

**CUSTOMER SATISFACTION IN PUBLIC SECTOR BANKS IN
INDIA: A COMPARATIVE STUDY OF STATE BANK OF INDIA
AND OTHER PUBLIC SECTOR BANKS IN MEGHALAYA**

BY

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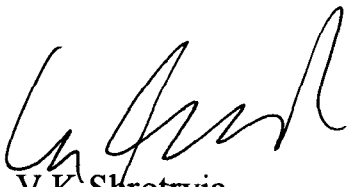
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(OCTOBER 2009)
DECLARATION**

I, Roshmi Dey (Das) hereby declare that the subject matter of this thesis entitled “*Customer Satisfaction in Public Sector Banks in Meghalaya: A Comparative Study of SBI and other PSBs in Meghalaya*” is the record of work done by me, that the contents of this thesis did not form the basis of the award of any previous degree to me or to anybody else to the best of my knowledge and that the thesis has not been submitted by me for any research degree in any other University or Institution.

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PREFACE

The entire matter of the thesis is distributed over six chapters (Chapter I-Chapter VI). Each chapter is virtually complete in itself. The description of the results of the work undertaken for the present research work is presented in Chapter I through to chapter V. These chapters (I-V) include a short introduction justifying the specific objective of the work followed by banking sector in Meghalaya.

Chapter I deals with the conceptual background to customer satisfaction and banking sector in India. The role of the banks in India in the three phases are discussed. The objectives, hypothesis, rationale of the study and scope as well as limitation of the study are presented in this chapter with the detailed research methodology which includes area of the study, sampling and statistical tools for the research study.

Chapter II deals with the literature review pertaining to several research works undertaken on customer satisfaction in various fields.

Chapter III highlights the customer satisfaction index (CSI) of SBI and other PSBs in Meghalaya in three tier base viz., Branch-wise, Bank-wise and location-wise.

Chapter IV of this thesis deals with the comparison of Customer Satisfaction of SBI and other PSBs in Meghalaya in demographic - variables like gender, age and education , Similarly comparison was based on different variables and correlation was done to find the relationship between the different variables.

Chapter V deals with the nature of relationship between bank performance and Customer Satisfaction in SBI and other PSBs in Meghalaya and also incorporates the overall impact of customer satisfaction on the bank performance with the help of regression analysis.

Chapter VI deals with the major findings, suggestions and conclusion.

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CHAPTER-I

INTRODUCTION

1.1. GENERAL

Meghalaya has lot of scope to provide banking facilities to the doorstep of the people of the State and has been able to nurture and develop banking habit among the people. This has changed the saving habits of people from the traditional methods to the modern banking facilities to reap remunerative returns for their savings. State Bank of India (SBI) and other Public Sector Banks (PSBs) have introduced number of innovative schemes to increase the flow of credit and to create productive employment opportunities as well as to improve the general socio-economic conditions of the state. The overall banking system is undergoing drastic changes at technological level to ensure a better role in the emerging knowledge economy of India. The concern for quality has become vital and it has increased dynamism and competitiveness in the economy. For the service industry the issue of quality is more crucial due to intangible, personal and varied nature of services. Banking is a service oriented industry which is fast moving from a seller's market to a buyer's market. Banks are also changing their system, procedures, policies and thinking to the felt needs of their customers as the depositors or borrowers. They are also trying hard to meet the expectations and aspirations of the customers whose articulating needs and grievances are ever increasing.

A customer is one who buys the products and services. Drucker (1975), a great management thinker, states that *there is only one such focus or one starting point it is*

the customer. The customer defines the business. It is defined by the want the customer satisfies when he buys a product or services. To satisfy customer is the mission and purpose of business (p 79). The customer of a financial institution is the one who buys products and services of such institution. Customers go back to business that they like. They go back to business that enjoys dealing with, they enjoy people who are nice to them and they enjoyed people who work hard to keep them satisfied (Phelps, 2004, p 42). Further the important role of customer has been emphasized by Mahatma Gandhi: "A customer is the most important visitor to our premises; he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. We are not doing him a favour by serving him; he is doing us a favour by giving us an opportunity to do so" (Upadhyaya, 1985; Misra 2008, p 28). Lastly we can say that a customer plays a very important role for an organization since all the services and products reach their potential user through them.

1.2 IMPORTANCE OF CUSTOMER SATISFACTION:

As stated above customer plays an important role in the life of an organization and for the purpose of this study a Bank. It becomes important for the banking institutions to see that their customers are satisfied. Here we discuss the importance of satisfying customers and/or Customer Satisfaction (CS).

CS has been an important concern for all the business organizations in general and service industry in particular. Banks have responded to the expectations of the customers. It has become one of the sound concepts of modern management language. *Not only does the idea of satisfying customers has a clear and sound appeal, it is also generally believed that customer satisfaction leads to loyalty and translates to high future earnings* (Dahlsten, 2003). For these and other reasons, CS practices have become one of the core prescriptions for managers and organizations. Outstanding marketing companies as well as banking industry go out of their way to keep their customers satisfied and try to earn more revenue. Dahlsten (2003) further talks about the genuine understanding of the customers for '*true customer orientation*'. Any business firm's success is basically based upon the satisfaction of the wants of the customers. The business approach of a company needs to be customer-centric, i.e., it should give more emphasis to customer care, customer satisfaction and customer retention for the long term survival of the company.

In today's globalizing economy, competition is getting fiercer and it is becoming increasingly complicated for products and services to differentiate themselves from their competitor's offerings. Therefore differentiation with original service offerings through relationship marketing is the only important source to have a competitive advantage. *CS is the base line for success of any business organization* (Kumar,

2006). Earlier organizations focusing on meeting with customer expectations used to conclude that customers were satisfied but in reality this misunderstanding is no more to be continued because every one is providing high levels of CS in order to meet with the expectation of customers and in turn this helps organization to create loyal customers. Hence, an organization is going beyond meeting their expectations through effective customer service. *As the expectations of the customers are changing at a fast pace where companies have their own definition of superior or effective service it is worthless unless it completely aligns with the customer definitions. Their definitions of quality customer service will be based on their needs, wants and expectations to match these* (Kumar, 2006). To create a bonding relationship organization must see every individual customer as a bonding partner to build confidence, to earn trust and ultimately to retain them.

The customer pays for the satisfaction he/she derives from the products or service and not for the products or service offered. In other words, the company is not selling product/services to the customer but satisfaction. Successful selling takes place when the company matches its service with the customer expectations. This happens only when companies try to anticipate and understand the customer's needs from the customer's point of view and not from the company's point of view, so the company needs to put itself in the customer's position and then understand what the company would really need to do to gain the customer's acceptance and CS. Individual firms

have discovered that increasing levels of CS can be linked to customer loyalty and profits. The ideal competitive strategy in this changing business environment and the era of globalizing seems to be specialized in creating long term value with customers, customer retaining and CS where organizations understand it fully and not see it as a promotional tool or a sales tool or as a short term goal. As satisfaction is an emotional state, it varies from person to person which makes the study and practice of CS more challenging.

It is a never-ending exercise to improve the quality of services to offer in today's fast changing environment of banking. So there is a continuous attempt to improve the level of CS by offering new creation of unique services, which results in improvement of CS.

Attracting and retaining customers is a difficult task. Customers often face a confusing in selection of products and services from which to choose. To attract and keep customers a company was constantly seek ways to deliver superior CS. Customer delight means getting more what company promises. "Smart companies aim to delight customers by promising only what they can delivers, then delivering more than they promise. Customer delight creates an emotional relationship with a product and services not just a rational preference" (Kotler and Armstrong, 2004). This in turn, creates high customer loyalty. In order to delight customers the banking

companies also try to exceed customer expectations by providing more than they promise.

CS refers to the study of both expectations at the time of purchase and reactions at some time thereafter (Howard and Sheth 1969). CS is defined as an overall evaluation based on the customers total purchase and consumption experience with a goods or service over time (Anderson, et al., 2004; and Fornell, 1992). CS occurs when the perception of the reward from the purchase of goods or services by the customer meets or exceeds his /her perceived sacrifice. The perception is a consequence of matching past purchase and consumption experience with the current purchase (Bleuel, 2005).

Service quality is one of the element which contributes to CS as the type and practice of providing CS depends on the way the quality is delivered by the firm to the customer. In case of pure services provided by the organizations like health care, financial services, educational institutions, service quality is more dominant an issue as compared to industrial organizations. *Service quality is a customer's judgment of the overall excellence or the superiority of the services* (Parasuraman et al., 1988). *It is a global evaluation by a consumer of a firm's service delivery system* (Dobholkar, et al.1996). Service quality is a measure of how well the service delivered meets the expectations of service provided. In today's competitive business scenario, quality has

become one of the main concerns of banking sector. The performance of financial institutions is measured on the quality of services being provided. This has enhanced concern over increasing the quality so as to increase the sale of their product or/and services. The banking institution further depends on the acceptability by the customer for its survival and growth. *Customer is the king* clearly indicates the importance of customer, as such the bank is obliged to provide the service as desired by its customer. It offers a way of achieving success among competing services, particularly in case of the firms that offer nearly identical services such as banks, where establishing service quality may be the only way of differentiating oneself.

The quality of service is the cornerstone of CS. CS and service quality are closely related. Service quality is in relation to meeting customer's needs and requirements, and how well the service level delivered matches customer expectations. Service provision and consumption happen simultaneously. In order that customers derive a high level of satisfaction, the production of service has to be clearly in line with the customer expectation. In order to create customer loyalty and a long term relationship, it is important that the customer is satisfied with the service which he/she receives. A number of innovative ways and means can be used to increase CS As the understanding of service quality grows, researchers started conceptualizing the dimensions of service quality. Parasuraman et al. (1985) found that customers perceptions of quality are influenced by various gaps which lead to service quality

short falls and in particular, the *quality perceived in a service is a function of the gap between customer's desires/expectations and their perceptions of the service that is actually received*, i.e., service quality is a measure of how well the service delivered meets the expectations of service. As we know that quality has come to be recognized as a strategic tool for attaining operational efficiency and improved business performance, poor quality places a firm at a competitive disadvantage. If customers perceive quality as unacceptable, they may be quick to shift to other firm. Thus, it is clear that service quality offers a way of achieving success among competing services. In this direction, much of the programme research work in the management sphere of services is the conceptual model of 'SERVQUAL' presented by Parasuraman et al., (1985). They had originally identified ten determinants of service quality as Tangibility, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication and Understanding the customer. These determinants are briefly explained hereunder:

- a. **Tangibility:** It includes physical facilities, equipments; appearance of personnel, physical facilities can be a variety of objects such as carpeting, computer, desks, chairs, lighting, wall colors, pamphlets etc.
- b. **Reliability:** It refers to the uniformity and steadiness of a firm's performance. The customer might like to know whether the firm provides the same level of

satisfaction each time and every time or its quality varies with each and every service encounters.

- c. **Responsiveness:** It refers to the extent to which bank employees are willing to help customers and provide prompt service or in other words the readiness of the employees of the service firm to provide service in a timely manner. It reflects the preparedness of the firm to provide the service.
- d. **Assurance:** It refers to employees' ability, politeness and aptitude to motivate faith and confidence in customers.
- e. **Competence:** It depends on the service provider's possession of the essential skills and knowledge to perform the service.
- f. **Courtesy:** It means good manners, respect, selflessness and friendliness of the service provider.
- g. **Credibility:** It refers to perceived trustworthiness, believability and sincerity of the service provider.
- h. **Security:** It means the service should be free from risk, danger, and hesitation.
- i. **Communication:** It means keeping customers informed in language they can easily understand. It also means listening to the customers carefully. It may also mean how well banker adjusts its language for different type of customers.

- j. **Understanding the customer:** It refers to the efforts made by the service provider to know customers and their needs by providing individualized attention and recognizing the regular customers.

