sometimes the customers are unable to seek the particular service which they want to avail for having language constraint from the banker’s end.

On the contrary, it can be said that some bankers are unable to understand the needs or demands of the valuable customers of that location due to having ‘language-bar’ of that particular place. In some cases, seamless banking services get interrupted. Customers failed to receive proper banking service according to their requirement. This kind of issue leads to customer dissatisfaction. Improper service quality hurts customer expectations. In a nutshell, it can be said that having language-gap can be considered as one of the crucial issues that can ruin the service quality provided in a banking service (Ozatac *et al.* 2016). It can also be said such as, language gap stimulates customer dissatisfaction and it (language constraints) is also considered as a core reasons for hurting the expectation of the valuable customer.

In order to enhance customer service quality in terms of language proficiency, the banking authority needs to execute necessary training program on learning the local language of that place in collaboration of govt. of India. Not only that, the bankers are

also needed to be willing to learn native languages of their particular place of posting for providing better banking services to its valuable customers as per their requirement. Having proficiency in the local language will not only help a banker to understand the demands or requirements of the valuable customers, but also the bankers will be able to provide such necessary solutions on the basis of the requirements of the clients (Al-Qeed *et al.* 2017). It will be very easy for the bankers to discuss and clarify about the utility of the various banking products to the customers. On the contrary, it will be easy for the valuable customers to understand the benefits of various banking products so that they can opt for the services as per their requirements.

Considering this, it can be said that ‘language proficiency’ is also considered as an ‘enhancing tool’ for the further improvement in the customer service quality provided in the banking service. This is how local language proficiency enhances customer satisfaction. Due to this, customers will be able to avail banking service in a smoother way as per their requirements. In a nutshell, it can be said that ‘language proficiency’ boosts up customer expectations. Due to this customer loyalty can be earned in this regard. The relationship between the valuable customers and bankers can be enhanced through proper communication (Beigi *et al.* 2016). Last but not the least, bankers can offer more ‘customer friendly’ approach to its valuable customer when they are able to communicate with the valuable customer flawlessly in the local language. Due to this, uninterrupted banking service can be assured in terms of better customer service quality.

## **2.16 Research Gap**

The entire research paper put its emphasis on the different type of banking service for differentiating among them. On the contrary, previous studies only put their focus on the profile analysis of the different banks. Besides, the study also focuses on the reason for changing commercial banking service into retail banking service whereas previous studies did not mention any significant changes within service of Indian banking industries. The previous research studies based on banking service quality only focused on the perception and expectation of the consumers whereas the current study keeps its eye over both the perception of bankers and customers. It helps the researchers to determine in what context bankers provided their financial service to the customers and in what context customers are satisfied with the financial service. On the other hand, the determination of the customer perception also helps to examine the

different types of requirements of the different types of customers. Therefore, the entire study helps researchers to make proper conclusion regarding the service quality of Indian banking industry in the context of its future development.

In addition, the current research paper analyses the challenges faced by the banking industry in respect to customer expectations and satisfaction. On the contrary, the previous studies determine challenges for the banking industry in respect to the competitive market of business. The entire discussion of the paper helps researchers to differentiate among public, private and foreign bank services whereas previous research paper only focuses on a specific type of banks. Therefore, it was understood that the research study helps to understand different demand of the customers and intention of the bankers in context of making profitability. Likewise, it can also understand that such kind of determination helps in providing proper recommendation to the different banking authorities for future improvement of financial services.

Besides, the paper keeps its focus on different type of reason or influences related to gap between customer expectation and banking service providence. On the other hand, previous studies did not put such kind of focus on their research papers whereas they only focused on customer demand and requirements. Therefore, it was understood that by determining the gap between customer expectations and service providence the researchers can understand the actual weakness of the Indian banking industry which can be mitigated by fulfilling customer expectation level.

## **2.17 Summary**

Based on the entire information mentioned above, it can be summarized that the chapter helps researchers to understand the current condition and significant aspects of the Indian banking industry. Moreover, different type of information related to the impact of banking service quality on customer and bankers' perspective helps to summaries about the customer expectation from bank and banker expectation from the customer in respect to support. Besides, the chapter also helps in identifying current challenges of the Indian banking industry. Therefore, it can be summarized that it helps the researchers to establish proper recommendation for the bankers or entire banking industry to develop their service quality. On the other side, the chapter also helps to find out type gap between customer expectation and placed service of the financial organizations which helps the researchers to summaries about the primary issue of the Indian banking industry and entire financial service. However, the chapter also helps



to summaries about the significant type of theories and models on customer expectation and banking service. Therefore, the researchers can easily understand in what ways the banking service quality of the Indian banks can be restructured or improve in the context of meeting the customer demand or requirements for satisfaction.

# **CHAPTER 3**

## **RESEARCH METHODOLOGY**

### **3.1 Introduction**

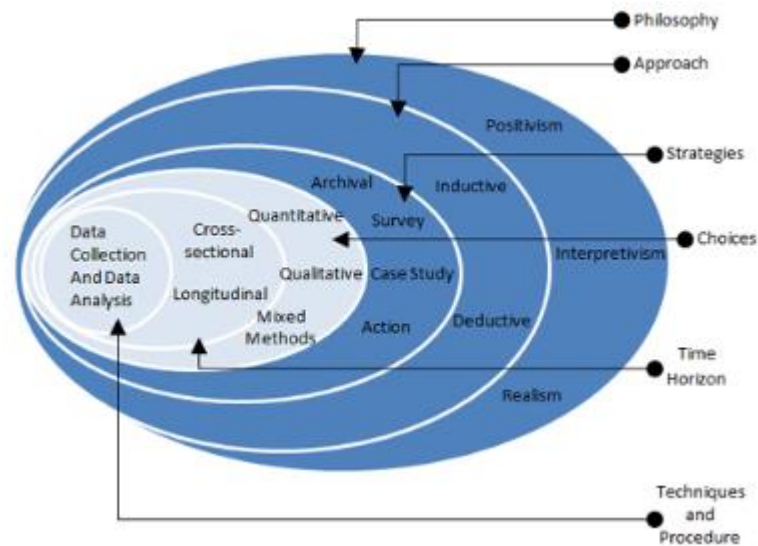
Methodology in respect to any research paper lies on the significant process or procedures, by which the researchers can collect, analyse and determined data for making proper conclusion. Therefore, it is understood that research methodology helps in conducting an entire research properly by collecting reliable and valid data for interpretation. The chapter of the entire research paper generally keeps its focus on the choosing of proper research design and philosophy for collecting and interpreting data. Therefore, it can be understood that the core aim of the chapter is to select proper research methodology for collecting and interpreting data. However, the entire chapter helps to understand how the chosen research methods may influence the understanding of the researchers for making proper conclusions or recommendations for better banking service.

The researcher has taken six banks. Two Public sector banks, two private sector banks and two foreign banks for the study.

- Public Sector Banks (SBI & PNB)
- Private Sector Banks (HDFC & Axis bank)
- Foreign Banks (Citi Bank & Standard Chartered Bank)

### **3.2 Research onion**

Research onion is a layer in respect to the research methods which helps to conduct an entire research study successfully. As like layer of onion, the research methods are lies by following a specific sequence; therefore, it is called as research onion. The research onion helps in understanding different layer of an entire research paper by evaluating its specific type and name (Fletcher, 2017). However, the onion helps the researchers to choose perfect methods for the study which helps in collecting and interpreting data related to customer and banker's perception.



**Figure 3.1: Research Onion**

(Source: Litosseliti, 2018)

### 3.3 Research philosophy

The philosophy of a research paper indicates a specific belief for collecting and determining data related to the research topic. On the other hand, it also found that the philosophical thought of a research paper generally lies on the belief regarding a specific way for phenomenon regarding utilization and analysis of collected data (Walliman, 2017). The research philosophy generally divided into three significant types such as

Positivism  
Realism  
Interpretivism

**Figure 3.2: Research philosophy**

(Source: Aithal, 2017)

- **Positivism**

Positivism philosophy of a research paper believes that the research philosophy is a full understanding of proper observation and understanding of collected data. The

positivism research philosophy followed some significant principles where the philosophy beliefs that logical inquiry helps researchers for best understanding of the topics. The positivism research philosophy mainly aims in predicting and explaining research hypothesis. Besides, this philosophy empirically observes the collected data through human sense and develops statements in against of the senses during the process conduction of research (BTL, 2018). On the other side, the positivism research philosophy helps in utilising scientific process whereas the utilisation of common sense is not allowed by the research philosophy.

In addition to the mentioned information related to positivism philosophy, it found that the belief of the research philosophy demonstrate casualty. Therefore, it understood that positivism philosophy helps in understanding the core reason behind the possibility of any consequences in respect to any issue. Moreover, positivism philosophy helps in deducting unnecessary research aspects in respect to the established hypothesis. The positivism philosophy also helps the researchers to operationalize the research hypothesis in the context of its proper measurement. Besides, one more advantage of the positivism research philosophy lies on the selection of sample population which helps the researcher to collect data from the large number of populations without any issue.

- ***Interpretivism***

The philosophy of interpretivism is also known as the interpretive beliefs which involves with interpretative elements in respect to the human-interest integration. On the other hand, it also found that the interpretivism philosophy mainly influences the qualitative methods of humanistic approaches. It prefers to works on the diverse approaches associated with the social constructivism. Such kind of approach helps in rejecting objectivist view that meaning resides within the independent and conscious world (Wildermuth, 2016). Apart from this, it was found that the interpretivism research philosophy put its emphasis on the utilisation of multiple methods in the context of reflecting different aspects of research issues. Therefore, it can be understood that the study emphasised on the qualitative research more than the quantitative research. The research philosophy guides that the researchers must act as the social actors in the context of appreciating differences between people's perception.

The interpretivism philosophy supports the approach of interview and observation in the context of collecting data from respondents.

Moreover, interpretivism philosophy suits more in respect to the research of secondary data. The philosophical through of interpretivism put its focus on the relevancy of previous studies and secondary data with the collected data through interviews or observation in the context of determining reliability and validity of data (Wildemuth, 2016). The philosophical tradition of interpretivism helps the researchers to understand phenomena of collected information by direct experience. By determining the information regarding interpretivism research philosophy, it has been understood that the belief holds weak prediction power in respect to the multiple research factors. On the other hand, the research philosophy holds the power for data interpretation by focusing specifically on the unique points regarding the research topic. Besides, the research philosophy also helps the researcher to understand the possible problems which may create challenges in the future and also helps to find a way for dealing with the issues.

- ***Realism***

The philosophy of realism lies on the independence idea of reality from the human mind of human. The realism philosophy is based on the scientific assumption approach towards the development of knowledge. Therefore, it understood that realism philosophy supports the belief of personal human sense in the context of interpreting and analysing collected data. On the other hand, realism philosophy helps to find out the deceptive facts relating any research topic through differentiating between real image of the world and expected or sensual image of the human mind. The realism philosophy only focuses on the data interpretation of an individual or an entire group (Mohajan, 2018). The realism philosophy is mainly divided into two types' direct realism and critical realism. Direct realism influences the researchers to find the significant aspects behind showed information by the respondents. On the contrary, critical realism suggested the researcher to think about the human perception and real-world images for differentiating between them. It helps to make clear conclusion regarding any research idea.

### **3.3.1 Justification for choosing the philosophy**

From the mentioned type of research philosophy in above, the researcher choose philosophy of interpretivism for interpreting the collected data. It found that interpretivism research philosophy helps to compare between previous research information and collected data (Hadi and Closs, 2016). Therefore, it understood that the philosophy helps the researchers to understand the service quality of Indian banking industry evaluated in the previous research papers and current banking service quality in respect to the perception of customers. On the other hand, the philosophy helps in differentiating the perception of the bankers mentioned in previous research studies and collected information from the bankers. Therefore, it understood that by utilizing the interpretivism research philosophy the researchers of the study were benefited for rejecting objective views of the respondents of sample population. It helps to measure the hypothesis made by researchers in the context of measuring it reliability for future. In addition to the mentioned information, it also understood that interpretivism research philosophy helps the researchers to make proper statement for developing banking service quality in future by determining the perception of the customers through their expectation determination. Due to such kind of advantages the researchers choose the philosophy for interpreting collected data for making clear conclusion.

### **3.4 Research approach**

The approach of a research is stands for the plan and procedure which consist of broad steps assumption towards detail method for collecting data, interpretation and analysis. Therefore, it was understood that research approach helps in planning for collecting and interpreting data by following proper procedure. There are three types of approaches exist such as

## Inductive Deductive Abductive Research Approach

**Figure 3.3: Approaches of Research**

(Source: Basias and Pollalis, 2018)

- ***Inductive***

Inductive research approach influences the data collection and interpretation through observation and it proposed theories towards the end of the research process. It also helps the researchers to improve the pattern of observation along with explanation development in respect to the hypothesis series. On the other side, the inductive approach did not allow hypothesis or theory determination at the beginning of any research. It allowed theories or hypothesis determination after proper observation of the collected data. The inductive approaches did not imply disregarding theories at the time of formulating research objectives and questions (Murshed and Zhang, 2016). The core aim of the inductive approach mainly lies on the generation of proper meaning from collected data set in the context of identifying proper pattern for building a theory in against of the research hypothesis. It also allows the researcher to utilise existing theories on research factors for formulating research questions and exploring the objectives related to the theory factors.

The research approach of inductive based on experience learning helps the researchers to reassemble and observe theories of research factors for making proper conclusion. However, inductive research approach follows a sequence for interpreting and analysing collected data which includes observation or test, pattern and theory (Almalki, 2016). Therefore, it can be understood that by applying the inductive research approach research can observe or test the reliability of collected data then decide the proper pattern for its interpretation and apply theory in respect to its interpretation for making clear conclusion. The application of the inductive research

approach mainly associated with the method of qualitative study in the context of data collection and analysis.

- *Deductive*

Deductive research approach is quite different from the inductive research approach which supports the data collection and interpretation through quantitative method. The deductive approach primarily welcomes the utilisation of theories for improving the existing hypothesis in respect the particular theory. After improving the hypothesis through theory application, the approach suggested to collect and interpret data in respect to the developed hypothesis. The approach follows the sequences of theory, hypothesis, observation or test a confirmation or rejection (Ulmer, 2017). Therefore, it can be understood that the theory helps researchers to utilise a perfect theory based on the existing research hypothesis for its development through proper observation and testing. After this, it helps to establish a modified hypothesis which influences the researcher to confirm or reject significant aspects of data at the time of its collection. The data collection after making modified hypothesis helps researchers to collect reliable and valid data which helps in proper determination to find out potential results in the context of making clear conclusion.

- *Abductive*

Abductive approach is used to find out the weaknesses associated with the inductive and deductive approaches within a research study. Moreover, the abductive research approach utilises in the context of criticising for lacking of clarity within a research study which impacts intensively on the selection of proper theory for determination of data. The abductive approach helps to select theory to be tested through formulating hypothesis for the research paper. Abductive approach mainly utilised as the third and last option for determining collected data if there was any weakness associated with the utilisation of inductive and deductive research. Therefore, it understood that this research approach is act as the alternative option which can be used within a research paper if there were any thing missing or clarity issue. Likewise, it also understood that the approach only focused on the identified weaknesses whereas it ability for self-determination of data was missing (Meyer and Morin, 2016). Besides, the approach helps to make hypothesis by selecting theory for test in respect to the identified weaknesses whereas its self-ability for making hypothesis on entire collecting data was



missing. Therefore, it can be said that abductive research approach was not too much fruitful for the researchers in the context of determining data.

### **3.4.1 Justification for choosing the approach**

The researchers of the research paper choose deductive and inductive research approach both for their further research or data determination. Both approaches help the researchers for collecting and determining data by applying both techniques including qualitative and quantitative study. As deductive approach helps to apply theories on existing theories for its development in the context of making new hypothesis, it helped the researchers for making new hypothesis on banking service which impacts positively on analysis of customer perception. On the other hand, it also found that deductive research approach follows a sequence which helps the researchers to cut down or select significant data through observation based on their potentiality (Lynch and Mannion, 2016). Therefore, it can be understood when the researchers collect data via quantitative method from respondents, they can cut down or select potential data through this approach. It helped the researcher to collect significant data related to India banking service and customer expectations. Likewise, it also understood that such data helps the researcher to make different hypotheses related to customer and banker perception in respect to the financial service of banking organization.

In addition to the deductive approach, Inductive approach also helps the researchers to collect data which helps in collecting extended data from respondents. Besides, inductive research approach helps in improving the pattern of observation for collecting potential data from respondents. On the other side it also keeps its focus on the improving of hypothesis test. Therefore, it understood that the research approach helps the researchers to improve their observation at the time of collecting data regarding banking sector and their expectation. On the other hand, the improvement in hypothesis testing helps the researcher to test both positive and negative hypothesis based on customer satisfaction or perception towards the banking service of Indian banking industry. However, based on the utilization of both research approaches, it can be analysed that both the approaches help the researchers to improve their observation pattern and determination power in respect to the collected data. Therefore, it understood that the proper observation and analysis technique of the researcher helps in collecting significant or potential data. On the other side, it can also

be said that it helps to extract potential data from a large number of collected data from the respondents through observation test (Daniel, 2018). Besides, the approaches helps the researchers to determine the collected data by applying proper theory and hypothesis testing on customer perception on banking service quality.

### 3.5 Research Design

A set of procedures and methods for collecting and analysing variable specified measures within a problem research is called research design. Therefore, it is understood that the researchers can applied research design in collecting data along with the measurement of specified variable within a research study. There are mainly three types of research design exist such as



**Figure 3.4: Designs of research**

(Source: Katsirikou and Lin, 2017)

- ***Descriptive research design***

Descriptive design of a research paper is acts as a method for describing the characteristics of phenomena or population which is being studied with a research paper. On the other side, the descriptive design of a research paper keeps its focus on the describing of demographic segment nature along with the focusing on core concept of research subject. It is less focused on the reason for choosing research subject. As the research design keeps its focus on the demographic segment, the researcher would be benefited for collecting data from the specific demographic region through conducting descriptive research on banking service quality on those particular areas (Katsirikou and Lin, 2017). On the contrary, it also understood that descriptive

research design only helps in gathering data related to research subject from focused demographic region whereas the data of different region can be different. Therefore, it is understood that the research design helps the researchers of the study to collect data related to customer perception and banking service quality of any particular area whereas the data of other segments can portray a different type of picture in respect to the collected data.

However, the descriptive research design mainly helps in collecting quantitative data along with uncontrollable variables to conduct study with cross sectional approach. Moreover, descriptive research design collect data related to the research subject which helps in conducting further research upon it (Katsirikou and Lin, 2017). The design generally focused on the close ended research question for data collecting in the context of making proper conclusion based on customer feedback. It holds the statistical capability to measure collected data variables along with proper comparison of the variables. Therefore, it is understood that the research design helps in measuring different variables of the customer and banker perception towards the banking service quality.

- ***Explanatory research design***

Explanatory research design focused on the specific problem related to any research subject which was not properly researched before. This research design keeps its focus on the demanding priorities related to the research subject which helps in making operational definition for providing better research models. Explanatory design of the research study emphasised on the detailed manner explanation of research aspects in the context of measuring possibilities for future (Beard and Cook, 2017). Therefore, it can be said that by applying the research design, the researchers can measure possibilities for the Indian banking service quality for future in respect to the customer and banker's perception both. On the other side, the research design also helps the researchers to explain each and every aspect of the banking service quality including financial services and the facilities for their customers.

Moreover, customer and banker's perception towards banking service quality also be analysed by utilising the research design. Therefore, it is understood that explanatory design helps in examining each and every aspect of banking service and perceptions which influence them to make a lucid conclusion. As before, it was seen the

explanatory research design helps in identifying problems related to the research subject, it understood that by applying the design researchers would be able to find out problems within the research paper (Beard and Cook, 2017). It helps the researchers to find out the problems associated with banking service quality and customer satisfaction both properly.

- ***Exploratory research design***

Exploratory research helps to understand the study and its subject properly through direct observation of a small selection. Exploratory research is mainly chosen by the researcher to extract background information in the context of defining the research problem properly (Papachristos, 2018). It means the research design collects those data which were associated with the research problem discussion in the introductory part of a research paper. Therefore, it can be understood that by applying the research design, the researchers can be able to identify significant aspects related to the banking service quality of the Indian banking industry which creates gaps between customer expectations and provided financial service of the banks.

Exploratory research design helps in examining the nature of problem highlighted within a research paper. Moreover, it provides the researchers an initial ground for future research in the context of examining different sources. Such research mostly supports the analysis of secondary data along with primary data through survey (Papachristos, 2018). Therefore, it is understood that exploratory research helps researchers to find out the core problems associated with financial service of the Indian banking industry. Besides, customer and banker's perception towards the banking service quality also can be determined through the design based on the identified challenges.

### **3.5.1 Justification for choosing the design**

The researcher of the paper kept their focus on the choice of descriptive research design for conducting the further research. Descriptive research design mainly influences the researchers to collect data from a selected demographic segment. Therefore, it is analysed that it helps the researchers to collect data from a particular segment by the population of the area regarding their expectation and banking service. It would provide a lucid idea to the researchers about the service quality type of the

Indian banks in respect to the perception of the customers. On the other side, the population also helps to collect data regarding banking services of the banks in respect to the perception of the bankers. It helps the researchers to compare the provided service and customer expectation in the context of making conclusion. Such conclusion helps researchers to make potential recommendation for meeting the gap between customer expectation and provided service through suggesting potential ways for service development. Moreover, descriptive research helps to measure the variables of research subject which impacts positively on the statistical analysis for expressing the relation between two different variables. This research design helps the researcher to express research result by utilizing quantitative number which would be easy to understand.

### **3.6 Data collection methods**

Collection method of data generally associated with two significant processes such as primary data collection method and secondary data collection method. The data collection method helps the researchers to collect different types of data related to the research subject by following different process. The collected data are also known as the name of the data collection method such as

- ***Primary data***

Primary data is known as the raw data which were collected from the sample population of a specific region regarding research subject. The primary is collected through two types of process such as Interview process and Survey process. In the interview process the researchers used open-ended questions whereas in the survey method the researchers used close-ended question for data collection (Singh, 2017). The researchers collect raw data from the respondents directly in respect to the question made on the basis of research subject and problem. Interview process helps to collect descriptive data in respect to a question whereas survey method helps to get to the point data in respect to the close-ended pattern question.

## Primary data Secondary data

**Figure 3.5: Data collection method**

(Source: Singh, 2017)

- ***Secondary data***

Secondary data is previously research data which were extracted through different research studies. Secondary data are the huge sources for analysing any research subject and the data can be utilised in making critics or finding similarities to prove any aspect. The secondary data can be collected through surfing online articles, journals and newspapers along with book (Singh, 2017). As the secondary data are the previously made research paper, therefore there is a chance for getting wrong information related to any similar research topic due to the changing of time and significant data.

From the mentioned data collection method in the above, the researcher chose the primary data collection method for collecting data. Primary data collection method helps the researcher to interact with the people directly for understanding their intention related to the Indian banking service quality. It also helps to collect updated data from the customers based on the different type of new services of the different banking organisations within the particular region. Besides, it also helps the research to collect significant data related to the trade changing and increase of customer demand in respect to financial services. Moreover, it also helps the researchers to collect reliable and valid data based on customer perception and banking service quality in respect to the present time (Singh, 2017). However, the researcher follows the process of survey for collecting data from the respondents through close-ended question. This process helps in collecting data easily within a short time from the customers.

### **3.7 Data analysis techniques**

The collected data are analyzed by the researcher by following two significant techniques known as data analysis technique. The technique helps the researcher to

determine collected data easily and made conclusion in respect to the analysis technique (Baker and McGuirk, 2017). However, the choice of analysis technique mainly depends on the data collection method which was previously chosen by the researchers. The techniques mainly include

## Quantitative data analysis

## Qualitative data analysis

**Figure 3.6: Techniques of data analysis**

(Source: Baker and McGuirk, 2017)

- ***Quantitative data analysis***

Quantitative analysis generally suits for those data which were collected through survey process. Quantitative data analysis helps the researcher to analyse data with a statistical process and express the result with quantifying numbers (Baker and McGuirk, 2017). There are various processes exist for quantitative data analysis such as SPSS, MS excel etc.

### ***Qualitative data analysis***

Qualitative data analysis generally suits for those data which were collected through interview process with open-ended questions. This analysis technique helps the researcher to analyse collected data descriptively by aligning with the literature review information in respect to the significant aspects of a research paper (Baker and McGuirk, 2017). Qualitative technique expresses the result of analysed data with a broad review with proper justification and similarity of respondent concern with previously determined information.

The researcher of the paper chooses quantitative data analysis technique for analysing collected data as the data were collected through survey process. Moreover, the quantitative data analysis technique also helps the researcher to determine the relation

between different variables of the banking service quality along with customer and banker perception (Baker and McGuirk, 2017). The researchers choose both the SPSS and Excel method for analysing the primary data. It helps the researcher to express relation between different variables with quantifying number which impacts on the understanding of the present condition of banking service quality and customer expectations.

### **3.8 Sampling techniques**

Sampling technique is a significant process for selecting respondents from a huge number of populations. Moreover, the different techniques of sampling help the researcher to choose potential respondents for collecting significant data. However, there are two main techniques exist for sampling such as

- ***Probability sampling***

Probability sampling method is a process for selecting participants to participate in interview and survey process. The probability sampling is also known as random sampling technique as it provides equal chances to every respondent within a specific area to participate in the interview and survey process (Lynch and Mannion, 2016). However, in the random sampling process the probability sampling also divided into some significant methods such as

- Simple random sampling
- Cluster random sampling
- Stratified random sampling
- Systematic random sampling
- Multi-stage sampling

Probability sampling  
Non- probability sampling

**Figure 3.7: Methods of sampling**

(Source: Lynch and Mannion, 2016)



- ***Non-probability sampling***

Non-probability sampling is different from the probability sampling which did not provide equal chances to every respondent for participating in the survey or interview process. Non- probability sampling supports the choice of the researchers for selecting participants who would be permitted to join in the survey or interview process to air their concern (Lynch and Mannion, 2016). As well as probability sampling, non-probability sampling is divided into some significant methods such as

- Convenience sampling
- Snowball sampling
- Quota sampling
- Consecutive sampling
- Judgmental sampling

### **3.8.1 Justification for choosing sampling technique**

The researcher of the study choose the sampling process of stratified random sampling under probability sampling for selecting the respondents in the context of participating in survey method. The stratified random sampling helps the researchers to choose respondents from smaller sub groups in respect to their characteristics and attributes. Therefore, it was understood that it helps the researcher to understand which respondents were associated with their local banking services more than others. It helps in collecting valid and potential data from the respondents.

### **3.9 Sampling size**

Sample size generally denotes the number of populations that was chosen by the researcher to collect data for interpretation of the research subject. In this study the researcher chooses the sample size of 630 among which 600 are customers of the different banks and 30 are bank employees of different banks across the Lucknow area.

### **3.10 Ethical consideration**

Ethical consideration generally stands for the significant ethics which need to be followed by every researcher at the time of collecting and utilizing data for

interpretation. Moreover, the ethical consideration helps the researchers to stay away from the legal issues and miscommunication which influences the entire research positively for its successful completion. The researchers of the study followed some ethical considerations which includes data protection and permission. Before conducting the survey, the researchers took permission from every respondent for throwing survey question to them. Moreover, they were requested to join in the survey process in their convenient day and time where no one was pressured to join in the survey process. At the time of collecting data all respondents were assured for keeping their identity hidden and safe. Moreover, the researcher promised respondents for using the collected data in study purpose only without any business use. Besides, no respondents were influenced to provide their concern on bias of any specific bank or its service quality. All the data were used in interpretation as same as provided by the respondents without any amendment and change.

### 3.11 Timeline

Main activities/ stages	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7
Topic Selection	•						
Data collection from primary source	•	•					
Data collection from secondary sources	•	•					
Creating layout		•					
Literature review		•	•	•			
Formation of the research Plan			•	•			
Selection of the Appropriate Research Techniques				•	•		
Primary data collection					•	•	
Analysis & Interpretation of Data Collection					•	•	
Findings of the Data						•	

Conclusion of the Study						•	
Formation of Rough Draft						•	•
Submission of Final Work						•	•

**Table 3.1: Time**

(Source: Self-created)

### 3.12 Summary

The entire discussion of the research paper helps in summarizing the significant process for conducting any research study with clarity along with the reliable manner. The selection of the philosophy, approaches and design in respect to the entire research study helps in concluding about the proper decision-making process of the researcher for collecting and interpreting data by following the significant manner. Moreover, it can also be concluded that before collection of data, the researcher must keep their focus on the choice of right data collection process. Likewise, it also summarized that data interpretation technique is depends on the type of data collection process used in the previous step. It helps in expressing the result of data interpretation related to the research subject. Finally, the entire chapter helps in summarizing about the proper process and techniques for data collection and analysis in respect to any research study which influences the lucid presentation of research conclusion.

# CHAPTER 4

## DATA ANALYSIS

### 4.1 Introduction

This chapter deals with the analysis and interpretation of data which were collected through proper process by the researchers. Data analysis generally helps in determining data in respect to the answer given by respondents in against of the research questions. In this research study, the researcher keeps their focus on the determination of customer and banker perception based on the banking service quality. Therefore, it is understood that the chapter was going show the interpretation of those data which were related to the banking service. The chapter mainly aims show the result of quantitative analysis of the data through expressing quantifying number. Likewise, it also understood that the study was going to evaluate the relation between different factors related to banking service quality through statistical units.

### 4.2 Quantitative data analysis

Quantitative data analysis is generally associated with the data interpretation through statistical method. Based on the collected data related to banking service from bankers and customer were analyzed in the section with the help of both statistical and excel analysis. The researcher focused on different type variables associated with the research hypothesis in the context of evaluating relation between them to properly examine the hypothesis result. The hypothesis mainly includes

#### **Hypothesis**

*Ho1:* Service quality rating is independent variable like employment, age, income, gender, bank types, account duration, banks associated with accounts and account types

*Ha1:* Service quality rating is not independent variable like employment, age, income, gender, bank types, account duration, banks associated with accounts and account types

*Ho2:* The servqual gap is similar in foreign, public and private banks

*Ha2:* The servqual gap is not similar in foreign, public and private banks

Based on the above-mentioned hypothesis of the research paper, the researcher focused on some significant variables which were analysed in respect to the responses from sample population or collected data. The significant variables or aspects generally includes

### ***Profiling of the customers***

#### ***Customer gender***

<b>Particular</b>	<b>Frequency</b>	<b>Percentage</b>
Male	388	65
Female	212	35
Total	600	100

**Table 4.1: Gender of the customers**

(Source: Self-created)

Based on the table mentioned in the above, it is understood that the respondents who participated in the survey process include 65% male and 35% female gender out of 600.

#### ***Customer age***

<b>Age Group</b>	<b>Percentage</b>	<b>Frequency</b>
18 -25 years	22.50%	135
26 -34 years	30.80%	185
35- 44 years	21.20%	127
45 – 54 years	8.50%	51
55 – 64 years	9.00%	54

Above 65 years	8.00%	48
Total	100	600

**Table 4.2: Customer age group**

(Source: Self-created)

From the above-mentioned table, it analysed that within the selected sample population under bank customers the largest group belongs to the age of 26 to 34 years which holds the percentage of 30.80 percent. On the other side, the second and third largest group belongs to the age groups of 18 to 25 years and 34 to 44 years respectively. Besides, the rest number of customers holds the percentage of 8 and 9. Therefore, it can be understood that mostly the young generations do their financial transaction through utilising the service of Indian banking system within the region of Lucknow. On the contrary, the older people were less associated with the banking service rather than young.