Parasuraman et al., (1988) through their subsequent research, analysis and testing reduced these ten determinants into five dimensions of service quality namely: Tangibility (Physical facilities, equipment, appearance of personnel), Reliability (Ability to perform the promised service dependably), Responsiveness (Willingness to help customers and provide prompt services), Assurance (Knowledge and courtesy of employees and their ability to convey trust and confidence) and Empathy (Caring individualized attention the company provides to its customers). The present study evaluates service quality vis-à-vis CS through these five important determinants/variables.

1.3. BANKING IN INDIA

1.3.1 GENERAL

Banks play a very useful and dynamic role in the economic life of a modern society. They render very valuable services to the community, trade and industry. They keep the wheels of trade, commerce and industry always revolving. Banks in modern days act as the chief agent in mobilizing the dormant funds of the community and divert

them into productive channels. They contribute to the general welfare and prosperity of the nation. They are the backbone of the modern industry. Banking as a business has its own feature which distinguishes it from all other trade and business. Banking companies deal with the money belonging to others as they deal with the money which is deposited by the general public with it for safe keeping.

Bank services are unique in nature because they are produced and delivered at the service centers. *Essentially, good customer service in banks should have three basic tenets i.e courtesy, accuracy and speed* (Varghese and Ganesh, 2003). In today's competitive environment banks are striving to attract and retain customers by introducing innovative products, enhancing the quality of customer services and marketing a variety of products through diverse channels targeted at specific customer groups. Hence they have to keep moving from CS to customer delight in every aspect of their functioning.

A drastic change has occurred in the banking sector in India after the enactment of the Banking Regulations Act 1949. Banking as a term has been defined under section 5(b) of the Banking Regulation Act (1949) as "*accepting for the purpose of lending or investment, deposit of money from the public, repayable on demand or otherwise withdrawal by cheque, draft order or otherwise.*" Commercial bank plays a significant role in the Indian financial system by mobilizing the savings from the masses and providing advance in the most desired way. As the economy becomes more and more

sophisticated, where more and more payments are matured mostly by means of cheques, the banks not only perform a credit function but also a monetary function. An effective, efficient, exciting and innovative banking stimulates economic growth by mobilizing savings and by allocating funds for productive purposes. The bulk of the savings in the economy is primarily generated by the household sector.

A fresh wave of economic liberalization and globalization has been sweeping most of the world since 1980's and in India from 1990 onward. The banking scenario also has been undergoing a transformation especially with regard to competition and technological advancement. The evolution of bank marketing in post independence India can be broadly classified in three phases namely - Pre-nationalization period (era up to 1969); Post- nationalization to Pre-liberalization period (after 1969 up to 1991) and the Post- liberalization period (after 1991).

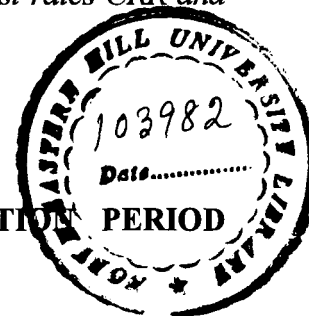
1.3.2. PRE-NATIONALIZATION PERIOD (ERA UP TO 1969)

In India, prior to independence the commercial bank system was based on the British banking pattern of branch banking, providing short-term finance to trade and industry. The branch network was small and mostly concentrated in cities and port-towns. There was a large spatial gap in the coverage of branch network in the country. Rural areas, where 80% of the population resided, were barely touched by the branches located in towns and port cities. Agriculture, which contributed to more than half of

the domestic products and provided livelihood to more than 3/4th of the population, were neglected by commercial banks. The same was in case with the artisans, rural industries such as handicraft, handlooms etc., which provided the bulk of employment in the informal sector (Seth, 1997). As such, the banking industry was neither able to mobilize the savings of the community adequately nor to cater to the credit needs of the vast majority of productive activities. Such a banking system was not suited to meet the banking aspiration of a developing country, which had embarked on the path of rapid economic development.

Prior to nationalization of major commercial banks in India, all the banks used to operate on the basis of astute commercial lines with the objective of profit maximization and use to serve the interest of that sector of economy which was financially sound. The characteristic of this period was a strong accounting orientation of bankers down the line, as distinct from a marketing orientation. In other words, meticulous maintenance of account books and an inward looking approach in transacting business with the customers, which emphasized strict adherence to laid down rules and regulations. In this particular period the customer was presented with a set of pre determined options of banking products with an air which implied, “take it or leave it”. Given the limited banking network then available, perhaps the customer too had little choice. So the banking business kept prospering even with a limited customer base (Seth, 1997). In this period, the customer was not given attention because he was at mercy of banks, while bankers were quite choosy. SBI was alone

enjoying government patronage on one side and on the other side private banks were having ownership of few big industrial and business houses. The products and services offered by banks were limited. Banks in India operated within the narrow confines of the banking activities as defined by the Banking Regulation Act, 1949 and the overall policy guideline of Reserve Bank of India as *the commercial banks in India operate within a rigid framework of guidelines prescribed by Reserve Bank of India in diverse areas like branch expansion, credit policies, interest rates CRR and SLR, deposit scheme and various other instruments* (Mathur, 2001).



1.3.3. POST-NATIONALIZATION TO PRE-LIBERALIZATION PERIOD (AFTER 1969 TO 1991)

After nationalization of 14 major commercial banks in 1969, banks woke up from isolation and found themselves placed in competitive and rapidly changing environment, with competition becoming fierce day by day. Seventies were marked by significant changes in the structure and content of banking operations. Branch network was expanded rapidly to rural and semi-urban areas. All this changed dramatically with the nationalization of 14 major commercial banks in 1969. Spurred by the well known socio-economic objectives of nationalization, the PSBs went for branch expansion during this period. Financial assistance on a very large scale was made available to economically weaker sections of society, agriculturalists, small scale industrialists, small traders, exports, rural employment and others. Customer

expectations from banking system changed over time. Customers started demanding new products and services to meet their needs and requirements and obtaining such services effectively and efficiently (Mathur, 2001, p 229).

1.3.4. POST-LIBERALIZATION PERIOD (AFTER 1991)

The process of liberalization in the banking sector began with the initiation of financial sector reforms and rightly the 90's have come to be a decade of the second revolution in Indian banking. The process of development started gaining the momentum after 1991. This period has witnessed tremendous changes in the Indian banking sector as a part of financial sector reforms. Prior to economic liberalization, PSBs enjoyed protected market. After liberalization, Indian banks were exposed to free market competition and consequently, they felt a deliberate need of customer retention. *Banks tend to emphasis customer retention because the cost of acquisition of new customer was higher than their retention. Intense competition and continuously evolving customer demands have led Indian banks to identify drivers of customer satisfaction and loyalty* (Lenka et al., 2009). Banks are operating today in a highly competitive and rapidly changing environment. They compete with non banking competitors of both the public sector (Life insurance Corporation of India, Unit Trust of India, and Postal saving, National Small Saving Scheme, Lotteries, etc) and private sector (chit fund companies, large industrial undertakings and other big houses raising funds from the public). They are regarded as providers of utility services involving public interest and welfare. In India,

banks offer numerous financial services to business concerns as because finance is a life blood of business. Certificate of deposits, commercial papers, 182 days treasury bills, participation certificate were introduced to add more instruments to the money market collection. The rates of return on all these instruments were allowed to determine by the interplay of market forces.

The process of disintermediation was another significant development during this period which affected the banking industry as banks were under pressure to diversify. Banks entered actively into leasing, factoring, investment and portfolio management, and merchant banking. Inter bank competition and competition with foreign banks forced the banks to improve customer service by introducing limited automation, faster communication network, speedier collection of instruments, ATMs, 24 hours service, and specialized branches. Thus, this period witnessed the emergence of new era in the banking sector causing high customer expectation and being offered with competitive products and services by PSBs, private banks, non-banking financial corporations and foreign banks. From the above we learn that in the first phase dominated by having distinction between banks, non-bank intermediaries and other agencies, banks being concerned mainly with maturity transformation and payment mechanism. The second phase is marked by widening and deepening of the financial system. The third phase is strongly marked by market orientation which is further widening the whole banking system. Banks are playing aggregate supply role by providing financial resources to investors and demand role by expanding financial

services in respond to demands. Therefore, it is essential to scrutinize the Indian banking industry from the angle of service quality and CS as because both the factors are important from banking point of view as well as customer's point of view.

Banks are in the business of marketing their services. In today's challenging and competitive era, the business organizations have to anticipate the needs of the customers and then to provide products and services accordingly. Amongst the various indicators of banks performances, the most crucial one is the level of satisfaction of its customers. Satisfied customers are the sources of free publicity for a bank. There are two types of customers - existing ones and potential ones. A successful banker converts the potential customer to existing while retaining the already existing ones. For this, the bank has to anticipate the needs of the customers and provide suitable services besides maintaining good standard of service. The liberalization and deregulation of banking sector has led to the entry of private and foreign banks making the banking market more competitive and quality conscious.

1.4 OBJECTIVES OF THE STUDY

The present study attempts to achieve the following objectives:

- To develop Customer Satisfaction Index (CSI) for SBI and other Public Sector Banks (PSBs) in Meghalaya.

- To compare CS for SBI and other PSBs across personal characteristics.
- To compare CS across different components of CS.
- To study the relationship between CS and bank performance.

1.5 HYPOTHESIS

H₁: There exists no gap between the CS in SBI and other PSBs in Meghalaya.

H₂: There exists a relationship between CS and bank performance.

1.6 RATIONALE OF THE STUDY

The work done in the area of customer satisfaction (Gani & Bhat, 2003; Bhattacharya & Rahman, 2002; Varghese & Ganesh, 2003; Aileni, 2003) suggests that the quality of service is the pre-condition for measurement of CS level. Further transaction time has also been identified as one of the major components of CS (Varghese & Ganesh, 2003). The problem faced by bank customers in Meghalaya includes lack of service quality and delay in transaction. From the schemes of different PSBs it is visible that there is competition amongst them. So far no research work has been done in the field of CS in PSBs in the state of Meghalaya. Therefore, the importance of such type of study is felt. The study is undertaken to establish the importance of CS in banking industry in general and service quality offered by SBI and other PSBs in particular and further the relationship between CS and bank performance is studied.

1.7 SCOPE & LIMITATION OF THE STUDY

This study has been undertaken to examine the relationship between the CS on service quality offered by PSBs and its performance. The study has its focus on the two groups of PSBs, viz, State Bank of India and other PSBs namely, Punjab National Bank, United Bank of India, UCO Bank, and Vijaya Bank in the state of Meghalaya. The study was conducted among the customers in the above said groups of banks during the period of 2007-2008. There are 86 branches of SBI and 45 branches of other PSBs in Meghalaya. Among all the seven districts, SBI has the largest network spreading across every nook and corner of the state; whereas other PSBs share is very negligible. The study is undertaken on the customers of PSBs located at such location where SBI also has a branch and there is competition between such branches. This is done in order to have better comparison as choice is available to the customer. In the absence of choice, a customer is forced to transact with available branch, irrespective of the level of CS. However it is assumed that given the choice the customer would transact with the bank/branch providing better satisfaction. At some places only one PSB is operational, hence such branches are ignored for the present study. Amongst all the seven districts only SBI has operation in South Garo Hills whereas in East Garo Hills, West Garo Hills and West Khasi Hills though other PSBs are operating but their share is very minimal. Therefore the study is basically concentrated on East Khasi Hills, Jaintia Hills, East Garo Hills and Ri-Bhoi District and five PSBs

(Annexure-I) only as aforesaid mentioned banks are common in every district except South Garo Hills and West Garo Hills.