*Customer's annual income*

Particulars	Frequency	Percentage
Less than 1lakh	118	19.7
1 – 2.5 lakh	229	38.2
2.5 – 4 lakhs	100	16.7
4 – 10 lakhs	58	9.7
10 -15 lakh	56	9.3
More than 15 lakhs	39	6.5
Total	600	100

**Table 4.3: Customer's annual income**

(Source: Self-created)

The above table indicates that most of the bank customers holding the annual income of 1 to 2.5 lakh associated with the banking service. On the other side, only 6.5 percent of people are holding the bank account in the banking organisations that holds the annual income of more than 15 lakh. Besides, the people who earn less than one lakh

are holds the second position in holding banking account or associated with banking service. From the scenario two perspectives can be determined; one only few amounts of people within Lucknow region are associated with high income and the second one stands for the less utilisation of banking service within the particular region.

#### *Customer's occupation*

<b>Particulars</b>	<b>Frequency</b>	<b>Percentage</b>
Employed	229	38
Professional	154	27
Business	90	15
Student	53	8
Retired	42	7
Homemakers	32	5
Total	600	100

**Table 4.4: Customer's occupation**

(Source: Self-created)

The above table evaluated that 38% of people within Lucknow region were employed whereas 154 customers within 600 were professionals and only 90 people found as the business holders. Therefore, it can be analysed that the bank customers who hold bank accounts in Indian banking organisations were mostly employed. Among 600 customers few customers were the students which also utilise the financial service of bank. On the other side, 7% retired persons also holds the bank accounts in Indian banking organisations. From the entire scenario, it can be analysed that mostly the employed person depends on Indian banking organisation whereas the business holders utilised less service of Indian banks.

#### *Account types*

<b>Particulars</b>	<b>Frequency</b>	<b>Percentage</b>
Savings Account	387	64.5
Current Account	106	17.7
Deposit Account	64	10.7
Loan Account	43	7.2
Total	600	100

**Table 4.5: Account type**

(Source: Self-created)

The above table related to bank account type of the 600 customers evaluates a highlighting result regarding the account type of the customers. Among 600 customers 387 customers holds the savings account whereas only 17.7 and 10.7 percentage customer hold current and deposit account respectively. Therefore, it can be analysed that most of the customers depends on the Indian banking system for positive delivery of financial service based on savings account with good percentage of interest. On the contrary, no such good number of business or current account found in the Indian banking organisations in respect to Lucknow region. Therefore, it can be summarised that due to the lack of business account and deposit account the Indian banking industry faces lots of challenges for rolling of sufficient amount of money which results in poor financial service including low interest.

#### *Account duration*

<b>Particulars</b>	<b>Frequency</b>	<b>Percentage</b>
0 – 3 years	407	67.8
4 – 8 years	135	22.5
9 – 15 years	26	4.3
More than 15 years	32	5.3
Total	600	100

**Table 4.6: Account duration**



(Source: Self-created)

The mentioned table regarding the holding of account duration within banking organisations evaluated that only 0 to 3 years holds maximum number of percentages, 67.8% in respect to the holding of bank account numbers. Therefore, it analysed that most of the customers runs their financial account in Indian banks for 0 to 3 years which impacts negatively on the financial business activity of the banks. On the other side, 22.5% accounts runs for 4 to 8 years only whereas more than 15 years running of accounts holds only 5.3%. Therefore, it analysed that most of money rolling of Indian banks depends on the accounts of those people who holds their account for 8 or more than 15 years. On the other side, the maximum number of accounts are fruitful for the Indian banks for short term money rolling as the duration of those accounts did not continued for more than 3 years.

### ***Summary***

The entire analysis of the customer profile, helps in summarising that only banking service quality did not responsible for creating poor satisfaction level of the customers whereas customers are mostly responsible for that. It found that only a small number of customers are associated with long term account holding within the banking organisation which weakens the economic strength of the banking organisations. On the other side, most of the employed persons were associated with the banking service whereas business holders deposit their money in Indian banks with very less amount. Therefore, the financial activity or rolling of money of the Indian banks is becoming poor day by day. Likewise, it also summarises the in the context of improving the banking service quality of Indian banks, customers also need to support the Indian banking organisation with proper financial activity conduction.

### ***Comparison of customer service quality with profile of the respondents***

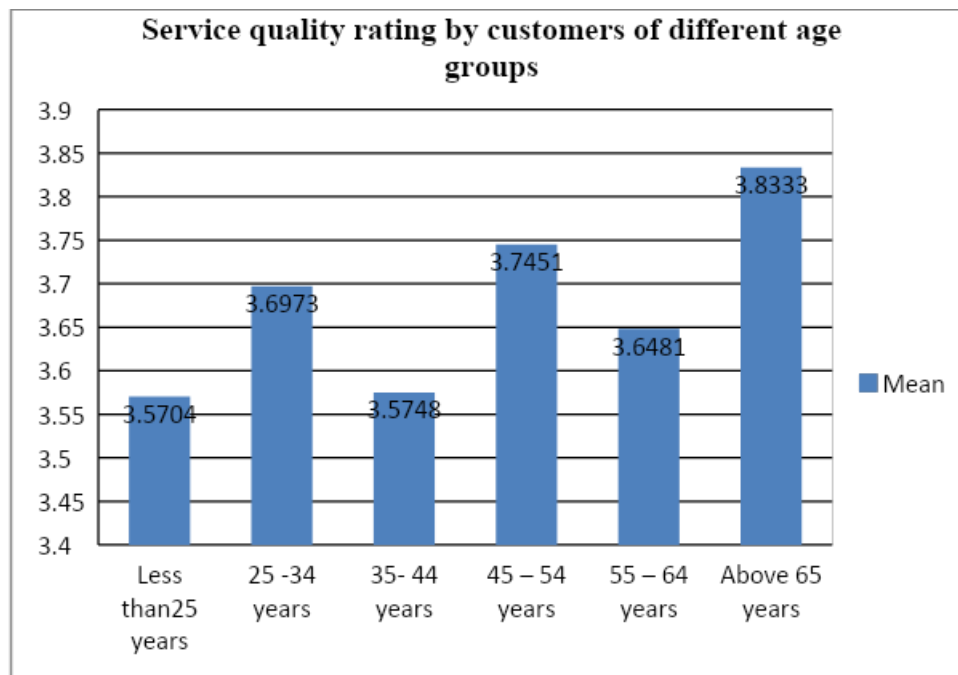
This section helps in analysing the rating of customer service quality across categorical variables including age, income, gender, duration of account holding and occupation. This analysis was done by the process of descriptive research or statistics including the mean number of customers along with standard deviation. Moreover, the test of ANOVA was also used to determine the hypothesis in the context of establishing relationship between the categorical variables and quality rating of customer service.

*Distributed rating of customer service quality across age groups*

Age	Mean	N	Std. Deviation
Less than25 years	3.5704	135	.89393
25 -34 years	3.6973	185	.96416
35- 44 years	3.5748	127	.90431
45 – 54 years	3.7451	51	.93473
55 – 64 years	3.6481	54	.89353
Above 65 years	3.8333	48	.88326
Total	3.6533	600	.92082

**Table 4.7: Age group related distribution**

(Source: Self-created)



**Chart 4.1: Age group related distribution**

(Source: Self-created)

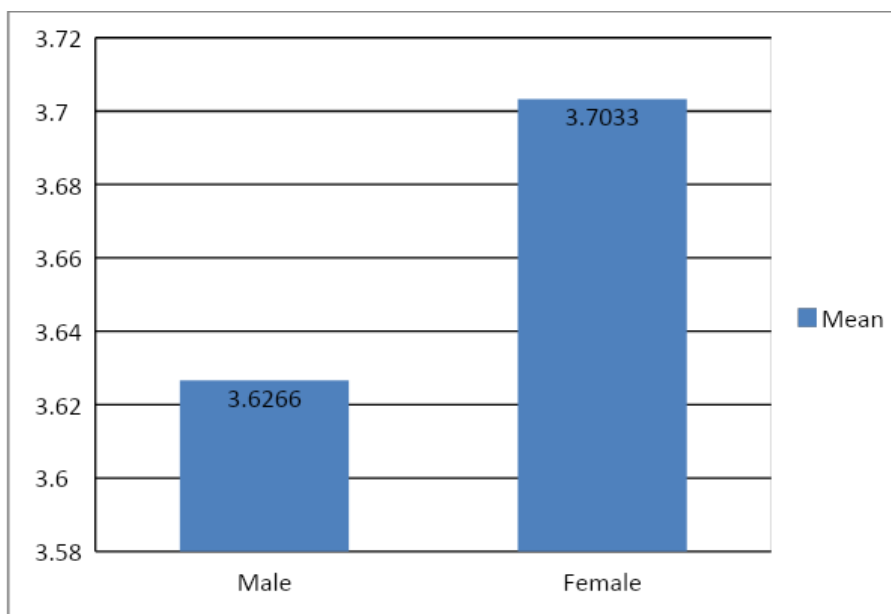
Based on the above-mentioned graph and table, it analysed that the mean score in respect to the service quality rating by customers are more or less the same across all age groups. Therefore, there was no significant difference was seen within the customer perception in respect to various age groups. In respect to the satisfaction level of customer within the age group the highest mean score was 3.83 which hold the age group of 65 years. On the contrary, the lowest satisfaction level within the age group was held by the age group of those customers who were below 25 years. Apart from this, the ANOVA test also evaluated that there were no significant differences between the service quality rating of the customers and age groups.

*Distributed rating of customer service quality across gender*

<b>Gender</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
Male	3.6266	391	.94663
Female	3.7033	209	.87048
Total	3.6533	600	.92082

**Table 4.8: Gender related distribution**

(Source: Self-created)



**Chart4.2: Gender related distribution**

(Source: Self created)

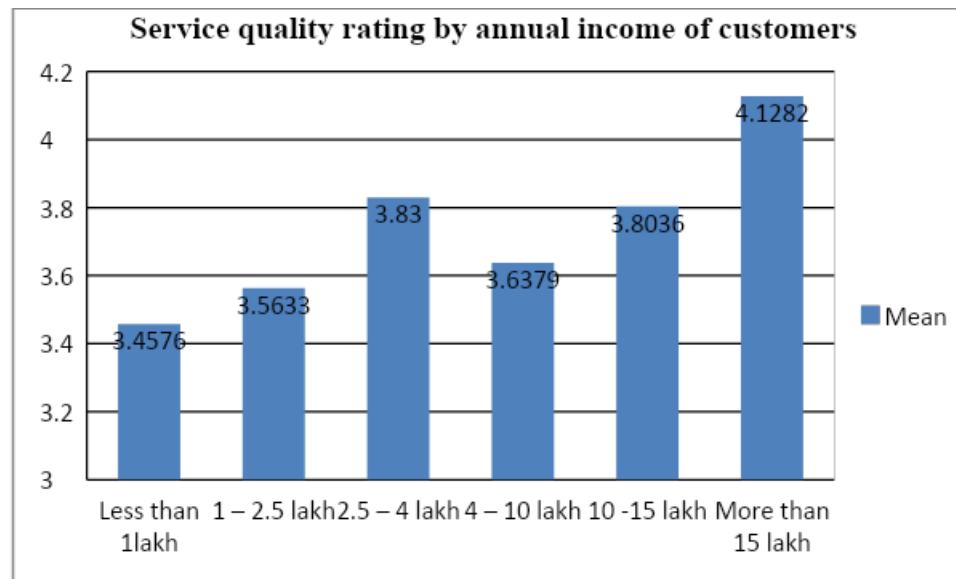
The above graph or table evaluates that the satisfaction level of the customer related to banking service quality was rated higher in support of female customers rather than male customers. The same result was also reflected in the part of standard deviation where the number of male customers was more than the female customers. Moreover, the dispersion of data in respect to the male customers was more than the dispersion of data in respect to female customers. Therefore, it can be analysed that in spite of having more male respondent number the descriptive statistics results in higher satisfaction level in support of female customers more than male customers.

*Distributed rating of customer service quality across income groups*

<b>Annual Income (Rs)</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
Less than 1lakh	3.4576	118	.88331
1 – 2.5 lakh	3.5633	229	.99192
2.5 – 4 lakhs	3.8300	100	.77921
4 – 10 lakhs	3.6379	58	.91188
10 -15 lakh	3.8036	56	.84034
More than 15 lakhs	4.1282	39	.83286
Total	3.6533	600	.92082

**Table 4.9: Income related distribution**

(Source: Self-created)



**Chart 4.3: Income related distribution**

(Source: Self-created)

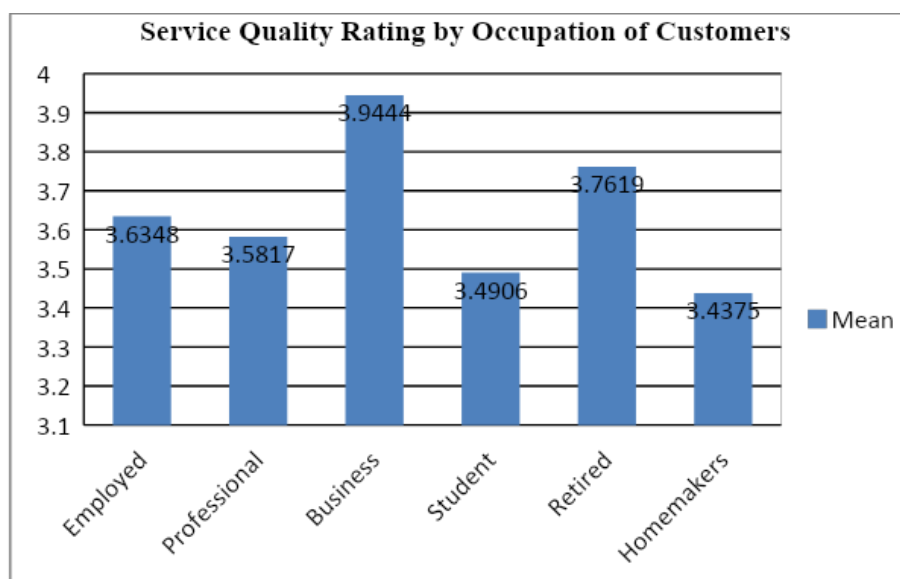
The above-mentioned graph and table were made in respect to the satisfaction level of the customers in respect to the income level of them. It found that the table and graph evaluate a significant observation in respect to the satisfaction level of the customers and relation between the satisfaction level increase and income. Based on the graph and table mentioned in above, it analysed that the customer who earns more than 15 lakh per annum were more satisfied rather than other customers. Therefore, it can be understood that the banking industry focused more on those customers who can provide them high profit in financial level. Therefore, the rating level of these customers holds a high mean bar. On the other side, the customers who earns less than 15 lakh per annum showed less score rather than it. However, the graph and table showed lowest rating number in respect to those customers who holds the income of 1 lakh or less than one lakh. Therefore, it understood that the banking industry did not focus on those customers who come under low-income level and it results in poor satisfaction level. Moreover, the test of ANOVA also showed a positive relation between customer satisfaction level and income of the customers. It means with the growth of customer income level the satisfaction level would be also increase and in opposite would be the same.