The Selection of the customer was done randomly, yet the female respondents were less as compared to male because of various factors like less female account holders in banks, fearness and shyness among female respondents during the time of filling the questionnaire and female account holders are not operating their accounts. In case of branch performance, few of the branches have not provided statistical data on their performance.

1.8 RESEARCH METHODOLOGY:

In order to carry out the study following methodology is adopted.

1.8.1 SOURCES:

The comprehensive study is based on both primary and secondary sources of data. The primary data is collected from the banks as the questionnaire is filled up by the customers. The secondary data is collected through journals, periodicals, magazines and books. Relevant literature is downloaded from internet to make the study more relevant and appropriate.

1.8.2 AREA OF STUDY:

The present study is conducted in Meghalaya which consists of seven districts namely East Khasi hills, West Khasi Hills, East Garo Hills, West Garo Hills, South Garo Hills, Ri Bhoi and Jaintia Hills. The study concentrates on the branches located in 4 districts East Khasi hills, East Garo Hills, Ri Bhoi and Jaintia Hills.

1.8.3 SAMPLING:

The customers are selected randomly. The customers from only those branches were taken into consideration where they face competition from other PSBs. The research started with a pilot survey in the month of April 2005 and continued till the month of October 2005. A schedule was prepared (Annexure -II) for the pilot survey where a brief customer profile and satisfaction level was gathered. It contained 39 items with the aim of gathering the personal experience of the customers and to assign weights to different components of the CS. First Section of the schedule incorporates the customer profile which includes 11 items and second section had 28 items on various aspects of CS. 5- point Likert scale was used for closed-end questions considering 1 as 'least satisfied' and 5 as 'more satisfied'. The schedule was completed by the researcher with the help of the 60 customers. The pilot survey had the customers from Shillong, Jowai, Cherrapunjee, Byrnihat, Mendipathar covering East Khasi Hills, Jaintia Hills, East Garo Hills and Ri-bhoi District. The data was collected personally

by sitting in the bank premises. Customers were randomly selected depending on the availability of the account holders in a queue. Same procedure was followed for final survey also.

On the basis of the results of the pilot survey and the review of the literature, a detailed questionnaire was drafted. Further comments as given by the experts were added and a final questionnaire (Annexure-III) was prepared to collect the relevant information from the customers of the respective banks. A total of 650 customers' feedback was taken with respect to CS for final study. The questionnaire consisted of 85 items and was divided into two sections. In the first section the customer profile was asked. The second section had closed-end questions related to CS level. 7- point Likert scale was used for closed- end questions considering 1 as 'fully satisfied' and 7 as 'fully dissatisfied'. After collection of the data, the same was fed in the computer in excel format. While feeding the data, they were cross checked and verified.

1.8.4 DATA ANALYSIS AND INTERPRETATION:

Based on the pilot survey the weights were calculated (Table 1). These weights were studied to develop CSI for SBI and other PSBs in Meghalaya. Ten components were identified for the present study consisting of 5 items for service quality (Reliability, Responsiveness, Assurance, Empathy, and Tangibility) and 5 items for time factor

(time taken for withdrawal, deposit, money transfer, opening accounts and services offered). The individual scores were multiplied by their respective weights and then average value was obtained for every factor.

Table-1
Components and Weights of Customer Satisfaction

Items	Components	Weights
1	Responsiveness	0.05
2	Reliability	0.05
3	Tangibility	0.06
4	Empathy	0.08
5	Assurance	0.08
6	Time taken for Withdrawal	0.07
7	Time taken for Deposit	0.07
8	Time taken for Money transfer	0.19
9	Time taken for Opening Accounts	0.07
10	Time taken for other Services	0.28

To measure the service quality in banks the SERVQUAL instrument as developed by Parasuraman, et al., (1988) was used by different researchers like Bhattacharyya and Rahman (2002), Gani and Bhat (2003), Bodla (2004), Vanniarajan and Vikkraman (2006), Aileni (2006), Sudesh (2007) etc. for their research work. Varghese and

Ganesh (2003), Aggarwal and Gupta (2003), Krishnaveni and Prabha (2004), Moreau and Usunier (1999) have focused their work on time factor.

Based on the above ten components, CSI for SBI and other PSBs in Meghalaya has been developed. The raw data were captured in spreadsheet software twice to ensure accuracy. The spreadsheet was then imported into a software statistical package (SPSS 11.0 for Windows). The difference in satisfaction of services provided by various banks, and differences in the satisfaction of different account holders were tested. T-test was used to check the reliability of the data. The data is analyzed on the basis of different demographic variables like gender, age and education.

T-test was further used to test the hypothesis that *there exists no gap in CS between SBI and other PSB's in Meghalaya*. Correlation was used to study the relation between one component with other components as well as for studying the relationship between CS and bank performance parameters. District wise analysis was done by using regression analysis on ten components in order to know the impact of components in a particular district. In order to study the relationship between CSI and bank performance and to test the hypothesis that *there exist a relationship between CS and bank performance*, correlation was done and to further examine the impact of different parameters of bank performance on customer satisfaction regression analysis

was done. The results of these analyses are shown at their respective places in different chapters.

1.9 CHAPTERISATION

Chapter-1: INTRODUCTION

Chapter-2: REVIEW OF LITERATURE

Chapter-3: CUSTOMER SATISFACTION IN SBI AND OTHER PSBs IN
MEGHALAYA

Chapter-4: COMPARATIVE STUDY OF CUSTOMER SATISFACTION
(BANK-WISE, BRANCH -WISE AND VARIABLE- WISE)

Chapter-5: CUSTOMER SATISFACTION AND BANK PERFORMANCE

Chapter-6: MAJOR FINDINGS, SUGGESTIONS AND CONCLUSION.

1.10 CONCLUSION

As mentioned earlier in this chapter, CS is found to be one of the important areas of study from behavioral point of view. The next chapter would discuss the works done in this area in detail. In this context the present study was proposed to be undertaken and the researcher during the course of study came to learn many important concerns raised by a customer which is discussed in different chapters in the present study. Responding to the expectations of the customers is a great challenge before the banks

and most of the banks are following different practices in order to satisfy the customers. The use of technology for the advantage of banks as well as customers has revolutionized the whole sector. The present study has brought out interesting findings as to the importance of service quality as well as of response time. The previous studies have concentrated on service quality or time factor separately and in this light this work has tried to bring out different facets as perceived by the customers of banking sector in the state of Meghalaya.

This work is supposed to provide a feedback to the bank's management as regards to the satisfaction level of their customers both on service quality and response time which could be used to provide effective and efficient banking service to their respective customers in order to boost the banking habits in the state of Meghalaya. It is also expected that the findings of the present study would help the bank to learn about the current requirement of customers and further would help them to take corrective steps and measures to improve the CS in SBI and other PSBs in Meghalaya.

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CHAPTER -2

REVIEW OF LITERATURE

2.1. General

This chapter is focusing on the review of literature related to the studies in the area of customer satisfaction (CS) in general and CS in banking sector in particular. Different studies have concluded the importance of CS for service industry viz-a-viz banks. The online resources have also been cited wherever possible. Indian as well as foreign journals are studied in order to gather literature in the area of service quality, importance of response time of the banks, CS etc.

CS and customer value are important ingredients in the marketer's formula for success (Sayulu and Sardar, 2006). In the past many companies took their customers for granted because customers often did not have many alternative suppliers or the market was growing so fast that the company did not worry about satisfying its customers fully. Financial sector reforms have resulted in increased competition among the Indian banks. Customer's awareness and expectations have grown due to openness of economy, advent of information technology and revolution of media etc. Banks are compelled to take care of their customers as a means of achieving competitive advantage. The customer's choice of banks is determined by quality service in addition to their financial strengths and operational efficiency. CS is a level

of person's state resulting from comparing the performance of a product or services in relation to the person's expectations. Thus, the satisfaction level of customer is a function of the difference between the perceived performance and expectations (Sayulu and Sardar, 2006).

2.2. Literature Review

Parasuraman, et al., (1985) did a study on a conceptual model of service quality and its implications for future research. They made an investigation of quality in four service businesses i.e., retail banking, credit card, securities brokerage, product repair and maintenance and developed a model of service quality. They revealed 10 dimensions i.e. reliability, responsiveness, empathy, assurance, tangibility, security, understanding the customer, communication, courtesy and competence that customers use in forming expectations about the services as well as perceptions of services and pinpointed four key discrepancies (for service providers) that are likely to affect service quality as perceived by customers. These four discrepancies were brought out at gaps (consumer expectation-management perception gap; management perception-service quality specifications gap; service quality specifications-service delivery gap; and service delivery-external communications gap).

After that Zeithaml et al., (1988) did a study on communication and control process in the delivery of service quality. By using the extended model of service quality they intended to identify a reasonable exhaustive set of factors that potentially affected the

magnitude and direction of the four gaps on the marketer's side of a service quality model. Communication and control process are the main factors implemented in an organization to manage employees. The factors like role ambiguity and role conflict were also found affecting the delivery of service quality. They reviewed and integrated with qualitative data from an exploratory study to help in understanding the way organizational process affect service quality. They identified a theoretical construct, which is responsible for each gap.

Service quality as discussed and developed by Parasuraman, et al (1985) and Zeithaml, et al (1988) has been widely accepted as SERVQUAL tool in order to measure the service quality. SERVQUAL is useful to provide evidence of service quality for further service operation improvement (Page and Spreng, 2002). Brown & Swartz (1989) explored patient and providers evaluation of quality using gap analysis. In their second empirical study, they compared patients and physician perceptions of professional competence, professional credibility and communications and found significant difference between physician and patient perception of services. Zeithaml et al., (1996) offered a conceptual model that depicts the behavioral consequences of service quality as intervening variables between service quality and the financial gains or losses from retention or defection. Four multinational companies dealing in the areas of computer manufacturing, , Retailing, Automobile insurance and Life insurance are taken into consideration for the empirical study which examines the relationships. The model concerning customers' behavioral intention show strong

evidence of their being influenced by service quality. Parasuraman's (2000) paper entitled "*Superior customer service and marketing Excellence: Two sides of the same success coin*" emphasized on broadening the scope of marketing to include CS. The paper demonstrates a judicious blending of conventional marketing and service quality for market success. The research continued for 15 years involving 15 industries in 40 different countries. He came to a conclusion that the global competition continues to heat up in markets around the world and emerging technologies continue to empower customers with more market knowledge and wider choices. As such, regardless of the sector in which a company operates or the nature of its offerings, the quality of its customer service will increasingly become the pivotal determinant of whether it scarcely survives or thrives on a sustained basis. For these reasons it was mandatory to have superior customer service and marketing excellence.

Gani and Bhat (2003) did their study on overall service quality in commercial banks and its dimensions through SERVQUAL Model. SERVQUAL scores on five dimensions of service quality were computed separately for each bank. Tangibility, Reliability, Responsiveness, Assurance and Empathy were identified as overall service quality variables and a comparative study was made of State Bank of India (SBI), Punjab National Bank (PNB), Jammu and Kashmir Bank (JKB), CitiBank (CB) and Standard Chartered Grindlays Bank (SCGB). Service quality of foreign banks was found to be comparatively much better than Indian banks. SERVQUAL scores of

banks reveals that service quality of SCGB customers was followed by CB in foreign banks category whereas in case of the customers of Indian Banks SBI was followed by PNB. They suggested that the Indian Banks require profound investment in tangibility dimensions in order to improve the quality of service to the customers.

Bodla (2004) emphasized on the quality of services provided by commercial banks both public and private sector in India. The study covers four private sector banks (ICICI, HDFC, Citibank and ABN AMRO Bank) and four public sector banks (SBI, PNB, Union Bank of India, and Oriented Bank of Commerce). The study tries to capture the gap between perceptions and expectations of the retail customers only as because they constitute the major chunk of the total banking business in India. To measure the service quality in banks the SERVQUAL instrument as developed by Parasuraman et al., (1988) was used. They identified five main dimensions of the service quality i.e. Tangibility, Reliability, Responsiveness, Assurance and Empathy. The study concludes that there exists a significant gap between the expectations and perceptions in relation to quality of service offered by both public and private sector banks in India. They come to a conclusion that the service quality of private sector bank is better than public sector banks on all dimensions except assurance. It was suggested that public sector banks must put emphasis on change management, internal marketing and employee empowerment to ensure the requisite service quality in order to compete with private sector banks and to survive as well.

Saha and Zhao (2005) while analyzing the relationship between online service quality and customer satisfaction in internet banking observed a total of nine service quality dimensions in internet marketing such as efficiency, reliability, responsiveness, fulfillment, privacy, communication, personalization, technology update, logistic/technical equipment. The main purpose of the study was to gain a better understanding between service quality and customer satisfaction in internet banking. In order to strengthen competitiveness in extremely competitive market, given limited organizational resources, it is recommended that internet banking should focus on the main five key dimensions i.e., efficiency, reliability, responsiveness, fulfillment and privacy in order to achieve high level of service quality and CS.

Aileni (2006) did a study on perceived service quality and customer satisfaction on the leading and widely spread public sector banks in India from the five metros Delhi, Mumbai, Calcutta, Chennai and Hyderabad. They used SERVQUAL instruments for measuring the service quality in the banks and identified five determinants i.e., Tangibility, Reliability, Responsiveness, Assurance and Empathy. At the same time it is also identified in the paper that there are five types of gaps i.e. customer expectations and management perceptions, management perceptions and service quality specializations, service quality specializations and service delivery, service delivery and external communications and perceived service. In the service quality model and decide to examine and calculate the range of the gaps. He suggested that the gaps between the services expected and perceived was quite high in almost all the

parameters. It is clearly indicated that if the gaps are high the result is customer dissatisfaction. In order of importance of service quality determinants in a bank Reliability is first followed by Responsiveness, Empathy, Tangibility, and Assurance. It was suggested in the paper that the customers of the bank were not satisfied with the services of the bank. Therefore management should take an immediate action for the improvement of overall service quality of the bank unless the public sector banks will move from bad to worse because a number of foreign banks have been coming out with innovative and better quality services.

Aggarwal and Gupta (2003) did their study on service quality of private sector banks. They tried to develop a multilevel and multidimensional model of service quality in banking sector which could be of effectiveness to the practicing managers. In their paper the technique of factor analysis was used to reduce the original 32 variables into small number of fake variables i.e., Service time, Interaction with the bank staff, Ambience and Infrastructure and the last factor is Services and banking channels. They confined their research on the works of Dabholkar et al., (1996) on multilevel – multidimensional model of service quality which presents service quality as consisting of primary and secondary dimensions. By using qualitative research they identified secondary dimensions, while primary dimensions were extracted from the secondary dimensions by applying factor analysis. This paper tries to assist practicing managers in understanding how their customers assess the quality of service experience and guide them in their attempt to improve customer's service experience.

With this focused information managers not only can diagnose service failures but also can isolate their origins.

Another study on the same line was done by Sudesh (2007) where an attempt was made to measure the service quality in banks with variations across demographic variables like income, age, education and profession. The study revealed that poor service quality in public sector banks is mainly due to deficiency in tangibility, lack of responsiveness and empathy, but on these five dimensions private sector banks performed better than the public sector banks. Foreign banks were found to be relatively close to the expectations of their customers with regard to the five dimensions of service quality. The study revealed that banks provided better service quality to business class customers in comparison to service class customers. It concluded that the banks should make investment in research in order to understand customer needs and expectations at all stages in the service delivery process so as to determine the key components. They stressed that for better CS, a bank has to conduct frequent training programs in the areas like prompt cash payment and receipts at the counter, efficient passbook and statements service, prompt collection and remittance services, early decisions on credit applications and quick attention to complaints because all these activities have direct impact on customer perception toward service quality. The main focus was given to management of the banks which puts its sincere effort to match the expected service quality to the offered service quality so that commitment and loyalty of the customers can be achieved.

Shainesh and Mathur (2000) in their paper "*Service Quality Measurement: the Case of Railway Freight Services*" have identified the attributes which the customers used for evaluating the quality of freight services provided by the railways. Data was collected from 51 customer organizations of 13 different industries (De-oiled cake, Fertilizer, Concrete Sleeper, Coal, Cement, Sugar, Oil, Ordnance Factories, Automobile, Food grain, Limestone, Steel, and General Goods) through interviews with managers of such firms, who had used these services at least once in previous six months. In their research paper they developed a comprehensive instrument, RAILQUAL that can be used by the railways for collecting feedback from customers. This would help them to monitor, control, and improve their service and competitiveness. It can also be used as an evaluation tool for comparing the performance of its zones and divisions.

Krishnaveni and Prabha (2004) did their study on measuring service quality in banking sector with special reference to Motor and Pump Industry. Their study is concentrated on corporate customers. They have identified 6 dimensions such as competence, convenience, customer oriented-ness, promptness of service, modernization and communication. There are some of the expectations of Motor and Pump Industry from the bankers as reduced banking charges, lesser procedural formalities, Internet banking, delivering the services at right time, quicker decision making and disbursal of credit, personalized attention, friendly behavior of

employees, convenient location, and understanding specific needs. By using these variables they came into conclusion that the corporate customers expect monetary concession in the form of reduced interest rates, demand draft, TT charges etc. which means the bank charges play a dominant role in maintaining and attracting customers and secondly they give more emphasis on customer relationship activities of personalized attention, better communication etc.

Seth et al., (2008) did their study in order to develop a valid and reliable instrument for assessing customer perceived service quality incorporating both service delivery as well as technical quality aspects for cellular mobile service. They revealed a seven dimensional service quality instrument which is empirically tested for unidimensionality, reliability and construct validity using confirmatory factor analysis. The study indicated that among the various dimensions, responsiveness is the best predictor followed by reliability, customer perceived network quality, assurance, convenience, empathy and tangibility. They emphasized that the availability of this instrument would stimulate further research focusing on service quality and its impact on competitiveness for cellular mobile organization as well as telecom players.

The application of Kanos Model was proposed by Noriaki Kano (1984), a Japanese professor to establish the extent to which a given set of functions and features of a product satisfies customers' wants and needs. This model also helps us to understand

the factor which brings customers satisfaction and dissatisfaction in a bank. Bhattacharyya and Rahman (2002) in their paper they have studied ten different components as given by Parasuraman et al. (1985) in banking sector. They studied Kano's views that people expect that a product should meet three kinds of needs like basic needs, performance needs and excitement needs. The basic needs are those needs which should be essential unless a product is ineffective. By using the Kano's model it is very easy to understand what makes customer satisfaction and dissatisfaction. For these they selected a branch of a nationalized bank, which operated from the campus of the IIT Roorkee, a town of moderate size in Uttaranchal state of India. The voice of customer (customers' expectation) is considered as one of the most important determinant and the banks need to respond to these expectations positively and Kano's model was found to be more convenient and simple to study the customers.

Cronin and Taylor (1992) focused on measuring service quality as reexamination and extension. Their objective was to examine the relationships between service quality, customer satisfaction and purchase intentions. They identified four service firms for their study i.e. bank, pest control, dry cleaning and fast food. They suggested that the current conceptualization and operationalization of service quality is inadequate. They developed and tested a performance based alternatives to the SERVQUAL measure. Ting (2004) focused on service quality and satisfaction judgments of customers in banking institutions throughout Malaysia. The study attempted to determine the

relationship between service quality and satisfaction, where service quality is the independent variable and satisfaction is the dependent variable. On top of this, the inclusion of ownership as a moderator has also been studied. Findings show that service quality is the antecedent of satisfaction. The findings also support a curvilinear relationship for the variables under study. The results also show that bank-ownership moderates the relationship between service quality and satisfaction. In recent studies on satisfaction judgments, it has been suggested that the relationship should be in a non-linear form.

Varghese and Ganesh (2003) did their study on transaction time where comparison is made between public sector banks and private sector banks operating in Kerala. The main theme in this study was on the time taken to withdraw cash, deposit cash, get local cheque credited to the account, get outstation cheque credited to the account, open a new fixed deposit account, get a new cheque book, purchase a bank draft, encash a bank draft, receipt of money through TT/MT, updating pass book, get access to locker, etc. They suggested that it is imperative that both the public and private sector banks should put in place the exact kind of arrangement to cut down service time and deliver immediate services to the customer in order to offer better CS.

Another study on the same line by Moreau and Usunier (1999) emphasized that time is a key dimension of service activities as concerns opening hours, service schedules and duration, or waiting for service performance. In their research, they tried to relate

the actual duration of waiting and consumers “time styles” to the way they experience waiting, especially in terms of passive and active impatience. These variables are linked to waiting acceptability and to satisfaction with the service. Significant relationships have appeared, especially a direct link between actual waiting time and waiting acceptability, whereas time styles (mostly economic time orientation) influence perceived time pressure and active impatience but not waiting acceptability. The study bridges two research streams (waiting and time styles) to deepen the understanding of waiting psychology and to provide additional insights as concerns the time component of service quality evaluation. Based on a sample of 320 customers waiting for their buses, they evidenced that time styles significantly influence the way customers experience their wait. Time styles actually influence the state of mind with which customers start waiting for the service, and this in turn has an impact on the way they experience waiting. However, in the next step of the chain, actual waiting time predominates in shaping customers’ opinions about their waiting and their satisfaction with the service.

Kshirsagar (1976) emphasized that a bank should have as many of its small size branches as possible in order to fulfill better the customer’s needs and expectations and focus on customer centeredness by giving few suggestions like timely and complete advice to customers on financial matters, regular execution of standing

instructions, timely receipts of updated passbooks and statements, proper calculation of interest, etc.

Rao & Pathak (1990) commented through their work that banker–customer relationship is a contractual relationship but in actual practice, no written contract is made when a customer opens an account. They concluded that result is wide spread ignorance among customers of their bank right and duties with regard to their accounts.

Bhatt (1991) in his paper indicated the relevance of application of marketing to Indian banking and market research activities undertaken by Indian banks and concluded that marketing functions involve market research, product development, pricing of the services and developing marketing orientation and customer consciousness through training.

Sharma (1995) reviewed marketing effectiveness in American banks and worked out that it is the critical evaluation of organizational marketing mix from customer's perspective, i.e it measures the degree of managerial success in reading the market, distinguishing the business opportunities, choosing the best market segments and offering them superior goods or services at reasonable prices. He finally maintained that each controllable variable plays a vital contribution in the overall operational efficiency of a bank.

Wujin and Desai (1995) realized that keeping a customer is less costly than attracting a new customer. An important way to retain present customer is to provide a high level of CS. As a result, ways to provide CS are gaining increasing attention. They considered the problem of motivating retailers to provide high levels of CS. Retailers' efforts on CS were found to be especially important in situations where the manufacturers have limited direct contact with its customers. In such situations, retailers often represent the whole corporation in front of the customers. For these reasons they emphasized two broad categories of incentives by which a manufacturer can motivate its retailers to provide high CS.

Fornell et al., (1996) did their study on American Customer Satisfaction Index (ACSI) This paper focused on the nature and purpose of ACSI and explained the theory underlying the ACSI Model. While analyzing CS it observed that CS is greater for goods than for services and in turn greater for services than for government agencies as well as found caused concern about CS in the United States which is declining because of decreasing satisfaction with services. They estimated the model for seven major sectors of economy like manufacturing (nondurable), manufacturing (durable), transportation/communication, retail service, insurance/finance, public administration/government. They concluded that for policy makers ACSI has the potential to be a useful tool for evaluating and enhancing the health of the nation's economy both in terms of national competitiveness and the welfare of its citizens. For

managers and investors, ACSI provided an important measure of the firm's past and current performance as well as future financial health. Higher CS should increase loyalty, reduce price elasticity, insulate current market shares from competitors, lower transaction costs, reduce failure costs and the cost of attracting new customers and help to build a firm's reputation in the market place (Anderson, Fornell and Lehman, 1994).