*Distributed rating of customer service quality across occupational groups*

Occupation	Mean	N	Std. Deviation
Employed	3.6348	230	.93762
Professional	3.5817	153	.93622
Business	3.9444	90	.87873
Student	3.4906	53	.84632
Retired	3.7619	42	.87818
Homemakers	3.4375	32	.87759
Total	3.6533	600	.92082

**Table 4.10: Occupation related distribution**

(Source: Self-created)



**Chart 4.4: Occupation related distribution**

(Source: Self-created)

The graph and table related to the relation between customer satisfaction level and customer occupation provides little bit similar result or understanding as per the

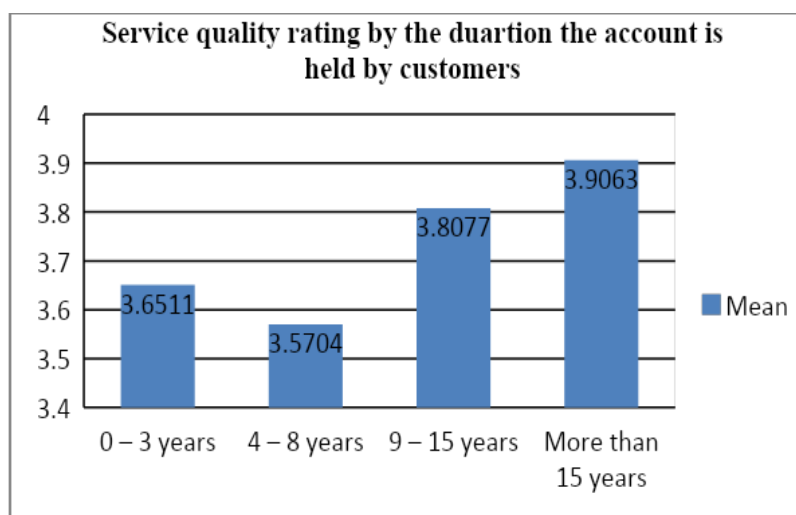
relation in respect to income level. It found that the customers who were homemakers evaluate fewer score in respect to the satisfaction level. On the contrary, the business persons who associated with banking service hold maximum number of scores rather than them. Therefore, it can be understood that the Indian banks provide premium service only those customers who associated with prestigious level of income and occupation both.

*Distributed rating of customer service quality across account holding duration*

<b>Duration of account</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
0 – 3 years	3.6511	407	.91034
4 – 8 years	3.5704	135	.97384
9 – 15 years	3.8077	26	.84943
More than 15 years	3.9063	32	.85607
Total	3.6533	600	.92082

**Table 4.11: Account holding duration related distribution**

(Source: Self-created)



**Chart4.5: Account holding duration related distribution**

(Source: Self-created)

The above-mentioned graph and table related to the customer satisfaction level and account holding duration also evaluates a positive relationship between them. It found that the customers are more satisfied than other customers who hold their bank account in the banking organisations more than 15 years by holding mean score of 3.90. On the other side, the tale also evaluates a significant result in the mean score of 3.65 and 3.57. It found that the mean score 3.57 are lies for those customers who holds their accounts for 8 years whereas the 3.65 stands for those customers who holds their account for 3 years. In respect to the positive relationship, it should be higher in respect to the customers who hold account for 8 years rather than 3 years. Therefore, it analysed that the Indian banks provide preferences to those customers who are new for holding their account for long term whereas the old customers are less focused rather than new. On the other side, the ANOVA test did not provide any significant relationship between customer service quality and period of their account.

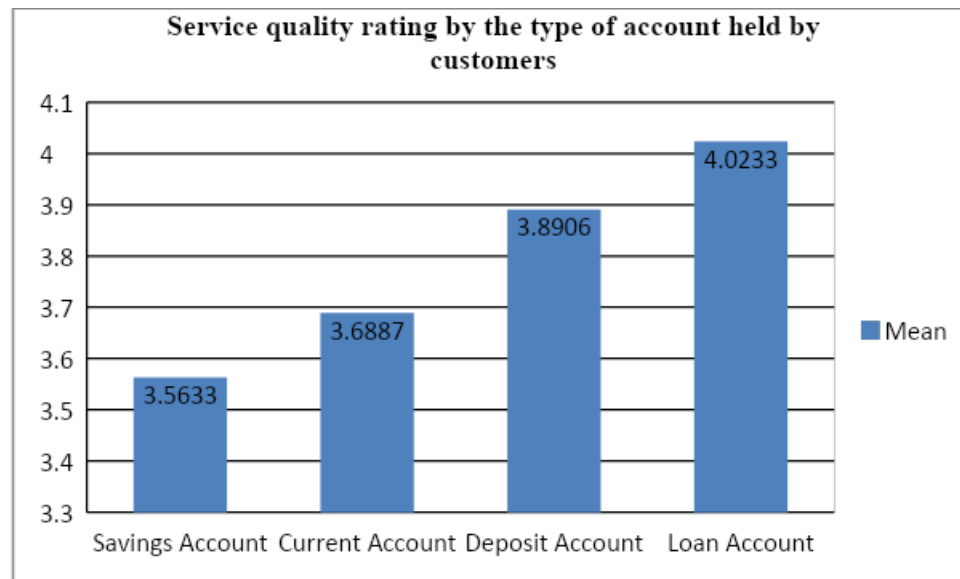
*Distributed rating of customer service quality across type account*

<b>Type of Account</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
Savings Account	3.5633	387	.93465
Current Account	3.6887	106	.87683
Deposit Account	3.8906	64	.85667
Loan Account	4.0233	43	.85880
Total	3.6533	600	.92082

**Table 4.12: Account type related distribution**

(Source: Self-created)





**Chart 4.6: Account type related distribution**

(Source: Self-created)

In respect to the account type of the customers, the above graph and table showed higher satisfaction level for those customers who hold loan account. On the contrary, the customers who holds savings account score lower, 3.56. It means the satisfaction level of the customers is less than those customers who holds loan account.

***Testing of Hypothesis 1: Service quality rating from categorical variables***

<i>Independent Variable</i>	<i>F Statistic</i>	<i>P Value</i>	<i>Significance At 5%</i>	<i>Acceptance of Hypothesis</i>
Age	0.956	0.444	Not significant	H0 is accepted
Gender	0.946	0.331	Not significant	H0 is accepted
Employment	2.846	0.015	Significant	H1 is accepted
Income	4.761	0.000	Significant	H1 is accepted

Duration of Account	1.417	0.237	Not significant	H0 is accepted
Account type	5.119	0.002	Significant	H1 is accepted

**Table 4.13: ANOVA Test**

(Source: Self-created)

The table of ANOVA test mentioned in above was done based on the below mentioned hypothesis

- ***Hypothesis 1***

*H01*: Service quality rating is independent variable like employment, age, income, gender, bank types, account duration, banks associated with accounts and account types

*H01*: Service quality rating is not independent variable like employment, age, income, gender, bank types, account duration, banks associated with accounts and account types

However, the table evaluated that customer service quality rating mainly varies with significant categorical variables such as type of account, income and city. On the contrary, the customer service quality rating did not vary with the age, duration of account and gender.

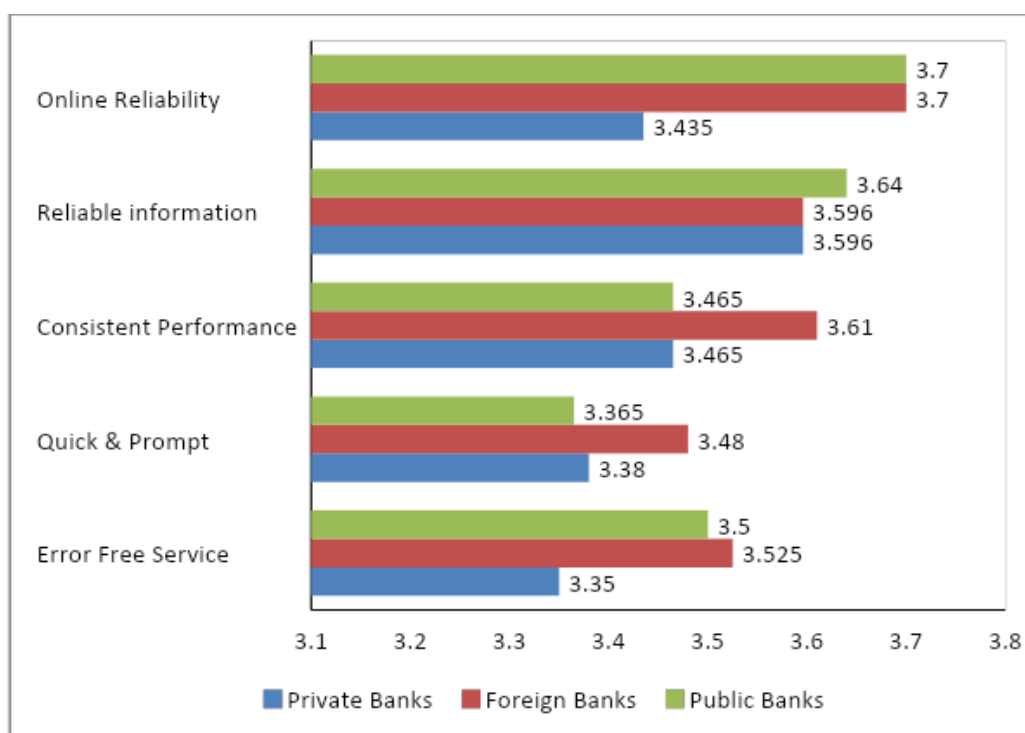
***Customer perception on banking service quality***

***Customer perception analysis***

In the context of analysing customer perception, five dimensions was utilised for making overall perception in respect to three different types of banks. However, the perception of the customers by evaluating on the basis of five different dimensions is presented through charts. The five significant dimensions are mentioned in the below having an average ranging from 3.6 to 3.3. However, within the comparison of three different kinds of banks, it found that foreign banks hold most of the priorities rather

than public and private banks in respect to the service quality parameters. After foreign banks the public sector banks holds the second position as per the rating whereas private banks holds less rate rather than the previous two.

### *Reliability*



**Chart 4.7: Consumer perception of reliability**

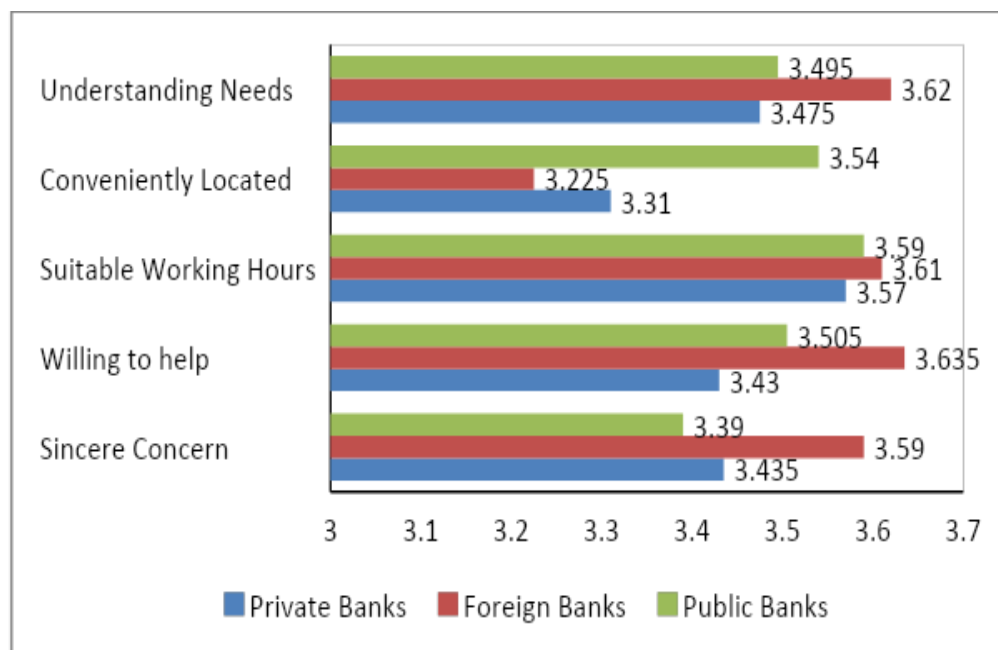
(Source: Self-created)

Based on the mean score of range from 3.35 to 3.64 the below mentioned observation were made

In case of the Private Banks, the reliable information was higher, 3.595 rather than consistent online reliability, 3.435, error free service, 3.35 performances, 3.465 and quick and prompts, 3.38. On the other hand, Public sector Banks holds the higher online reliability, 3.7 in respect to reliable information, error free service, and consistent performance along with quick services. Besides, the Foreign Bank's online reliability is also higher, 3.7 more than 3.61 (consistent performance). However, these banks provide reliable information and error free service along with quick and prompt services.

**Interpretation:** In respect to the entire reliable parameter, the perception towards online reliability holds high rate in respect to the customer irrespective based on different bank types. On the contrary, it was found that the least parameter is held by the promptness and quickness in providing banking services and it liable for all types of banks. Besides, a significant observation was also made in the rating which evaluates that the private banks were rated below in respect to the entire parameters whereas the foreign banks were rated high in every aspect.

#### *Empathy*



**Chart 4.8: Consumer perception of empathy**

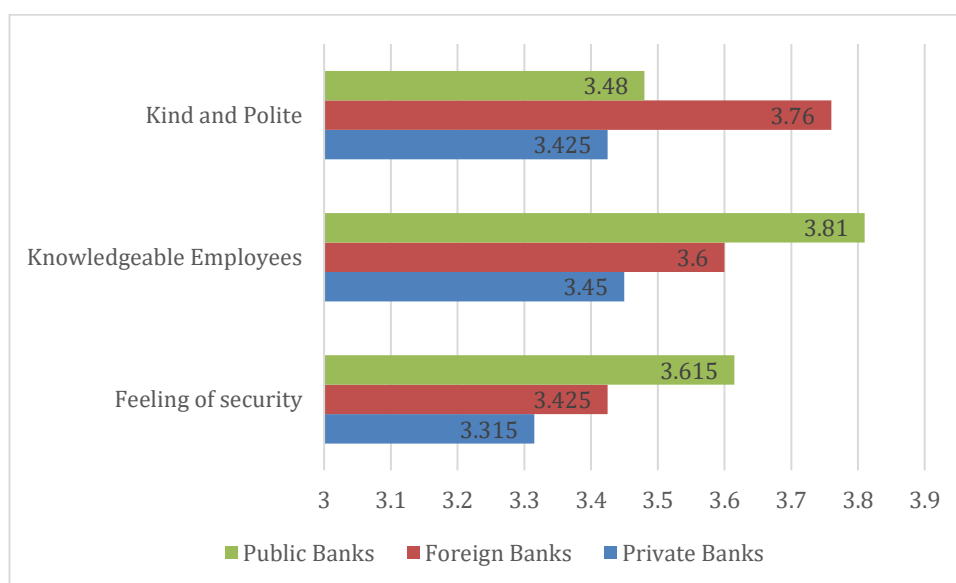
(Source: Self-created)

Based on the above-mentioned graph, it was found that the mean score of empathy range started from 3.225 to 3.635. Therefore, it is understood that the mean score evaluating good performance average by the banking organisation in respect to being empathetic to the customers at the time of providing banking service. However, it was found that the foreign banks hold the higher score in respect to showing willingness to help the customers which scores 3.505 rather than other aspects such as understanding of needs along with convenient location and sincere concern or suitable working hours. On the other side public banks holds higher rate in being empathetic to customer at the suitable time of working hours holding the score of 3.59. This score in respect to the private bank was higher than other aspects whereas the sincere concern holds lowest

rate, 3.39. In addition to the foreign and public banks, the private bank also holds a higher score in being empathetic to customer at the time of suitable working hours but the score was less than public bank, 3.57.

**Interpretation:** Based on the analysis mentioned in the above, it was found that the willing rate for helping customers of bank employees in banking service was high in the field of foreign banks following public and private banks.