Moorman and Rust (1999) did their study on a view that though a firm's market orientation is undeniably important, the marketing function plays a key role in managing several important connections between the customer and critical firm elements, including connecting customer to the products, service quality and financial accountability. They collected data from managers across six business functions viz., marketing, human resources, R&D, operations, accounting and finance and two time period with respect to marketing role, market orientation, the value of the marketing function, and perceived firm's performance. The results showed that the marketing is best viewed as a function that manages connection between the organization and the customers. The primary connection may be viewed as the customer-products, the customer- service delivery, and the customer-financial accountability connections. The extent to which the marketing function manages these connections contributes to financial performance, customer relationship performance, and new products performance, beyond the impact of an organization's wide marketing orientation and lastly they focused on the marketing function which can improve its contribution to

the firm by expanding its scope beyond the traditional customer-products connection to include more emphasis on service delivery and financial accountability. For service firms, the value of the marketing function was also found to be related positively to marketing ability to connect the customer to service delivery.

Spreng et al., (1996) proposed a new model of the satisfaction formation process that builds on the disconfirmation paradigm by specifying a more comprehensive model that includes two standards in a single model and specifically incorporates the impact of marketing communication. They came to conclusion that the result provide strong support for the hypotheses and can help clarify the roles of desires, expectations and performance in the satisfaction formation process. Specifically the findings indicate that expectations congruency and desires congruency mediate the impact of expectations, desires and performance on attribute, information and overall satisfaction. Attribute satisfaction and information mediate the impact of expectation congruency and desires congruency on overall satisfaction. The direct effect of performance on overall satisfaction observed in previous research is completely mediated by the model constructs.

Anderson et al., (1997) observed that there is widespread belief that firms should pursue superior on both CS and productivity, it may be more difficult to pursue both simultaneously when it is important to customize market offerings to better meet customer needs. They suggested that this may be particularly true for industries in

which service by personnel's play an important role. As service has come to dominate the world's developed economies the trade-off required greater understanding. While the empirical study considers difference between goods and services, it is important to recognize the role of the dual nature of the quality i.e. standardization and customerization in determining whether there will be trade-off in any given industry. The analytical portion of the study suggested that CS and productivity are less likely to be compatible when CS is relatively more depended on customerisation as opposed to standardization and when it is difficult to provide high level of both customerization and standardization simultaneously. If such trade-off are driven by difference in the importance of customerization and standardization future research may wish to overcome the coarse categorization of the procedure of the current study and find direct measures of customerization and standardization quality to test the analytical framework implication.

Donthu and Yoo (1998) did their study on culture influences on Service Quality Expectations. They emphasized that service quality has been conceptualized as the difference perceived service performance and expected service level. They used the Hofstede dimensions of culture operationalised at the individual level and the dimensions of service quality from the SERVQUAL Scale. They developed and tested hypotheses related dimensions of culture with overall service expectations and dimensions of those expectations. From the result they came to conclusion that consumers low on power distances have high overall service quality expectation and

expect responsive and reliable service, individualize consumers have high overall service quality expectation and expect empathy and assurance from the service provider. Consumers high on uncertainty avoidance and short term oriented consumers have high overall service quality expectation.

Krishnan et al., (1999) reviewed the drivers of CS for financial services by using a Bayesian analysis based on data collected from customers of a leading financial services company. The quality of customer service with respect to financial statements and services provided through different channels of delivery, such as information technology enables call centers and traditional branch offices are also important factors in determining overall satisfaction. However they emphasized that the impact of these service delivery factors may differ substantially across customer segments. Once the customer segments are identified, firms can target the appropriate factors such as products offerings and automated delivery to enhance overall satisfaction. They concluded that due to the dynamic changes in the financial service industry, achieving high levels of CS may be more like a moving targets. Hence it is important for firms to continually access customer segments and identify the drivers of satisfaction so as to retain their profitable customers.

Smith et al., (1999) focused that customers often react strongly to service failure, so it is critical that an organization recovery effort be equally strong and effective. In their paper they developed a model of CS with service failure/recovery encounter based on

an exchange framework that integrates concepts from both the CS and social justice. They executed the research in the context of two different service industries i.e., restaurant and hotels. They came to the conclusion to provide organization with guidelines for developing service recovery procedures that improve customer service and enhance customer relationship. These guidelines can be used to implement service delivery system that include provision for appropriate recovery effort, allocate recovery resource to maximize returns of satisfaction and train employees to recognize failure and reduce their effects on customers.

Mattila (1999) examined the impact of culture on customer evaluations of complex services. The paper evaluated the trade-offs that Western and Asian customers were willing to make between personalized service and pleasant physical environment in the context of luxury hotels. It was found that customers with a Western culture background might be more likely to rely on tangible cues than their Asian counterparts and that the hedonic dimension of the consumption experience might be more important for western consumers than for Asians.

Banwet and Dutta (1999) used SERVQUAL Scale for measuring customer's perceptions of restaurant service quality. SERVQUAL appears to be a consistent and reliable scale to measure of service quality in a restaurant. The scale exhibits reliable and valid measures of customers' expectations of restaurant service and their

perceptions of restaurant. The results identify areas for improving the quality of service. The perceived service performance generally matches idealized expectation. Clean, reliable and responsive service is what customer expects from the restaurant. The results also indicate the customers perceptions that they are not provided with timely attention. These are the areas that the restaurant should improve in order to build a customer focused attitude toward service delivery.

Boshoff (1999) focused on the constant poor service delivery having a harmful impact on the survival and growth prospects of service firms. If service failure occurs, the literature contends, there are tactics and strategies service firms can employ to return customers to a state of satisfaction. However, no attempt has yet been made to assess how satisfied customers are after service firms have tried to recover from service failures. They identified at first the dimensions of transaction-specific service recovery satisfaction by analyzing consumer expectations and, second to develop a validated measuring instrument to measure satisfaction with transaction-specific service recovery based on those dimensions. The evidence of validity (convergent, discriminate, and nomological) and reliability reported here confirms the construct validity of the 17-item RECOVSAT instrument to measure satisfaction with transaction-specific service recovery. In the conclusion of this exploratory study, all responses were classified under 13 potential attributes: time, atonement, apology, fair fix, empathy, accepted responsibility, kept promises/reliability, feedback, empowerment, access/approachability, tangibles, staff attitude and explanation.

Knowles et al., (1999) examined the impact of customers' mood (positive or negative) and various conditions of service excellence (positive, neutral, negative, or mixed) on recall, evaluation, and behavioral intentions regarding a service provider. They emphasized that mood plays a less significant role than the nature of the service encounter itself when it comes to individuals' cognitive, affective, and conative responses. Furthermore, it appears that encounters containing positive aspects have the potential to overcome a negative mood state that customers may bring to a service interaction. They recommended that service managers should pay close attention to service quality; realize that performing well on some dimensions of the service encounter may overcome poor performance on others; work to create more neutral rather than positive mood-evoking conditions in their customers; and actively promote the positive aspects of service encounters to their customers. Finally, regardless of customers' mood or the nature of the service encounter, they suggested that service organizations would benefit from promotional efforts designed to emphasize those dimensions of service delivery on which the organization consistently performs well to enhance customers' recall of them.

Mercedes et al., (2005) did their study on the recent changes that have occurred in the Spanish university teaching environment, such as growing competition, which have caused these courses to become an important differentiating element of what is offered by each university. Therefore, they proposed to explore deeper into the

relationship existing between satisfaction and the intent to recommend the courses taken by the attendees. The research developed in the paper endeavors to be a first approximation of the factors that determine the satisfaction of the people who attend the summer courses offered by a Spanish public university. The information is based on the analysis of a self-administered survey given to the students of the 2003 summer session after completing the course. The results obtained show that the teaching staff, enrolment and course organization are the elements that have an impact on student satisfaction, and they show that this satisfaction is what, to a large extent, explains the intent to recommend the courses. In addition to these three elements, and in order to increase the satisfaction levels of students, it is necessary to know the objectives that the student's have. This paper determines the elements that are potentially capable of generating satisfaction and the subsequent effect of the satisfaction on recommendations for the university (summer courses) has been analyzed. The exploratory analysis that has been performed shows that there are three elements that affect the satisfaction levels of students and which can be controlled by a university. These elements are the teaching staff, enrolment and organization. The first element, the teaching staff, is logically the most important. Thus, those aspects related to the characteristics that a good professor should have are those that determine, to a large extent, the satisfaction with the course taken. The teaching method used, the level at which the subjects are treated, their content, the capacity of the professor to put him/herself in the student's place, elements directly associated with teaching, etc., are

the elements that mainly determine satisfaction. This satisfaction is moreover increased through aspects related to enrolment and course organization.

A comparative analysis of public and private sector banks was done from customer satisfaction perspective by Arora and Malhotra (2000). They suggested to the bank management to formulate suitable marketing strategy to lure customer towards them and hence customer based. Ananthakrishnan (2004) highlighted that today the customer's expectations have begun to change in terms of quality and service due to liberalization and the entry of international players and private sector banks taking wings in the country. With the arrival of computers and ATMs the gap between the customers and the bank personnel is widening day by day. He concludes that proper orientation, greeting the customer with smile, knowledge about the products of the banks both deposit and loan, helping tendency, listening to the customers, keeping the branch clean are the basis of the customer service so as to remain innovative, to ensure CS and to keep abreast of market development.

Mc Collough et al., (2000) did their study on Empirical Investigation of Customer Satisfaction after Service Failure and Recovery. They addressed the nature and determinants of customer satisfaction following service failure and recovery. Two studies using scenario-based experiments reveal the impact of failure expectations, recovery expectations, recovery performance, and justice on customers' post recovery satisfaction. CS was found to be lower after service failure and recovery (even given

high-recovery performance) than in the case of error-free service. The research shows that in general, companies charge better in the eyes of customers by avoiding service failure than by responding to failure with superior recovery.

Malthouse et al., (2004) emphasized on CS models for assessing the relationship of overall satisfaction with a product or service and satisfaction with specific aspects of the product or service for organizations having multiple units or subunits. These units could be stores, markets, dealers, divisions, and so on. The authors suggest a method for studying whether the drivers of overall satisfaction vary across such units. For cases where the drivers do vary across subunits, they show how additional variables can be included in a model to account for the variation.

Wirtz and Chung Lee (2003), state that CS is an antecedent of repurchase intent, word of mouth, customer loyalty, and ultimately long term profitability of a firm. Therefore, it is essential for firms to effectively manage CS. Consumers evaluate their consumption experiences by comparing the perceived product performance with their expectations. This disconfirmation-of-expectations model is the most widely used satisfaction model across virtually all product categories. It performs well in competitive markets with reasonably knowledgeable customers who are able to match their needs and wants with what they expect from the chosen product.

Mattila et al., (2003) examined whether men and women respond differently to positive and negative affects. They emphasized that to minimize dissatisfaction, keeping up smile and cheerful appearances are particularly important when the customer is a male. For women, the lack of a smile from a service provider makes an otherwise good service encounter into a service failure. Conversely, men tend to focus on the service outcome, and consequently, they are less sensitive to negative affective display in a typical encounter. However, men seem to be highly annoyed in double failure situations (i.e., inefficient service with negative affective display).