#### *Responsiveness*



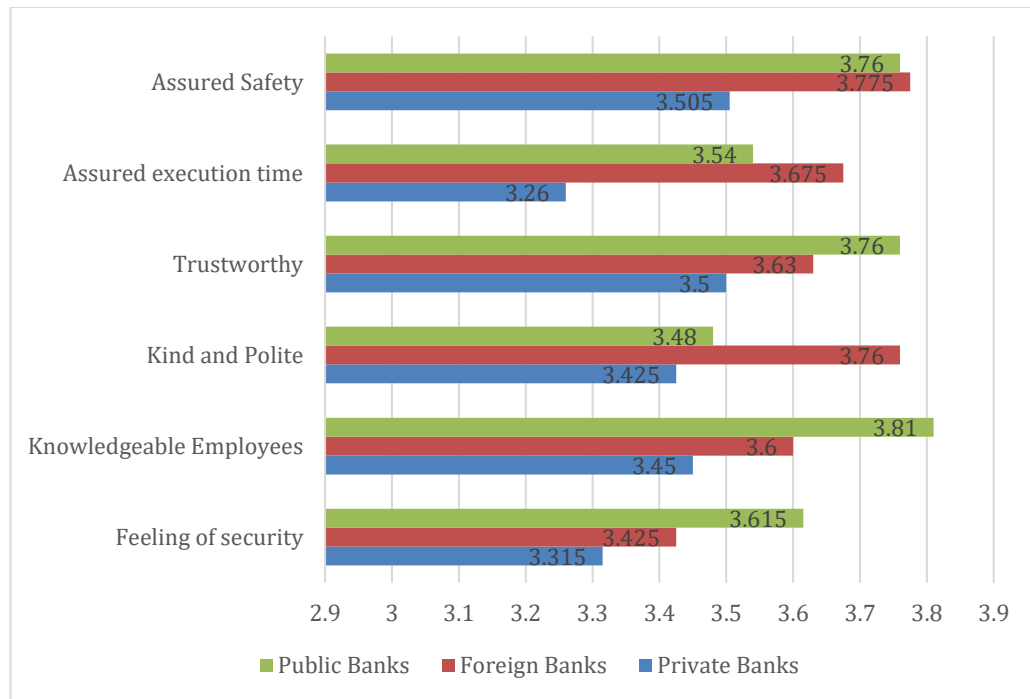
**Chart 4.9: Consumer perception of responsiveness**

(Source: Self-created)

The mean score in respect to responsiveness ranges from 3.31 to 3.83 based on the good performance evaluation of the banks.

**Interpretation:** Analysis of the customer support service in respect to different type of banks, it clearly understood that the high rating for-customer service followed by foreign banks, private banks and Public banks. When we talk about the less waiting time then private banks hold the first position then foreign and public banks. But the observation is different in quick response to customer. In this factor Foreign banks hold first position followed by public banks and then private banks.

## Assurance



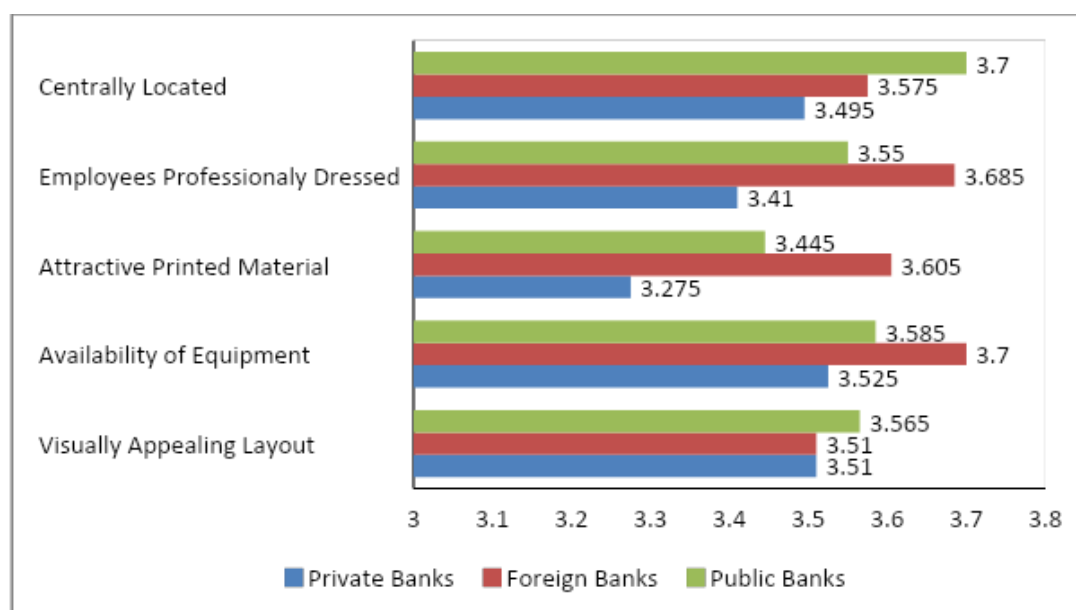
**Chart 4.10: Consumer perception of assurance**

(Source: Self-created)

The mean score of assurance for providing banking service rates from 3.26 to 3.81 where knowledge scored higher than other variables in respect to the public banks. On the other hand, safety assurance is scored high by holding the score of 3.775 and 3.76 for foreign and 3.505 for private banks respectively.

**Interpretation:** From the above analysis, it was understood that all parameters for assurance related to public banks holds high rate for knowledge whereas process execution assurance holds least score for private sector banks.

## *Tangibility*



**Chart 4.11: Consumer perception of tangibility**

(Source: Self created)

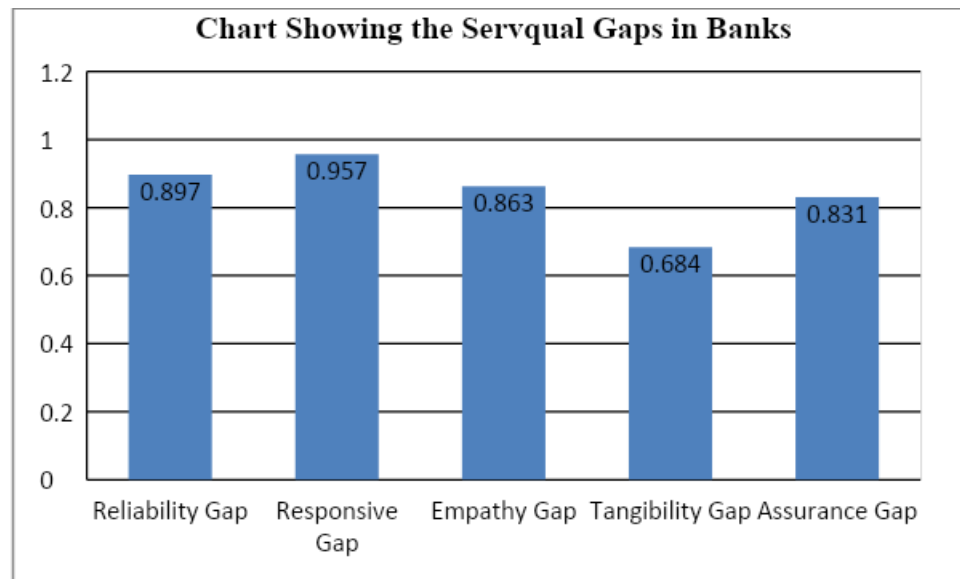
The mean score for tangibility holds range from 3.27 to 3.7, in which public sector banks holds high score 3.7 for favourable location. On the other side, foreign banks holds high score for professional dressing and equipment and private banks holds high score for equipment availability.

**Interpretation:** Based on the analysis mentioned in the above, it found that the way of professional dressing scored higher than other variables.

## *Service quality gap analysis*

### *Servqual gap*

Servqual gap is applied to analyse the quality of service provided by all the banks currently operating in India belongs to private, public, foreign sector accordingly.

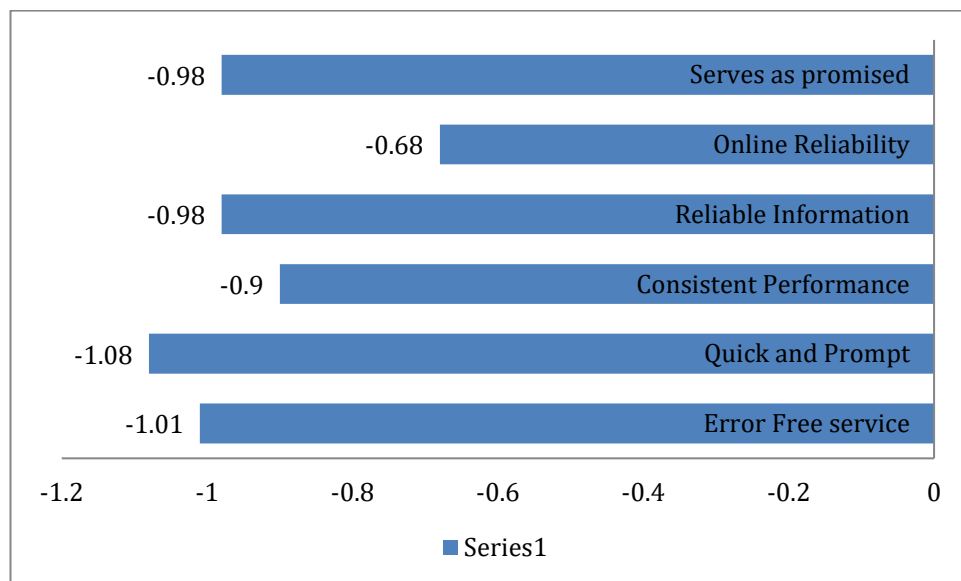


**Chart 4.12: Servqual gap in banks**

(Source: Self-created)

*Servqual gap in respect to every dimension*

- **Reliability**



**Chart4.13: Servqual gap in reliability**

(Source: Self-created)

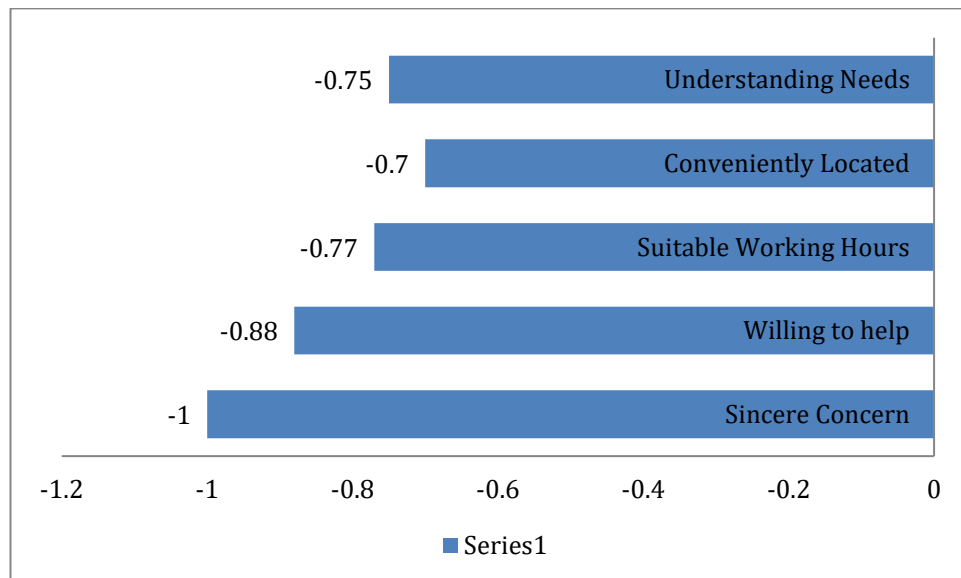
***Interpretation:***

According to this graph, the least rated parameter is marked as 'promptness' while offering banking services to the valuable customers. It is clearly observed that all the



foreign banks currently operating in India is considerably secured high ranking under service reliability.

- **Empathy:**



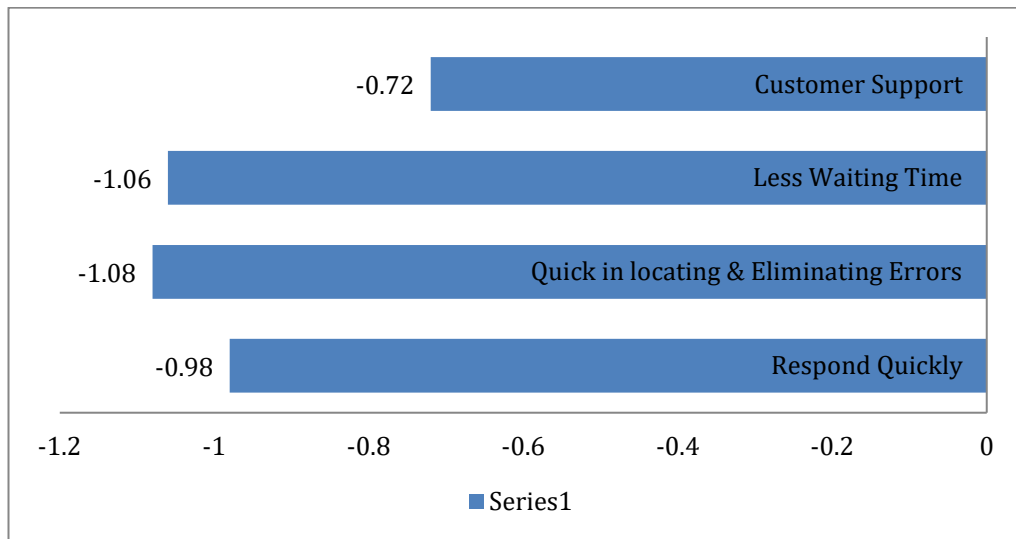
**Chart 4.14: Servqual gap in empathy**

(Source: Self-created)

***Interpretation:***

This graph reflects that the willingness to serve the customers. It is clearly shown that Empathetic customer-friendly approach is considerably higher in the foreign banks currently operating in India. Such feature is least related to the public service banks. Private Banks have secured its position much higher than public sector banks but comparatively lower than the position secured by foreign banks while it comes to mark the quality of banking services provided to the customers.

- **Responsiveness:**



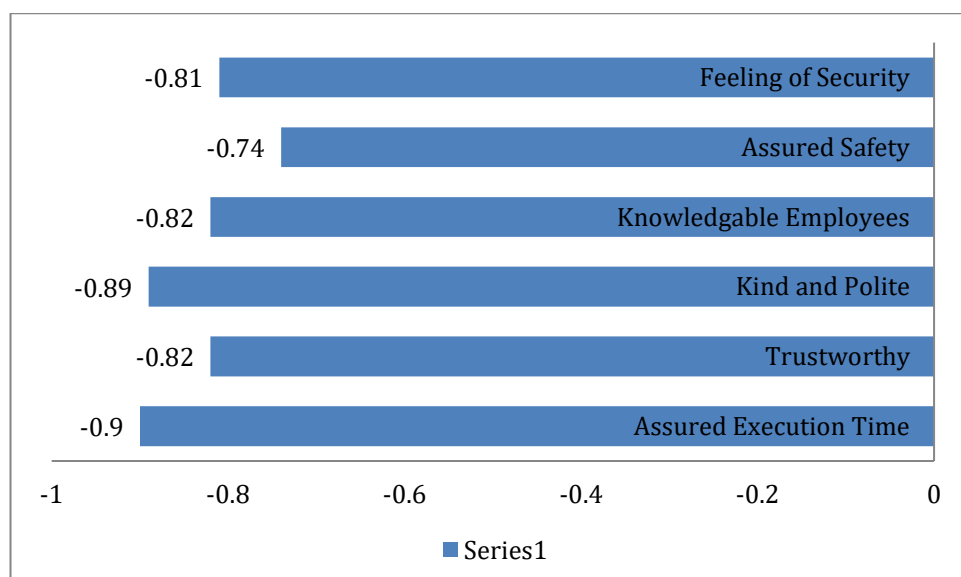
**Chart 4.15: Servqual gap in responsiveness**

(Source: Self-created)

***Interpretation:***

Quick customer care support is considered as ‘responsiveness’. While it comes to address quality of providing banking services in terms of responsiveness, foreign banks are comparatively ‘much quicker’ to attain customers to cater banking services to them. The public sector banks secure the second ranking as compared to the ‘customer waiting time’ as revealed by foreign bank and private bank as well. It’s the private bank

- **Assurance**



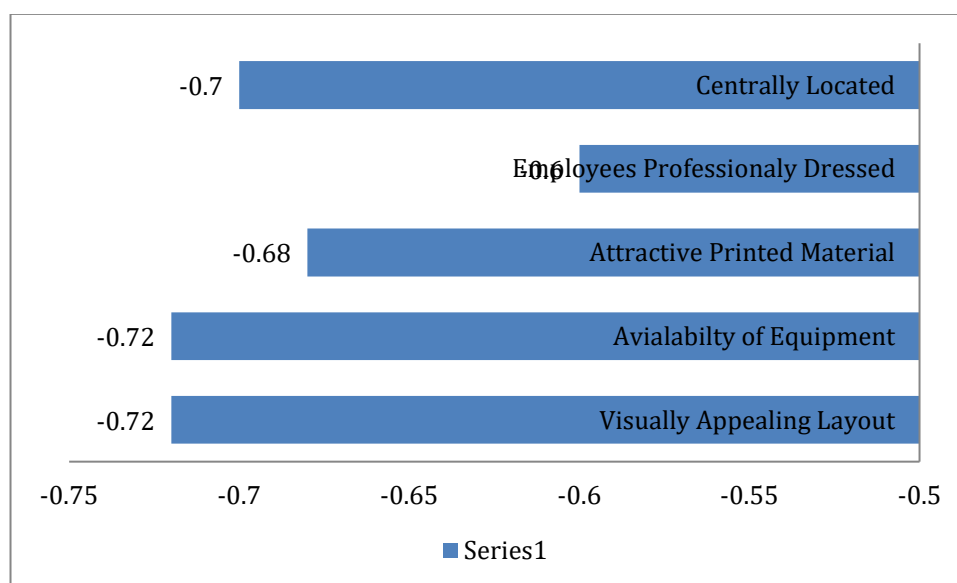
**Chart 4.16: Servqual gap in Assurance**

(Source: Self-created)

***Interpretation:***

According to the graph, the public sector banks currently operating in India have secured high ranking due to having profound knowledgeable employees as their banking professional. The foreign banks secure the second ranking as compared to public sector banks while it comes to consider assurance as a deciding factor in terms of providing banking service to the valuable customers. The private banks presently operating in India secures comparatively lower rank than the public and foreign banking sector in terms of ensuring ‘assurance’ to the valuable customers.

- **Tangibility:**



**Chart 4.17: Servqual gap in tangibility**

(Source: Self-created)

***Interpretation:***

Well dressed, Well-mannered, educated are such salient features which are considered under tangibility as such determining factors in terms of quality of banking services provided to the valuable customers. According to this graph, foreign banks operating in India comes first to secure the first rank in such context. Even public banks also hold such a good position in this graphical projection. Private Banks in India have

secured the third position in ranking while it comes to consider tangibility in terms of providing quality of banking services.

**Servqual gap comparison in respect to different bank type**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.412	2	.706	1.514	.221
Within Groups	278.350	597	.406		
Total	279.761	599			

**Table 4.14: ANOVA Test P value**

(Source: Self-created)

	F-Statistics	P Value
Reliability	0.343	0.710
Responsiveness	2.132	0.119
Empathy	0.156	0.856
Tangibility	2.453	0.087
Assurance	2.132	0.119

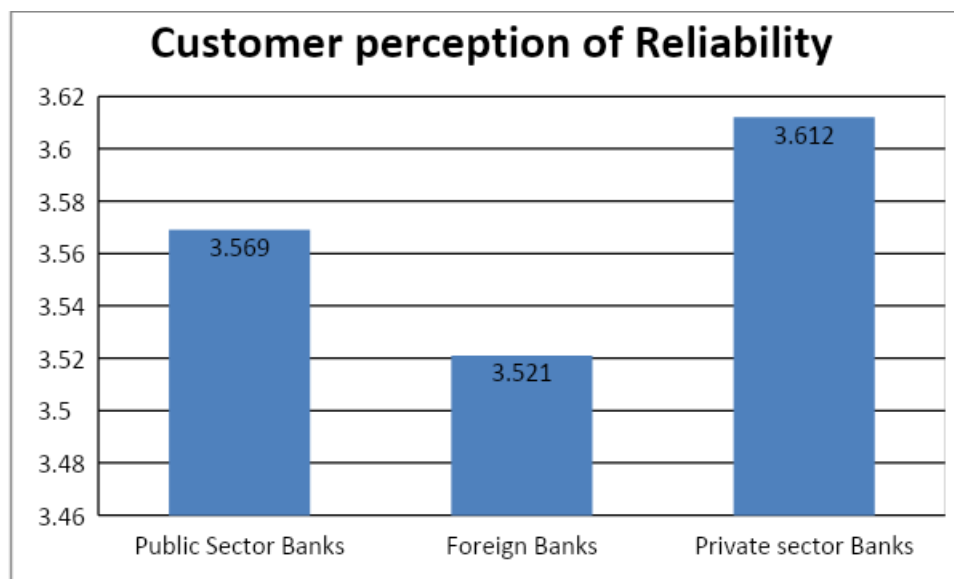
**ANOVA Test P value for all dimensions**

(Source: Self-created)

The above table shows that at significance level of 5% there is no difference between the gap values of the parameters across the three types of banks. At 10% significance level tangibility differs between the three types of banks.

### *Perception of the bankers in respect to customer service quality*

#### *Rendering of service*

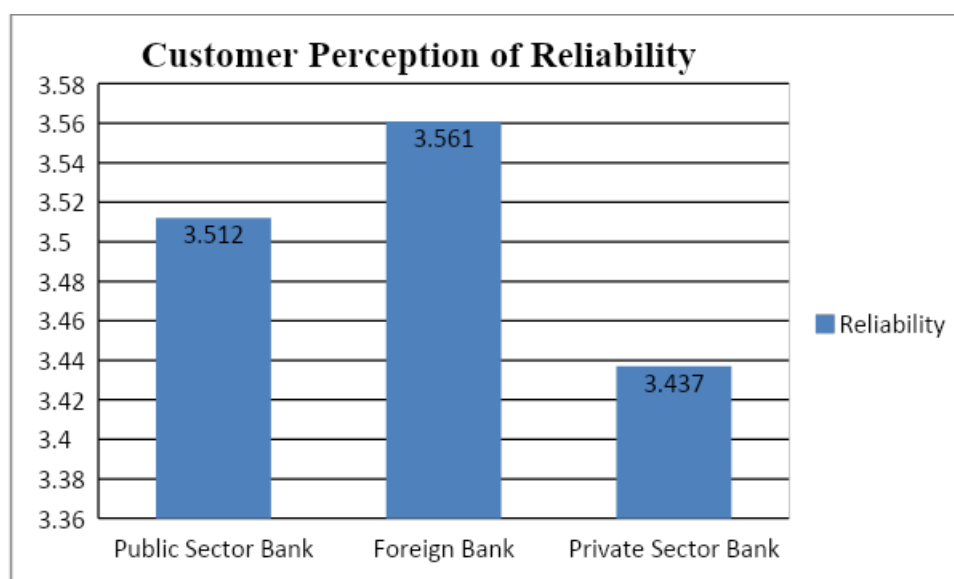


**Chart 4.18: Perception of reliability**

(Source: Self-created)

In order to cater best banking experience among the customers, the same factors are closely associated to this aspect as revealed below.

#### *Reliable service providing*

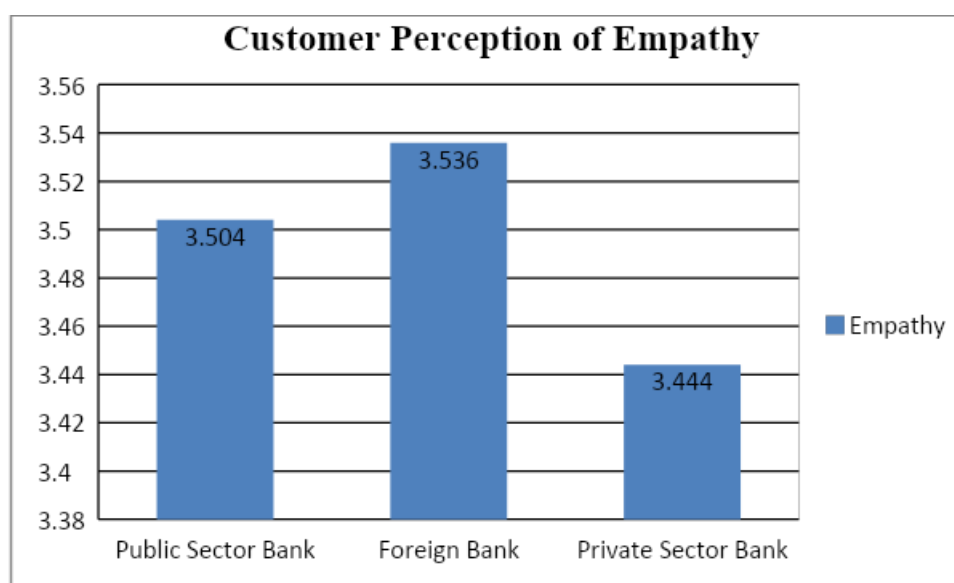


**Chart 4.19: Perception of reliability**

(Source: Self created)

It has been reflected in the above figure that foreign banks are most reliable in rendering banking services to the customers. Nowadays, the public sector banks are marked as less reliable than foreign banks but much reliable than private sector banks in terms of catering banking service to the valuable customers. Private Banks are considerably less reliable if compared to foreign and public banks.

*Willingness of employees to helps consumers*

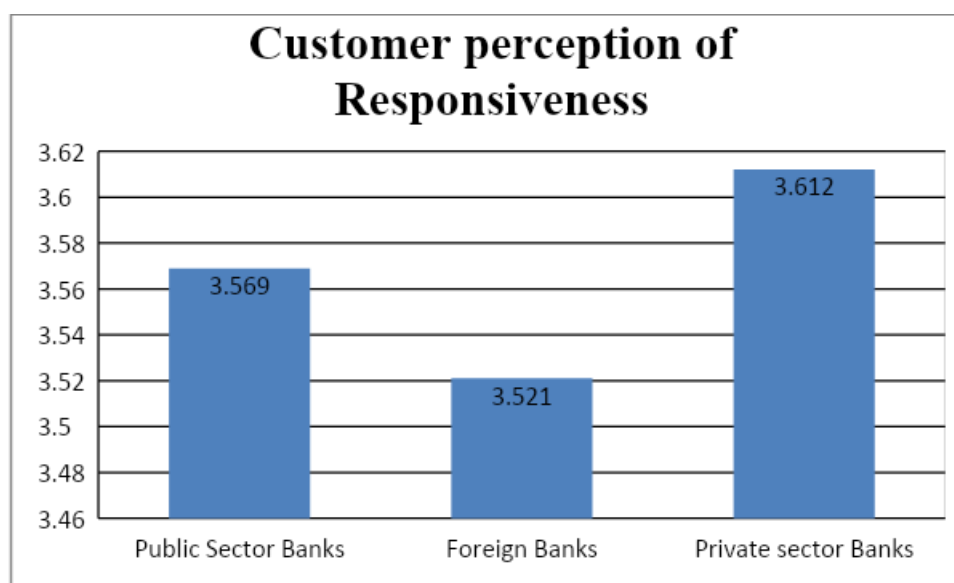


**Chart 4.20: Perception of empathy**

(Source: Self-created)

It has been observed in the above figure that foreign banks are most empathetic customer-friendly in nature to provide banking services to the customers. The public sector banks are marked as less empathetic than foreign banks but much customer-friendly than private sector banks in terms of catering banking service to the valuable customers. Private Banks are considerably less empathetic towards valuable customers if compared to foreign and public banks.

### *Employee effort towards the consumers*

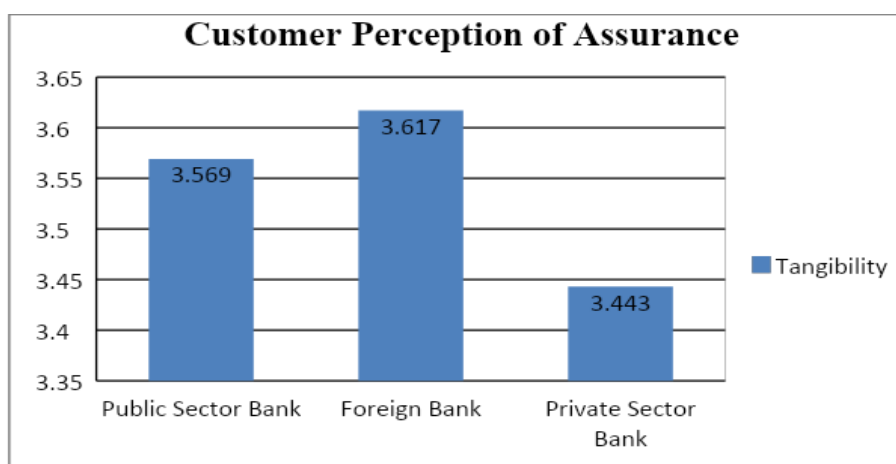


**Chart 4.21: Perception of responsiveness**

(Source: Self-created)

It has been captured in the above figure that private sector banks are most responsive to cater banking services to the customers. The public sector banks operating in India are marked as less responsive than private sector banks but quicker-responsive than foreign banks. Foreign banks are considerably less responsive if compared to private and public sector banks.

### *Knowledge of employees regarding banking operation*

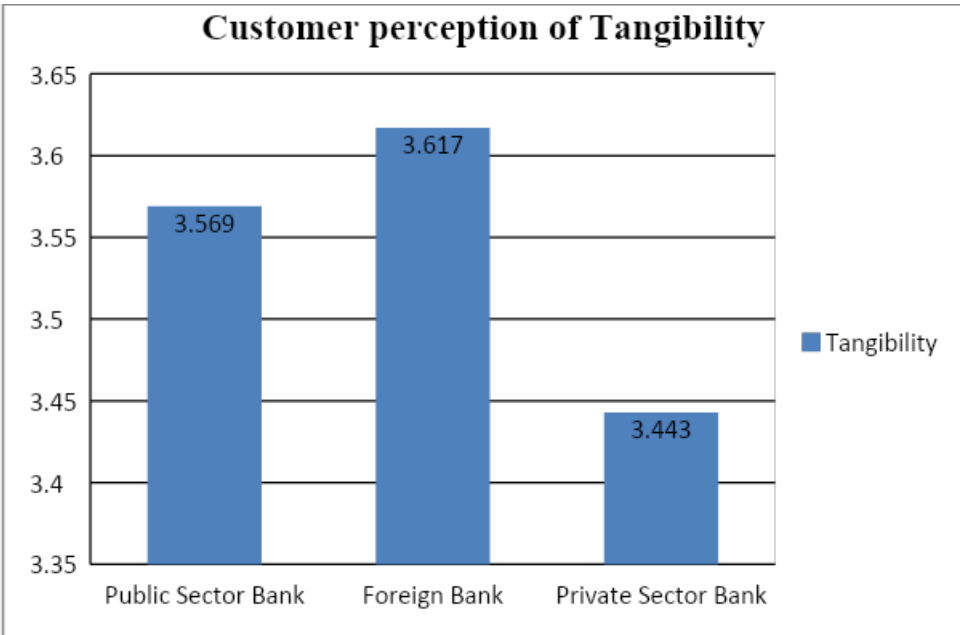


**Chart 4.22: Perception of assurance**

(Source: Self-created)

It has been reflected in the above figure that foreign banks provide most assurance to the customers. The public sector banks provide less assurance than foreign banks but they ensured public-deposits more than private sector banks. Private sector banks provide considerably least assurance if compared to Foreign and public sector banks.