Hansemark and Albinsson (2004) did their research to explore how the employees of the company experience the concepts of CS and retention. They classified the term Satisfaction into three perspectives i.e. definition of the concept, how to recognize when a customer is satisfied and how to enhance satisfaction. CS and retention are critical for retail banks as they have direct impact on profit. CS has been deemed directly to affect customer retention and companies market shares (Rust and Zahorik,1993). Service quality, service features and customer complaint handling determine CS in banks. Service offerings such as extended hours of operation and competitive interest rates also play a vital role in determining satisfaction. They emphasized that it is not enough for managers to define the concept and establish goals for the employees or even to evaluate the goals nor is it enough for managers to guide employees on how to satisfy and retain the customer but they also need to evaluate and understand the employees' perception of the concept.

Parikh (2006) reports upon the application of Debholkar, Thorpe and Rentz (1996) retail service quality scale in measuring the gap between the customer's expectations and their perceptions about the service quality of retail stores in India and tests its reliability and validity. The result indicated that the gap scores did not merge into the proposed five dimensions of the scale (i.e., physical aspect, reliability, personal interaction, problem solving, and policy). Therefore, the scale may not be applicable in the Indian retail sector context without necessary restructuring. An analysis of the gap scores indicated that the highest perceived service gap lies in the policies of the retail stores, particularly parking facilities provided by them. Apart from this all other statements also show a negative gap implying the need for considerable improvements in retail service quality. In order to compete successfully in the global market place retail stores in India will have to improve the quality of there services significantly.

Parikh (2005) emphasized that the success of organized retailing in India mainly depends on delivery of services through quality improvements. In service organization, customer's perceived service quality is considered one of the key determinants of business performance. The paper deals with the application of Dabholkar et al., (1996) retail service quality instruments in measuring the gap between the customer expectations and their perceptions about the quality of retail stores in India. They used five dimensions namely Physical Aspects, Reliability, Personal Interaction, Problem Solving, Policy. They indicated that the reliability of

retail stores is perceived to be the most important dimension among all the dimensions. Further the analysis shows that highest perceived service gap lies in the policies of the retail stores particularly parking facilities provided by them. Apart from these, all other statements show a significant negative gap implying the need for considerable improvement in retail service quality. As organized retailing develops in India retail stores in India will have to make significant improvements in the quality of their service in order to enable themselves to compete successfully in the global market place. It is therefore very important for them to know how customers evaluate service quality and what they can do to measure and improve service quality.

Parasuraman et al., (2005) developed a multiple-item scale (E-S-QUAL) for measuring the service quality delivered by Web sites on which customers shop online. Two stages of empirical data collection revealed that two different scales were necessary for capturing electronic service quality. The basic E-S-QUAL scale developed in the research is a 22-item scale of four dimensions: efficiency, fulfillment, system availability, and privacy. The second scale, E-RecS-QUAL, is salient only to customers who had non routine encounters with the sites and contains 11 items in three dimensions: responsiveness, compensation, and contact. First, efficiency and fulfillment are the most critical and equally important facets of Web site service quality. Of the four E-S-QUAL dimensions, customers' assessments of a website on these two dimensions have the strongest influence not only on overall quality perceptions but also on perceived value and loyalty intentions. Second, the

system availability facet of the websites is also a critical contributor to customers' perceptions of overall quality, value and loyalty intentions. The four perceptual attributes that constitute system availability suggest that companies may not have full control over performance on this dimension; the equipment at the customer's end (e.g., type of computer and Internet connection) is also likely to affect performance on this dimension. Third, although privacy is the least critical of the four E-S-QUAL dimensions, the regression results show that the factor representing this dimension still has a significant influence on customers' global evaluations of websites. Fourth, the three recovery-service dimensions (responsiveness, compensation, and contact) and the perceptual attributes they contain imply service aspects that mirror aspects of traditional service quality (e.g., ready access to company personnel, concern for solving customers' problems). Therefore, although online companies might be able to deliver superior e-service during routine transactions with little or no human contact-in fact, none of the four basic E-S-QUAL dimensions and their corresponding attributes call for personal service-excelling in recovery service might require the human touch.

Kaul (2007) reviewed the Retail Service Quality Scale (RSQS) developed in the US. The paper discusses its applicability in India. RSQS has five dimensions namely Physical Aspects, Reliability, Personal Interaction, Problem solving and Policy which are believed to capture distinct though correlated aspects of retail service and six sub-dimensions also called the first order factors are labeled as Appearance, Convenience,

Promise, Doing-it-right, Inspiring, Confidence and Courteousness. Helpfulness has been found appropriate in a variety of settings—across different countries such as South Africa and Singapore and across a variety of store types such as super markets, department stores and hyper stores. The dimensions and sub dimensions provide strategic focus areas for retailers, enabling them to improve certain aspects of store service where performance is relatively poor.

Sharma and Kaur (2004) reviewed strategy for CS in rural banks through a case study of Shivalik Kshetriya Gramin Bank situated in the state of Punjab. They measured CS level with regard to six Ps of bank marketing mix i.e. product, price, place, promotion, people and process from customers' perspective. The concept of CS in rural banking covers all basic rural banking services and procedural matters viz, deposit and loan scheme, supportive service, interest rates, branch location, employees efficiency and behavior, promotional tools and documentary formalities etc. They concluded that RRB's can improve their market position if they remain alert and vigilant about their performance as per the parameter and dimensions of CS.

Bennett and Sharyn (2004) reviewed that CS is an important issue for marketing managers, particularly those in services industries. However, it appears that achieving CS is often the end goal, as evidenced by the emphasis on CS surveys. They proposed that due to the assumption that satisfied customers are loyal customers and thus high levels of satisfaction will lead to increased sales. As a result of this assumption, CS is often used as proxy for loyalty and other outcomes. They empirically demonstrated

that satisfaction is not the same as attitudinal loyalty and that there are instances where satisfaction does not result in loyalty. A business sample was selected due to the relevance of satisfaction and attitudes in settings of high risk where a high level of decision making is involved. A sample of 267 businesses was surveyed on their satisfaction and attitudinal loyalty levels towards an advertising service. The results indicated that satisfaction and loyalty in a business services setting are different constructs, and that, while the relationship is positive, high levels of satisfaction do not always yield high levels of loyalty. This study confirmed previous research that satisfaction and attitudinal loyalty are highly associated with a positive relationship. In particular this research has tested this notion in a B2B (Business to Business) context whereas previous research has been in a B2C (Business to Customer) context. Thus, if customers experience high levels of satisfaction they are likely to be predisposed attitudinally to the service brand and intend to repurchase. However, the results also indicate that satisfaction and attitudinal loyalty are not the same constructs. So, while satisfaction levels can anticipate particularly attitudinal loyalty levels, they cannot precisely predict them. It is thus prudent for managers not to rely exclusively on satisfaction scores to predict actual purchase rather; they should also collect attitudinal loyalty levels as well.

Vanniarajan and Vikkraman (2006) focused on the link between CS and organizational performance in three groups of banks namely, associates of SBI, nationalized bank, private sector banks. The empirical data on the quality of various

services offered by the banks, their CS and its business performance were identified in the service quality factors of banks as empathy, assurance, reliability, tangibility and responsiveness. The study reveals that there was a significant difference among the customers belonging to three groups of banks especially in the attitude on few service qualities namely assurance and responsiveness. The scope of increase in net profit of the associates of SBI and nationalized banks are higher than in the private sector banks though they provide better delivery of service quality to customer. In order to increase the net profit of the bank it was recommended to increase CS by providing more appropriate service quality to the targeted customers. The study concludes that the suitable strategy to increase the profit among the bank is creating, maintaining and enhancing appropriate service quality to the customers.

Ahmed (2008) focused on customer satisfaction in public sector banks in the Barak Valley. He suggests that public sector banks in the districts need to adopt certain specific marketing strategies in order to survive in the resent globalised environment and in the world of competition.

2.3. Conclusion

Over the past few decades there has been a considerable research on CS in different fields which has been undertaken time to time in India as well as outside. The works on CS has included the customers belonging to out patient Health Care Service

(Aileni,2003), Indian domestic Airline sector (Sarkar and Baisya,2005), Railqual and Passenger satisfaction (Vanniarajan and Stephen,2008), Cellular Mobile Telephony in India (Seth et al., 2008), Restaurant (Banwet and Datta, 1999), LIC Policies (Sayulu and Sardar, 2006), Medical Services (Brown and Swartz,1989), Public Transportation (Agarwal, 2008), Retail stores in India (Parikh, 2004), Railway Freight Services (Shainesh and Mathur, 2000) etc. The models developed in 1984 (Keno Model) and later by Parasuraman, et al., (1985) have been widely followed by different researchers in order to study the satisfaction of the customers. Further specific models have also been developed as discussed above in this chapter in order to cater to the specific industry or service.

The literature as surveyed here touches upon various aspects of CS both in India and abroad and the journal of marketing and journal of service research were thoroughly surveyed on the papers on the theme of this work. Many researchers have done work on the customers of banks in different part of the country; however there was nothing on the bank customers in Meghalaya and further none of the works surveyed included time factor and service quality together. The present work attempts to look into this aspect as discussed in the next few chapters.

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CHAPTER-3

CUSTOMER SATISFACTION IN SBI

AND OTHER PSBs IN MEGHALAYA

3.1. GENERAL

Customer Satisfaction (CS) is the individual's perception of the performance of the product or service in relation to his or her expectations. The concept of customer satisfaction is a function of customer expectations. A customer whose experience falls below expectations will be dissatisfied. *Customer whose experience matches expectation will be satisfied. Moreover, customers whose expectations are exceeded will be very satisfied or delighted* (Schiffman and Kanuk, 2004). In order to survive in the business, attracting customers is extremely important especially to a new competitor at the same time retaining a customer is much more vital. Therefore, bank can retain a customer only if he or she is satisfied by bank services. Thus, CS is the banks prime motto. As we know that the customer expectation from SBI and other Public Sector Banks (PSBs) are different although both are part of the banking industry. This difference arises due to *the speed of rendering services that sets apart one bank from another* (Varghese and Ganesh, 2003).

CS and company profitability are linked closely to product and service quality. Higher level of quality services provided by the banks towards customers results in greater satisfaction. The main concern of the organization is to improve the product and service quality. *The striking global success of the Japanese companies has resulted from their building exceptional quality into their products* (Kotler, 1999). Hence,

companies today have no choice but to adopt quality concept if they want to continue in the market. *CS ratings are sometimes difficult to interpret* (Sayulu and Sardar, 2006) say for instance, when customers rate the satisfaction level with some element of the company's performance, like delivery, they can vary greatly in how customers define good delivery. It might mean early delivery, on time delivery, order completeness or anything else too. Many times it so happens that if customer knows that the company will go out of its way to please customers, even if they are satisfied, some customers may express high dissatisfaction in order to receive more concessions.

Marketers must be careful to set the right level of expectations. If they set expectations too low, they may satisfy those who buy, but fail to attract new customers. If they raise expectations too high, buyers will be disappointed. Still, most successful companies are raising expectations and delivering performance to match the customer expectation. Those customers who are highly satisfied they make repeated purchases from the particular organization because they don't bother for price rise and always talk favorably to others about the company and its products. Although the customer-centered firms seek to deliver high CS as compared to their competitors, they do not try to maximize CS. There is a general misconception that marketing is more relevant in a production-oriented business of tangible goods and not vital in a service-oriented industry like banking. But in today's competitive world,

marketing is becoming increasingly necessary for banks. Banking sector is probably the most important financial sector not just in terms of turnover, profit and employment but also in its paramount impact on the other spheres of the economy. For these reasons, in the last few years, there has been a growing interest in applying marketing techniques and tools in the field of banking. The role of marketing in the banking industry continues to change. For many years the primary focus of bank marketing was public relations. Then the focus shifted to the advertising and sales promotion. That was followed by a focus on the development of a sales culture. Now it is apparent, as it has been to other industries for more than a decade that the focus on the individual customer meeting and even anticipating his or her needs, and developing trust, long term relationships by delivering high quality personalized services. Although all the elements of the marketing concept such as CS, profit integrated framework and social responsibility remain important, CS must receive the greatest emphasis in the years ahead.