*Ambience and bank physical facility*



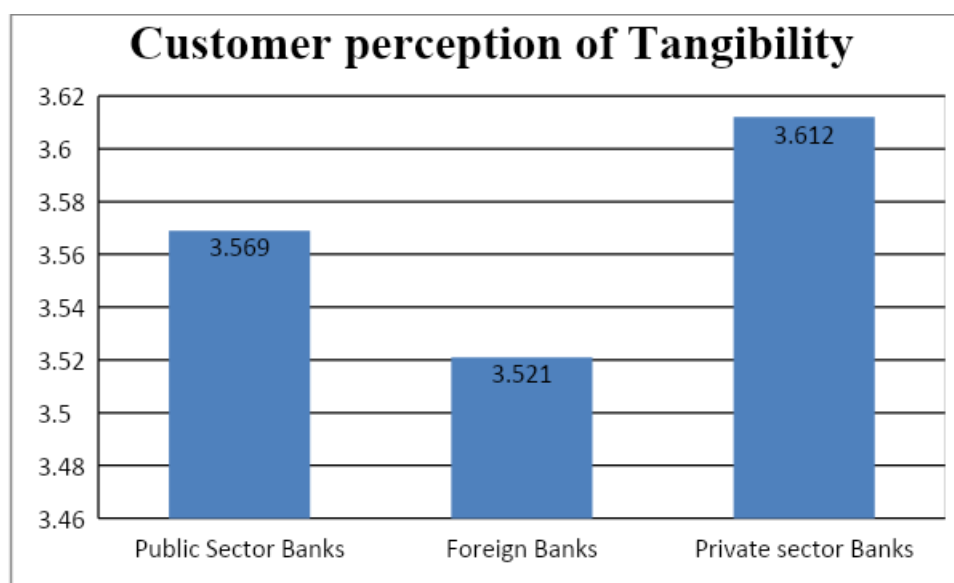
**Chart 4.23: Perception of tangibility**

(Source: Self-created)

It has been observed in the above figure that foreign bank provides excellent banking facilities (for off line services) and great banking ambience if compared to public sector banks and private banks. In the present competitive scenario, the public sector banks are also upgraded their banking physical facility more than Private Banks operating in India.



### *Appearances and dress of bank employees*

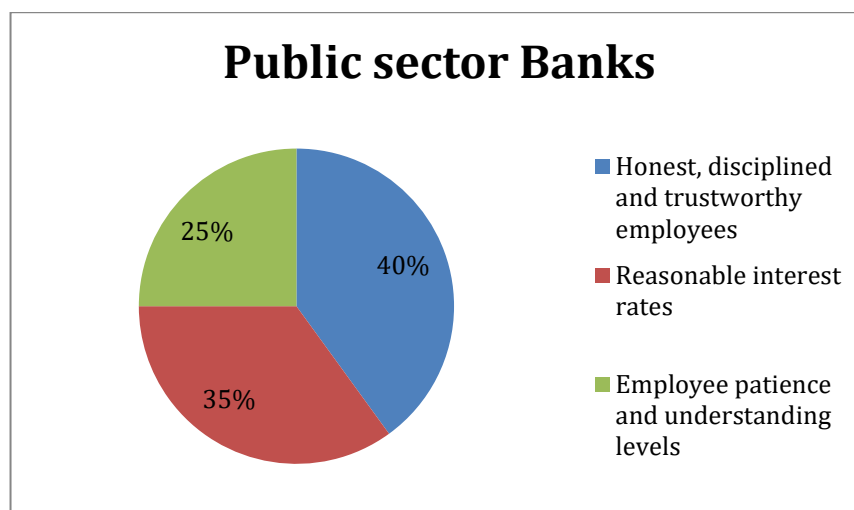


**Chart 4.24: Perception of tangibility**

(Source: Self-created)

It has been captured in the above figure that the banking professional belongs to the Private sector banks are comparatively well mannered, well dressed as compared to the public sector banks and foreign banks. Recently, the public sector banks also have taken initiative to groom their man power.

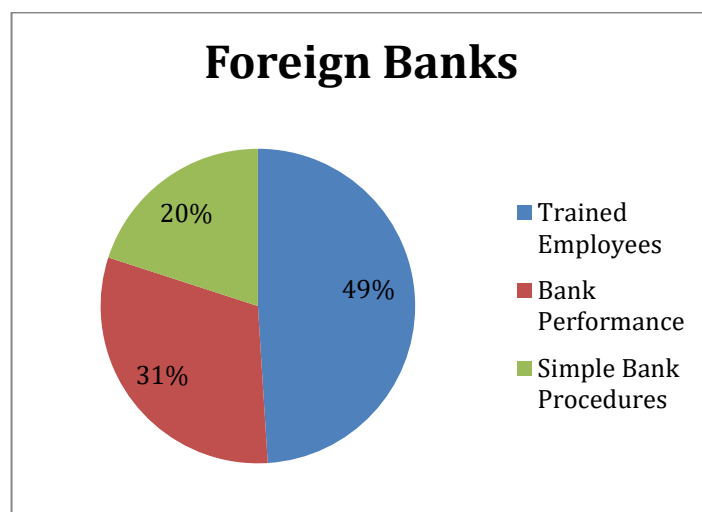
### *Appreciation of the consumers as per banker*



**Chart 4.25: Appreciation of the consumer by the public sector bankers**

(Source:Self-created)

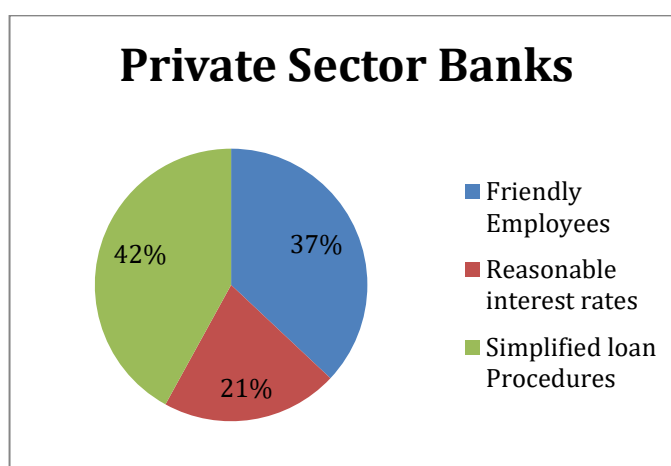
According to the customers, public sector banks are enriched with disciplined, honest, trust-worthy employees.



**Chart 4.26: Appreciation of the consumer by the foreign sector bankers**

(Source: Self-created)

According to valuable consumer, it has been revealed that foreign banks are equipped with trained employees due to this their banking performance is getting better day by day.

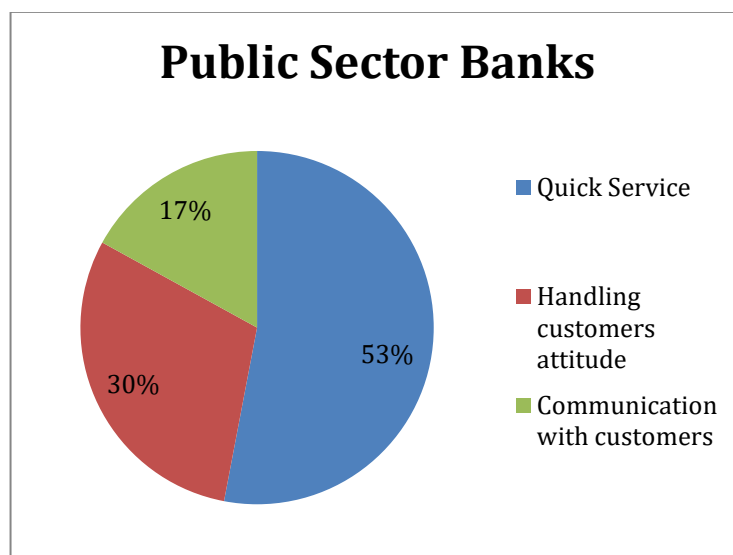


**Chart 4.27: Appreciation of the consumer by the private sector bankers**

(Source: Self-created)

Though this above picture, it has been revealed that private sector banks provide simplified loan procedure to the valuable customers. Apart from that, private bank is enriched with such banking professional who are customer friendly in nature.

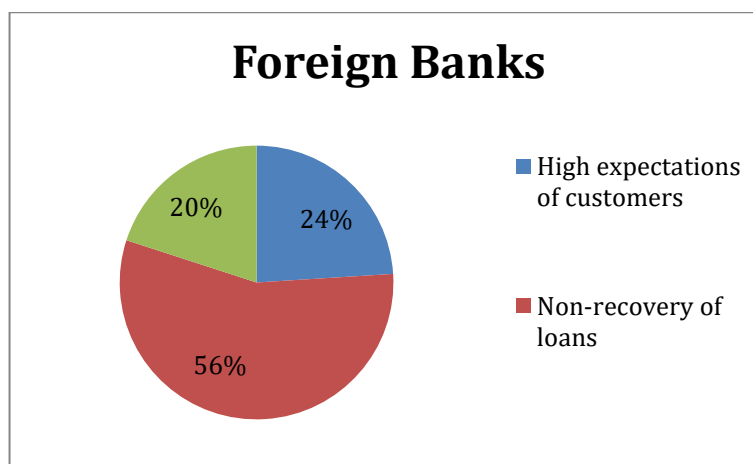
#### ***Challenges for providing expected service***



**Chart4.28: Challenges for providing expected service in public sector banks**

(Source: Self-created)

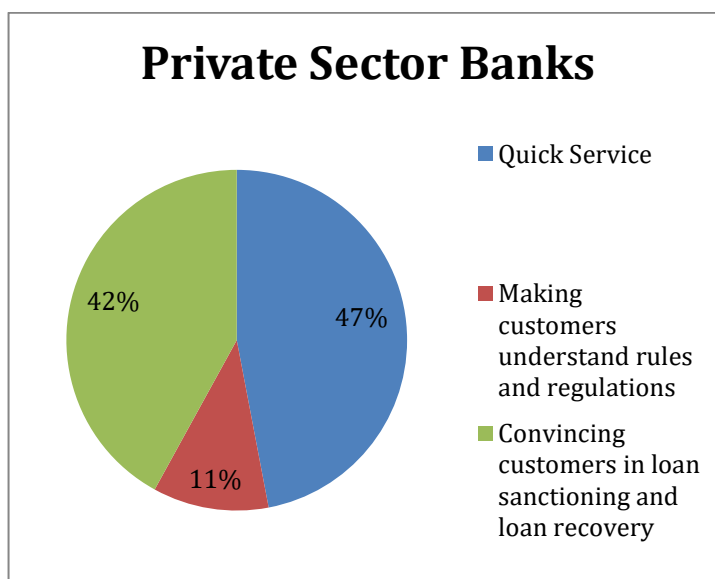
Based on the above figure, it has been estimated that most of the public sector banks operating in India generally faces challenges to provide quick service.



**Chart 4.29: Challenges for providing expected service in foreign sector banks**

(Source: Self-created)

This figure claims that most of the non-recovery of loans is considered as banking challenges to foreign banks. Sometimes this bank failed to fulfil customer satisfaction according to the given data representation.

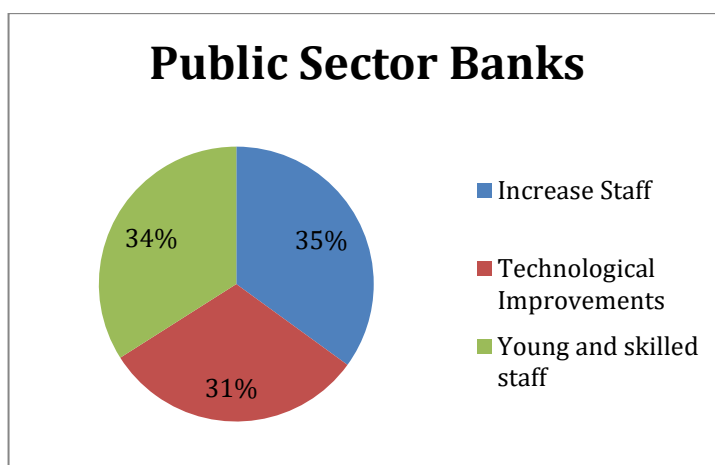


**Chart 4.30: Challenges for providing expected service in private sector banks**

(Source: Self-created)

From the above figure, it is clearly estimated that private sector bank faces challenges to convince the customers in loan sanctioning. This kind of challenges also traced in case of loan recovery also.

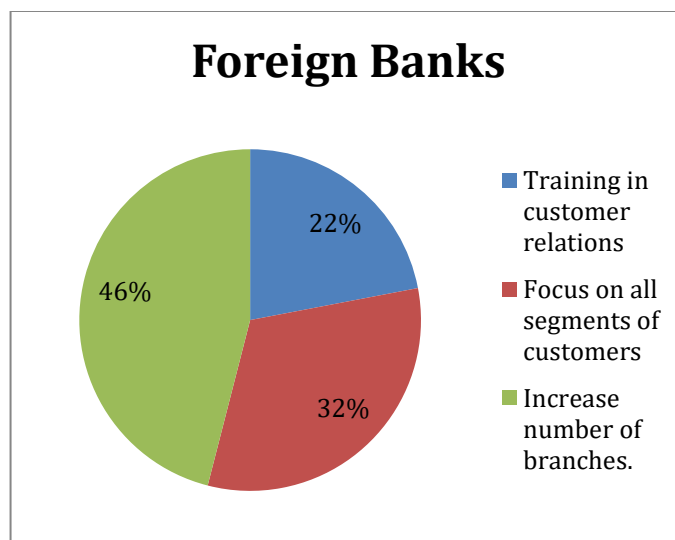
#### *Suggestion of the bankers*



**Chart 4.31: Banker's suggestion of public bank**

(Source: Self-created)

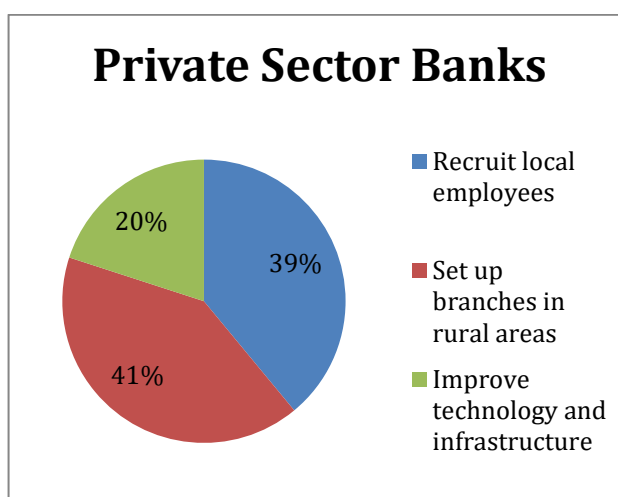
Considering the challenges faced by public sector bank in India, bankers suggest increasing the sufficient number of bank employee to provide uninterrupted banking service.



**Chart 4.32: Banker's suggestion of foreign bank**

(Source: Self-created)

The above figure emphasized on the relevant suggestions to improve banking services for foreign banks. Establishment of new bank branches can enhance the banking service in most of the cases.



**Chart 4.33: Banker's suggestion for private bank**

(Source: Self-created)

Based on the above figure as reflected, establishment of new bank branches to the rural part of the country can enhance that banking services provided by private banks according to the opinion received from various bankers.

### **4.3 Summary**

Based on the entire interpretation of the data, it can be summarised that the chapter helps in evaluating relation between different variables. Moreover, the collected data were interpreted in respect to analyse customer and banker's perception both through every dimension. Therefore, it can be summarised that the entire chapter helps the researchers to understand about the proper relation between different types of variables based on banking service along with customer and banker perception.

## **CHAPTER 5**

### **FINDINGS, CONCLUSION AND SUGGESTIONS**

#### **5.1 Findings on Service Quality Rating according to the profile of respondents**

- The satisfaction level of consumers within the age group of more than 65 years is highest with the mean score of 3.83 and therefore the lowest satisfaction is of these customers who belonged to the age group of fewer than 25 years.
- The satisfaction level of consumers about service quality was rated higher by female customers as compared with male customers.
- There is considerable variation observed within the ratings given by customers belonging to varied occupational groups.
- Homemakers respondents who were the smallest amount number expressed the least satisfaction of the customer service quality of Banks. Business-class has given a high rating to the standard of Banking services.
- Banks focus more on the high net-worth individuals and business classes. Hence satisfaction of high-income groups and business class has expressed high levels of satisfaction.
- A significant observation is that customers with revenues of more than Rs.15 lakhs have expressed a very high level of satisfaction with the Bank's services. Respondents with the income of Rs.10 to 15 lakhs and Rs. 2.5 to 4 lakhs have a satisfaction score higher than the average score. The lowest rating is given by the customers with incomes below Rs.1 lakh.
- The high degree of standardization of services provided by banks in India is identified as the quality-of-service ratings vary considerably less from one bank to another.
- The longer the duration of the account held by customers, the higher the satisfaction. Customer service quality is rated high by those customers who have held an account for more than 15 years, while those who have held an account for 4-8 years have been rated at 3.57.
- Customer service quality rating varies with categorical variables such as employment, income, city, bank name, bank type, and account type. However,

the quality rating of customer service does not vary with the age, gender, and duration of the account.

## **5.2 Findings from customer perception of varied dimensions**

Foreign banks are ranked high in all dimensions of service quality by clients.

Public sector banks have been rated second in all parameters except for responsiveness and private banks are the last in all parameters.

### **Reliability**

Regardless of the type of bank, online reliability is highly valued by customers. Quickness and efficiency in handling the services are the least valued parameter, this ranking probably applies to all types of banks. Another point is that for all of the parameters, private sector banks are rated low and foreign banks are rated high for all of the reliability parameters.

### **Empathy**

Bank employees' nature of willingness to help customers is rated high in the case of foreign banks while showing sincere concern in solving customer problems related to bank operations remains the least in the case of public sector banks.

### **Responsiveness**

In the responsiveness dimension, customer support services provided by the banks show much more important than any other responsiveness factor. Concerning waiting time for the services, private banks hold first place followed by foreign and public sector banks.

### **Assurance**

Public sector banks are rated high for the knowledgeable employees and private sector banks are rated low for the process execution time.

In different dimensions of assurance factor high rating goes to public sector banks compared to foreign and private banks.

### **Tangibility**

The location of the banks and the professional dressing of employees are considered to be at the top in tangibility parameters.



In availability of equipment, Foreign bank rank highest followed by public and then private banks.

### **5.3 Servqual Gap Findings**

- The highest response gap is followed by the reliability gap, the empathy gap, the assurance gap, and the tangibility gap.
- Regardless of the type of bank, the difference between the expectations of the customers and Perceptions of the dimension of responsiveness (customer service, less waiting time, ease of position, and prompt response) are the highest.
- In private and public sector banks, the assurance gap is highest, and the reliability gap is highest in foreign banks.
- There is no significant gap difference between public, private, and foreign banks.
- Tangibility varies between the three types of banks at the 10 % significance level.

### **5.4 Findings from the banker's perception in respect to customer service quality**

In all five dimensions of service quality, reliability, empathy, responsiveness, tangibility, and assurance, all the three types of bank public, private and foreign banks perceive that they are good.

#### **Appreciation of the customer as per banker:**

- In Public sector banks honest, disciplined, and trustworthy staff, fair interest rates, high levels of employee awareness are the major things that have been highlighted.
- In Foreign banks educated and trained employees, better bank efficiency, and streamlined processes are the things that have been appreciated.
- In Private banks friendly staff, simple loan procedures, and reasonable interest rates are the things that have been highlighted.

### **Challenges to providing Expected services to customers as per banker**

- Public sector banks face significant challenges in the delivery of timely Service, in handling customer attitude, and difficulties in proper communication with the customer.
- Foreign banks face issues concerning high consumer expectations, non-recovery of loans, and maintaining relationships and communication with customers.
- Private sector banks face challenges in providing quick and prompt services to the customer, making the customer aware of the rules and regulations, convincing the customer for loan sanctioning, and difficulties in the recovery of loans.

## **5.5 Conclusion**

The entire discussion related to banking service quality of Indian banking industry helps to conclude that only banking authority did not responsible for poor banking service quality. On the contrary, the poor support of the customer along with their type of account holding impacts negatively on the banking service quality. Moreover, different type of variable interpretation in respect to public private and foreign banks helps in concluding that different type of bank holds high score based on their different type of service.

## **5.6 Linking with objectives**

***Objective 1: To find out degree of significance related to different dimension of service quality by the consumers (assurance, reliability, tangibles, responsiveness and empathy)***

In respect to the objective, it summarised that the researcher divides the research subject into different variables based on consumer and employee perception. The mean score of the different dimension provides different type of service where public bank sector olds high score some time; on the other side, foreign and private banks scored

high based on different variables related to banking service quality. Therefore, the researcher also met the objective properly.

***Objective 2: To identify the gap between consumer expectation and quality service perception for private, foreign and public banks***

Based on the determination conducted in the literature review section, it can be concluded that mainly poor working schedule or process creates gap between customer expectation and provided banking service. Proper working schedule helps to complete the entire day's task of an individual by setting proper working goal or steps. On the contrary, poor working schedule can shuffle all the tasks of an individual which also impacts negatively on the working schedule of the other employees of a working team. Most of the Indian banking organisation did not set their working schedule; therefore, they cannot maintain their daily working schedule which impacts negatively on the service providence towards the customers. On the other hand, poor working schedule of the banking organisations did not meet the daily working target for providing financial service to the customers. Therefore, it understood that this objective also properly met by the researchers.

Apart from the above-mentioned objective links, another four objectives of the researched paper also successfully met by the researcher through analysing different variables on data analysis chapter. The researchers divide the core subject materials into different variables and divide them in respect to mean score which provide different type of result for making proper conclusion to the researchers.

## **5.7 Suggestions**

Based on the entire discussion regarding banking service quality and customer perception below mentioned recommendation can be provided

- **Technological advancement**

With the advent of technology, the operations performing currently in the banking sectors of India are also dependent on the technology. Phone banking, E banking, Internet banking are some of the few names associated to it. People generally wish to consider banking as 24\*7 service providing sector now a days and wants to enjoy banking facilities whenever they wish to avail according to their needs. In case of rural area, the seamless quality of banking service gets interrupted due to improper

accessibility of internet availability. Not only this, some internet issues, link failures are also addressed in many bank branches located in urban area also. This kind of hindrances leads to banking service interrupted. The customers get offended due to this. Such sort of issues results customer dissatisfaction which is undoubtedly be considered as a red-alert for a service providing sector such as banking industry operating currently in India.

In order to solve such scenario, technological advancement is need to its best possible way. Nowadays almost everybody is having a bank account. Due to the large population of the country, the Govt. of India must have to be more active to implement new technological tools into the recent banking system in India to enhance the service quality so that better service can be assured to its valuable customer in quick responsive approach.

- **KYC implementation**

As earlier stated, large population of this country is considered as another reason that cannot be ignored when it comes to provide prompt and accurate banking services among the masses. Recently Govt. of India has taken the initiative to keep track of all the details of the valuable customers belong to any bank across the country (rural and urban). This process is termed as KYC. KYC stands for Know Your Customer. In order to accomplish this process (KYC), customer cooperation is undoubtedly needed. It is quite expected that, the Govt. of India will be able to accommodate much more banking facility to its valuable customer in a very composed manner after completion of this KYC procedure.

It has been reported that banking facilities also get hampered or interrupted due to unavailability of customer details in many cases (both in rural area and urban also). Considering this, it is expected that banking services and the facilities in India will be improved in the coming days.

- **Working as a team**

Undoubtedly it can be said that the entire banking industry currently operating in India is considered as the core financial backbone for the entire Indian economy. This is the reason why 'Unity is strength' is considered as such a quite appropriate phase in this relevance. As the Indian banking system is offering services to its citizen (i.e. customers), this is reason why quality along with reliability must be assured in order to provide best banking experience. The bankers must be willing to work as a team rather than working as an individual. It also helps to solve the demands of the

customers in comparatively responsive manner efficiently. As it has already been revealed that, customer satisfaction is the ultimate ‘value’ that matters the most, this is the reason why the entire bankers team needs to be involved (as per requirement or according to mitigate the issues if occurred) in order to provide best banking service to the valuable clients.

Customer service team must be formed to frame proper strategy to provide best customer support as per requirement. This is how customer satisfaction will be enhanced and productivity along with business outcome will be increased.

- **Employee empowerment**

In order to cope up with the shifting habits of customer buying pattern, banking industry always looking for innovation and constant up-gradation to provide better banking service to its valuable customers. Precisely, it can be said that innovation is the only approach to meet the ‘wants and needs’ of the customers in recent scenario. The employees who are directly involved in providing customer care services are considered as the frontline for any service providing industry. The same is also applicable in case of banking industry. Considering this, the customer care executives must be acquainted with the sufficient knowledge of the resources (services or products of banking service) accurately in order to provide better customer service. Some organizational modification must be implemented into the banking structure also. Higher authority must have to be more responsive to provide necessary tools or resources to the bankers or to the frontline employees to support seamless banking service. Disorganized and improper knowledge based partial solution incurs confusion among the employees which results interrupted banking service. In order to mitigate such problem, following criteria must be maintained.

- Availability of accurate, updated information regarding the banking products or the services offered.
- Responsive, quick retrieval approach to the customer queries
- Availability of proper tool or search engine to address the customer queries

- **Self service facilities**

‘Self-reliant’ is the proper term which can be used to denote the approach of the modern customer nowadays. The approach of customization in getting services is quite common in the present context nowadays. The same is also appropriate in case of availing banking services also. As earlier stated, net banking, phone banking, e

banking is some common term which is extensively in use with the advent of technology in India. Due to this, people want to avail banking service in customized way whenever they want to avail, wherever they want to avail depending on their priority. In a nutshell, it can be said that self service facilities must be provided in order to achieve great customer satisfaction in case of providing banking service also. It has been reported that most of the inquiries from customer side usually generated from weekends while the offline facilities of banking systems are generally closed. This is the reason why it can be said that 'self-reliant' approach is undoubtedly be considered as 'dynamic' in case of availing banking services.

In this relevance, it must be included that most of the banks currently operating in India do not have proper infrastructure to provide self service facilities to the valuable customers. This sort of problems mostly found in several bank branches located in the rural areas across the nation. In these cases, customers are needed to hold on to their patient level to some extent, so that customers usually lose their interest on banking. In order to curb such hindrances associated to this sort of problem, 'digital support centre' must be enabled along with providing banking service through offline basis. In a nutshell, it is suggested that implementation of proper 'digital support centre' along with installation of seamless net banking facilities can collaboratively enhance the banking experience among the customers effectively.

- **Be a friend- to the valuable customer**

In order to sustain in the present competitive scenario, providing service or make the availability of necessary products at a considerably lower rate is not considered as the only 'ultimate criteria' according to the various market retention. This same is also applicable in case of providing banking service or promoting financial products as well. In a nutshell, it can be said that banking is not confined to 'only banking'. It is something more that a valuable customer wants to avail, such as proper guidance or advise over choosing a particular plan as per their requirements or according to customer choice as well. Precisely, it can be said that 'good guidance' from the bankers are over prioritized than the role they generally played as a banker. In a nutshell, it can be said that client reliability can be gained through 'having a friendly approach' (customer friendly banking) towards the valuable customer.

## **5.8 Limitation of study**

The limitation of the study based on some significant things such as

- Less time and money for descriptive research
- Selected region for data collection
- No professional concern

## **5.9 Future scope of the study**

Based on the study limitation mentioned in the above, the researcher can emphasize on the further study on the research topic. The study only analyse customer and banker perception based on Lucknow region whereas there are many places within India holds a strong banking service. Therefore, the study can be conducted further with the data of other location. Moreover, to analyse that banking service quality the researcher only analyses customer and banker perception whereas the concern of financial advisor also needs to be analysed. Therefore, the researcher can conduct further research based on professional perception.

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# Questionnaire for Customer

Dear Respondent,

This is from Research Fellow in marketing from Maharishi University of Information Technology. The information provided by you in this questionnaire will be strictly kept confidential and to be used only for academic research work.

## SECTION - I

Name: .....

### 1) Gender

Male ( )                      Female( )

### 2)Age Group:

- |           |           |                   |
|-----------|-----------|-------------------|
| a)18 – 25 | b)26 – 34 | c)35 - 44         |
| d)45 – 54 | e)55 – 64 | f) Above 65 years |

### 3) Annual Income

- |                     |                |                       |
|---------------------|----------------|-----------------------|
| a) Less than 1 lakh | b)1 – 2.5lakhs | c)2.5 – 4 lakhs       |
| d)4 – 10 lakhs      | e)10 -15 lakhs | f) More than 15 lakhs |

### 4)Occupation

- |             |                 |                 |
|-------------|-----------------|-----------------|
| a) Employed | b) Professional | c) Business man |
| d) Retired  | d) Homemakers   |                 |

### 5) Types of account

- |                    |                    |
|--------------------|--------------------|
| a) Saving account  | b) Current account |
| c) Deposit account | d) Loan account    |

### 6)Duration of account

- |                |                       |
|----------------|-----------------------|
| a)0 – 3 years  | b)4 – 8 years         |
| c)9 – 15 years | d) More than 15 years |

## SECTION – II

**Please tick on a scale of (1-5) the number you feel is the most appropriate.**

**Where, 1= strongly disagree, 2=disagree, 3 = undecided, 4= agree, 5=strongly agree**

1.Bank has up-to-date equipment.

(1)                      (2)                      (3)                      (4)                      (5)

2. ATMs of the bank are conveniently located.

(1)                      (2)                      (3)                      (4)                      (5)

3.Employees are well dressed and appear neat.

(1)                      (2)                      (3)                      (4)                      (5)

4. The ambience of bank is appealing and attractive.

(1)                      (2)                      (3)                      (4)                      (5)

5.When they promise to do something by a certain time, they do.

(1)                      (2)                      (3)                      (4)                      (5)

6.When a customer has a problem, they show a sincere interest in solving it.

(1)                      (2)                      (3)                      (4)                      (5)

7. Employees give prompt service and willing to help customers.

(1)                      (2)                      (3)                      (4)                      (5)

8.Employees make information easily obtainable by customers

(1)                      (2)                      (3)                      (4)                      (5)

9. The bank charges low service fees for various transaction of services.

(1)                      (2)                      (3)                      (4)                      (5)

10. The bank charges low service fees for various transaction of services.

(1)                      (2)                      (3)                      (4)                      (5)

11.The behaviour of employees instil confidence in customers

(1)                      (2)                      (3)                      (4)                      (5)

12. Feeling of safety, security & reliability in the transactions of the bank.

(1)                      (2)                      (3)                      (4)                      (5)

13. The bank employees are consistently friendly & courteous with the customers.

(1)                      (2)                      (3)                      (4)                      (5)

14. Employees of bank have the knowledge to answer customers' questions.

(1)                      (2)                      (3)                      (4)                      (5)

15. The employees give customers individual attention.

(1)                      (2)                      (3)                      (4)                      (5)

16. The operating hours of bank are convenient to their customers.

(1)                      (2)                      (3)                      (4)                      (5)

17. The employees understand the specific need of their customer.

(1)                      (2)                      (3)                      (4)                      (5)

18. Bank employees' effectiveness in grievances handling procedures.

(1)                      (2)                      (3)                      (4)                      (5)

19. The employees give adequate explanation of new product and service

(1)                      (2)                      (3)                      (4)                      (5)

20. The branches of bank are conveniently located.

(1)                      (2)                      (3)                      (4)                      (5)

# Questionnaire for Banker

Dear Respondent,

This is from Research Fellow in marketing from Maharishi University of Information Technology. The information provided by you in this questionnaire will be strictly kept confidential and to be used only for academic research work.

**Please tick on a scale of (1-5) the number you feel is the most appropriate.**

**Where, 1= strongly disagree, 2=disagree, 3 = undecided, 4= agree, 5=strongly agree**

1. Did employees of the bank render services as promised to its customer?

(1)                      (2)                      (3)                      (4)                      (5)

2. Did bank provide reliable services?

(1)                      (2)                      (3)                      (4)                      (5)

3. Are the employees of the bank are always willing to help customers?

(1)                      (2)                      (3)                      (4)                      (5)

4. Are the employees of the bank being caring and provide individual attention to its customer?

(1)                      (2)                      (3)                      (4)                      (5)

5. Did all the employees of the bank have knowledge about bank operations?

(1)                      (2)                      (3)                      (4)                      (5)

6. Physical facilities of the bank and ambiance are clean and attractive.

(1)                      (2)                      (3)                      (4)                      (5)

7. Are all the employees of the bank are neatly dressed and well groomed?

(1)                      (2)                      (3)                      (4)                      (5)

8. What are the things that customer appreciates in the bank?

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9. What are the challenges faced by the employees of the bank?

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10. What need to be done to improve bank services?

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