The structure of the banking industry changed largely because of the economic and financial problems of the late 1980s and early 1990's. The industry is witnessing an increase in concentration as a few large banks in many states capture a significant share of total deposits. These banks are competing with one another to the market, leaders and innovators. Meanwhile, commercial banks strive to differentiate themselves from one another as they compete for their share of the market. Over the

years, the marketing concept and the view of marketing have been evolving in the banking industry. The emphasis in marketing has moved along a continuum from marketing as public relations to marketing as advertising and sales promotions, to marketing as sales and presently marketing as CS. As banks recognize the importance of listening to and anticipating the needs of customers and responding with products and services to maximize CS, marketing expertise will be more challenging then ever. Technological advancement not only will enhance the delivery of service to bank customers, but also will also enable banks to do better job of performance in monitoring and evaluation.

As the race to compete and survival intensifies, and business firms discover their service offerings becoming dangerously similar to one another (Varma, 1997). The service products of airlines, banks, fast foods, and the like equally measure up to one another's terms. Airlines offers identical flights with the same fare structure, banks offer virtually the same scheme on the same terms and conditions, fast food joints offer identical menus, still the the customer chooses one over another. This is quite interesting and motivates researchers to find out the reasons. As a result too many researches were done in this field like Gani and Bhat (2003), Bodla (2004), Vanniarajan and Vikkraman (2006), Aileni (2006), Sudesh (2007), Aggarwal and Gupta (2003), Krishnaveni and Prabha (2004) etc.

Service sector is an important sector of the economy where the banking organizations get profitable business. The satisfaction index is substantially influenced by the quality of services made available to the customers. If we realize that the Indian consumers are now more conscious, a radical change in the marketing practices of the banking organizations is essential required. In almost all the organizations, the first and foremost task is to satisfy the customers. If we understand the customers in a right perspective, the success rate reaches at its peak. If the marketing processes help us in understanding the customers, the task of satisfying them is found easier. The formulation and innovation processes of the marketing mixes move in a right and desired order. The customers get the services in tune with their changing requirements which help banks in expanding the market, increasing the market share and activating the process of mobilizing the savings and deposits. The perception of service quality has been extensively studied during the past three decades which was defined by Zeithaml (1988) as *customer's assessment of the overall excellence or superiority of the service*. As banking sector has grown both at global and national level, Meghalaya has not been an exception. The banking needs of customers, size of customers and the development of different types of banks has been quite evident in the last one decade in this tiny state. The customers have developed expectations and are using wide choices at most of the locations in Meghalaya. However SBI is still dominating so far as its reach to the nook and corner of the state is concerned, though other PSBs also have their extended operations at these places. This chapter discusses the level of CS

in SBI and other PSBs operating in Meghalaya. Some of the measures of CS Index (CSI) have been derived from the works of Parasuraman et al (1988) as put in Table 3.1

Table-3.1: Parasuraman, et al (1988) Service Quality Dimensions

Tangibles	Appearance of physical facilities, equipment, personnel, and communication materials.
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service.
Assurance	Knowledge and courtesy of the employees and their ability to convey trust and confidence.
Empathy	Caring, individualized attention the firm provides its customers.

3.2. DEVELOPMENT OF CUSTOMER SATISFACTION INDEX

As learnt from the literature review and explained in the first chapter the present study examines CS on the basis of Service Quality and Time factor. Service Quality measures are taken from the works of Parasuraman et al (1988) whereas Time Factor measures are borrowed from the works Varghese and Ganesh (2003). However the weights to different variables of service quality and time are assigned on the basis of the result of pilot survey. The weights assigned to the different components of CS have been shown in the Table 3.2 which forms the base for developing CSI.

Table-3.2: Components and Weights of Customer Satisfaction

Items	Components	Factors	Weights
1	Responsiveness	Service Quality	0.05
2	Reliability		0.05
3	Tangibility		0.06
4	Empathy		0.08
5	Assurance		0.08
6	Withdrawal	Response Time	0.07
7	Deposit		0.07
8	Money transfer		0.19
9	Opening Accounts		0.07
10	Services		0.28

3.2.1. Components of CS:

The comprehensive study is based on the under mentioned components(Annexure-IV) which are briefly described here:

3.2.1.1. Service Quality:

3.2.1.1.1. Tangibility: This component is based on the physical environment of the bank which can be seen, touched and used by the customer. It also includes the physical evidence of the service such as physical facilities, appearance of service providers, tools and equipments used to provide the services.

3.2.1.1.2. Reliability: It refers to the performance of the promised service dependably and accurately including the provision of delivery of error free services, record keeping, right services first time & every time, genuineness of overdraft facility and correction of account balance.

3.2.1.1.3. Responsiveness: This variable relates to the willingness of bank employees to help customers and provide a prompt service. It also includes the availability of bank officers, calling customer back, availability of staffs in the respective counters, transaction against tokens etc.

3.2.1.1.4. Assurance: It refers to the knowledge and courtesy of employees and their ability to convey trust and confidence to the customers.

3.2.1.1.5. Empathy: It is about giving individualized attention to the customers. It includes the behavioural concern of bank towards its customers in order to understand their expectations from the bank.

3.2.1.2. Response Time

3.2.1.2.1. Withdrawal: This component is one of the most important components while we study the response time of banks. It particularly refers to the time taken in order to complete the process of delivering required cash to the customer.

3.2.1.2.2. Deposit: This component studies the time taken by customers in order to perform deposit function, especially cash deposits. It also includes the time taken for issue of term deposit receipts as per the requisition by the customer.

3.2.1.2.3. Money Transfer: This refers to the time taken in transferring money from one account to another account or from one bank to another bank. It also includes the time taken for clearing of the local or outstation cheques as well as encashing or transferring a bank draft.

3.2.1.2.4. Opening Accounts: This generally refers to the time taken for opening an account in the bank.

3.2.1.1. Services: This component includes the time taken by the bank employees in order to respond to different types of services as required and sought by the customer. It includes the services like issue and cancellation of bank draft, assessing locker facility, updating the passbook, obtaining a new cheque book, issue of traveler's cheque, issue of different types of remittances, settlement of accounts etc.

3.2.2. Distribution of Respondents:

The present study is based on the survey carried out in the state of Meghalaya which comprises of 650 customers as detailed in the Table 3.3. They were selected randomly from different branches of these banks at different locations. The data was collected through a well drafted and presented questionnaire (Annexure-2) structured on seven point Likert scale administered personally to the respondents.

Table-3.3 Bank-wise distribution of respondents

Bank	Number	Percent
State Bank of India	250	38.46
Punjab National Bank	100	15.38
United Bank of India	100	15.38
UCO Bank	100	15.38
Vijaya Bank	100	15.38
Total	650	100

Source: Primary Data

3.3. Customer Satisfaction Index (CSI) of SBI and other PSB's

The CSI is prepared on three tire base viz., branch-wise, bank-wise and location-wise in order to study first objective of this study viz., *developing customer satisfaction index for SBI and other PSBs.*

Table -3.4: Customer Satisfaction Index (Branch-Wise)

Sl. No.	Bank Branches	CSI
1	SBI Cherapunji	0.279
2	SBI Byrnihat	0.303
3	SBI Jowai	0.327
4	SBI Laitumkhrach	0.527
5	SBI Main Branch	0.333
6	SBI Malki	0.231
7	SBI Mendipathar	0.321
8	SBI Polo	0.342
9	PNB Laitumkhrach	0.355
10	PNB Main Branch	0.316
11	UBI Byrnihat	0.319
12	UBI Jowai	0.319
13	UBI Main Branch	0.324
14	UBI Mendipathar	0.318
15	UBI Nongthymmai	0.318
16	UCO Cherrapunjee	0.324
17	UCO Main Branch	0.326
18	VB Laitumkhrach	0.323
19	VB Main Branch	0.332

Source: Primary Data

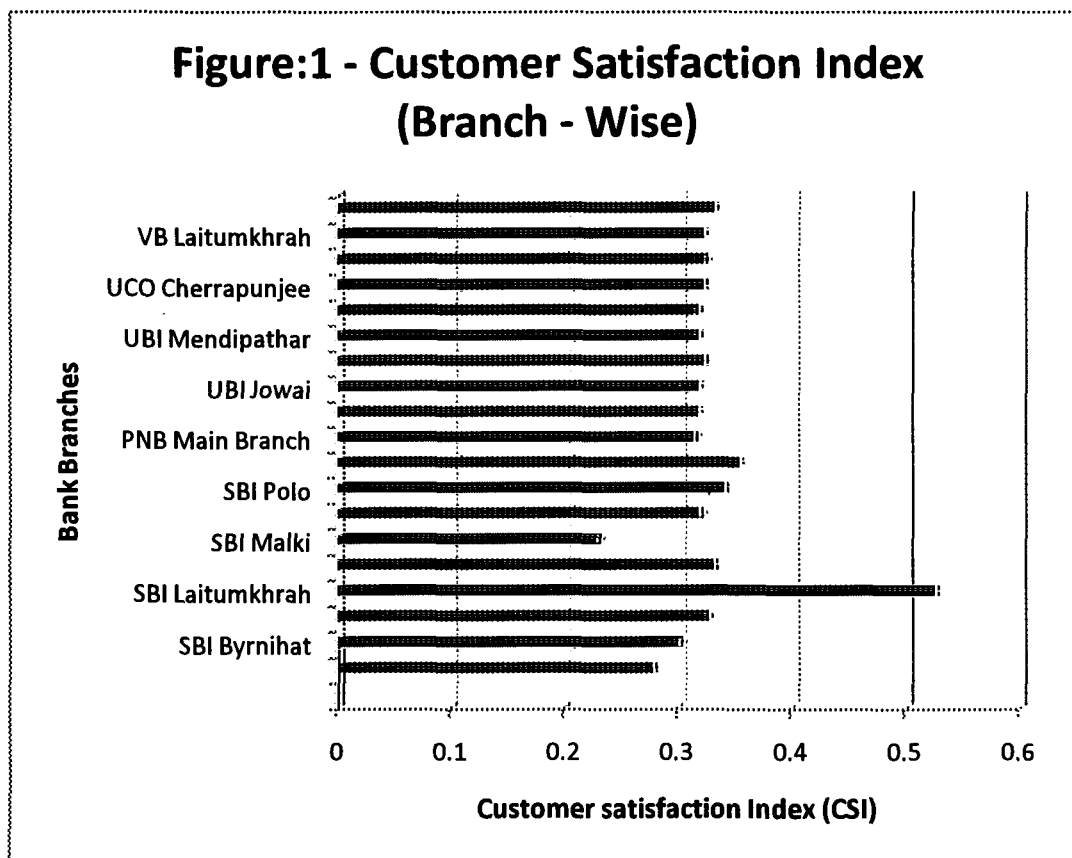


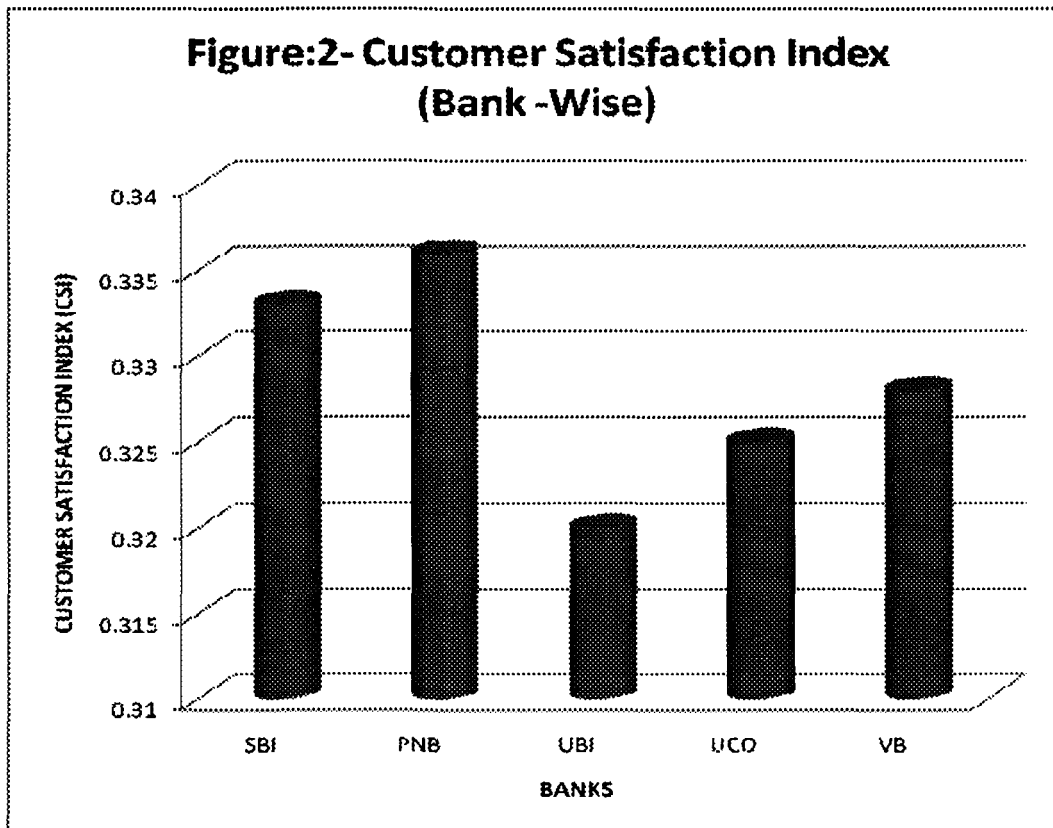
Table (3.4) shows the branch-wise distribution of CSI of SBI and other PSBs which reveals that almost all the branches provide more or less same level of CS. However, SBI Laitumkrah seems to have the highest CS across all other branches of SBI and other PSBs. Within SBI, it is followed by SBI Main branch and then SBI polo branch whereas both the branches of SBI Cherrapunji and SBI Malki customers are least satisfied with their banks. It indicates that the banking services provided to customers are not up to the mark which shows lower level of satisfaction among the customers as compared to other SBI branches in Meghalaya. Further when we look at other PSBs we find that PNB Laitumkrah is having highest CSI as compared to other

branches of PSB's in Meghalaya followed by main branch and then its Cherrapunjee branch. It indicates that Laitumkrah and Main branch is servicing the customers in better way than Cherrapunjee branch.

Table -3.5: Customer Satisfaction Index (Bank-wise)

Sl. No.	Name of Bank	CSI
1	SBI	0.333
2	PNB	0.336
3	UBI	0.320
4	UCO	0.325
5	VB	0.328

Source: Primary Data



A cursory glance on the figure (2) depicts that PNB provides better satisfaction to its customers as compared to other PSBs including SBI. This is an interesting finding as SBI is more popular bank. The next chapter would discuss the component wise comparisons which would bring out the fact about the response of customers on different components and it would be clear from their as to in which component PNB is better.

Regarding other four banks, it may be stated that satisfaction level of customers of SBI is lower than that of PNB which has been estimated at the average of (0.333). This is followed by VB, UCO and UBI at the average of 0.328, 0.325 and 0.320 respectively. UBI customers are least satisfied with the services provided by the banks as compared to the customers of other banks.

Table -3.6: Customer Satisfaction Index (Location-Wise)

Sl. No.	Location	CSI
1	Cherapunji	0.301
2	Byrnihat	0.310
3	Jowai	0.323
4	Laitumukhrah	0.401
5	GS Road	0.326
6	Malki	0.230
7	Mehndipather	0.319
8	Polo	0.341
9	Nongthymmai	0.317

Source: Primary Data

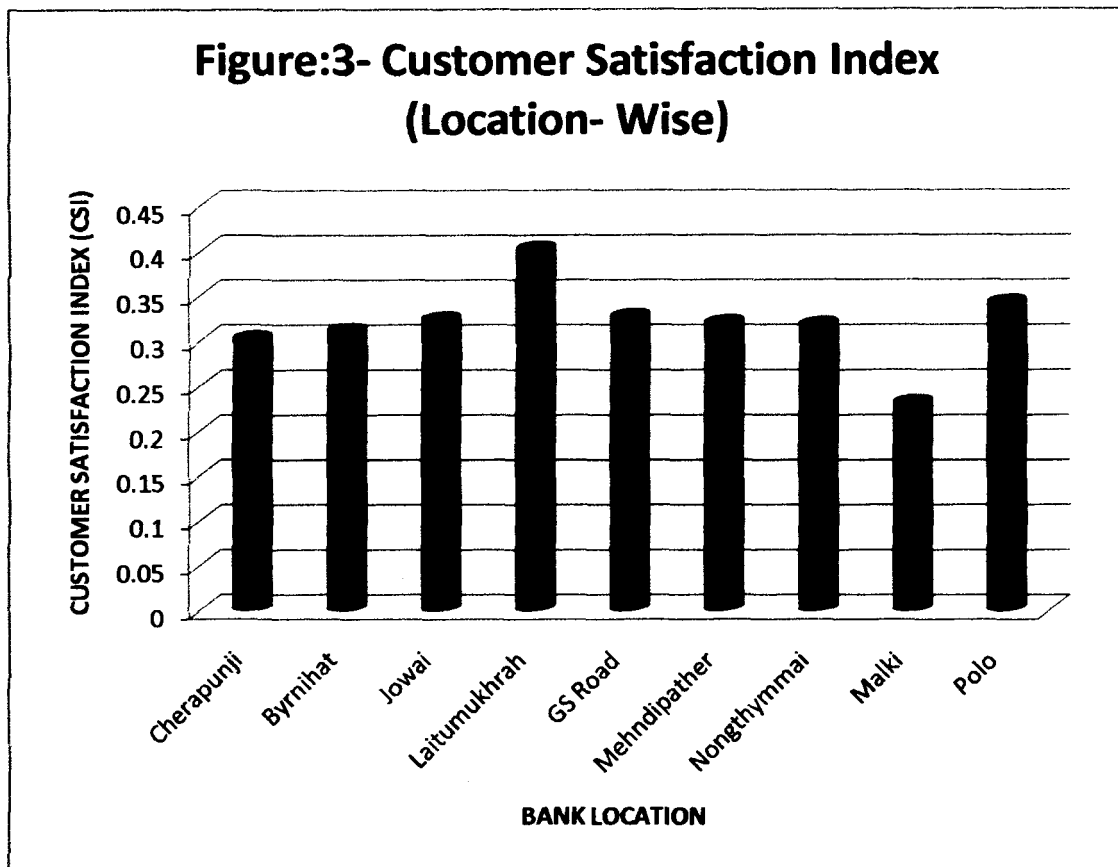


Table 3.6 shows very similar results across different locations except Laitumukhrah and Malki where it is highest and lowest. As a location Laitumukhrah is an important place which has concentration of schools and colleges as well as business firms. The current work has included the branches of SBI, PNB and VB situated in this location. As PNB is found to have better CS across all the banks, its Laitumukhrah branch has provided better CS as compared to its competitor, SBI which is much bigger in size and account holdings.

3.4. CS FOR SBI AND OTHER PSB'S ACROSS PERSONAL CHARACTERISTICS

The comparison of CS level between SBI and other PSBs is done here in order to fulfill second objective viz., *comparison of CS for SBI and other PSBs across personal characteristics of the customers*. We have studied whether banks provide the same level of CS across different demographic variables like gender, age and education. In order to study gender-wise satisfaction, male and female respondents' views have been compared using coefficient of variation whereas for age and education Chi-Square test is followed.

Table-3.7: Customer Satisfaction (Gender-wise)

Satisfaction Level	Male	Female
Mean value	3.251	3.271
Standard Deviation	0.151	0.131
Coefficient of Variation	4.662	4.028

It can be observed from table (3.7) that female customers are more satisfied as compared to male customers both in SBI and other PSBs in Meghalaya. Satisfaction level of Mean for both the genders is more or less same. Male mean value of satisfaction level is (3.251) whereas female mean value of satisfaction level is (3.271).

Similarly, Standard deviations of both male (0.151) and female (0.131) customers are almost same. Further the table depicts the Coefficient of variation of female as 4.028 which is less as compared to males. It indicates that the female customers in general are more satisfied with the services provided. Further analysis of comparisons based on different locations and components for different gender is shown in the next chapter.

Table-3.8: Level of Customer Satisfaction (Age-Wise) under 5 Classification

Age	*upto 3.000	**3.01-3.25	***3.26-3.50	****> 3.501	Total
< 25 years	0 (0.554)	2 (3.908)	5 (5.123)	3 (0.415)	10
26-35 years	6 (7.034)	53 (49.628)	61 (65.063)	7 (5.275)	127
36-45 years	18 (15.009)	106 (105.898)	142 (138.835)	5 (11.257)	271
46-55 years	10 (11.742)	82 (82.843)	109 (108.609)	11 (8.806)	212
56 & above years	2 (1.662)	11 (11.723)	16 (15.369)	1 (1.246)	30
Total	36	254	333	27	650

Chi-Square=23.91767, df=12**

Note: * Up to 3.00: Medium level of customer satisfaction

**3.01-3.25: High level of customer satisfaction

***3.26-3.50: Higher level of satisfaction

****>3.501: Highest level of satisfaction

With a view of measuring CS variation if any, of different age groups of customers of the sampled banks customers were distributed into five groups viz., <25 years, 26-35 years, 36-45years, 46-55years and 56 and above years. On the basis of the questionnaire-cum-scale, the overall mean score of the age factor for the total sample (N=650).As revealed by table 3.8 the satisfaction level of customers of all the age group in SBI and Other PSBs in Meghalaya fall under four categories i.e., Medium level of satisfaction, high level of satisfaction, higher level of satisfaction, highest level of satisfaction with their number. The table reveals that the customers in the age group 36-45years in SBI and other PSB's are getting higher level of satisfaction from the banks compare to other age groups. In order to get a clear view of satisfaction level two age group were clubbed together i.e. age group of<25 years and 26-35 years. Similarly age group of 46-55years and 56 and above years were again clubbed together because the number of respondents were less in the age group of<25 years and 26-35 as well 46-55years and 56 and above years. So when we put this age group together we get a clear view of CS with is depicted in table-3.9.

Table- 3.9: Level of Customer Satisfaction (Age-Wise) under 3 classification

Age	*Up to 3.00	**3.01-3.25	***3.26-3.50	****>3.501
<35	6 (7.588)	55 (53.535)	66 (70.186)	10 (5.691)
36-45	18 (15.009)	106 (105.898)	142 (138.835)	5 (11.257)
46+	12 (13.403)	93 (94.566)	125 (123.978)	12 (10.052)

Chi-Square=23.91767, df =12

Note: * Up to 3.00: Medium level of customer satisfaction

**3.01-3.25: High level of customer satisfaction

***3.26-3.50: Higher level of satisfaction

****>3.501: Highest level of satisfaction

It can be observed from table (3.9) that sampled banks customers were distributed into three groups viz., <35 years, 36-45 years, 46 and above years. On the basis of the questionnaire-cum-scale, the overall mean score of the age factor for the total sample (N=650). The satisfaction level of customers of all the age group in SBI and Other PSBs in Meghalaya fall under four categories i.e., Medium level of satisfaction, high level of satisfaction, higher level of satisfaction, highest level of satisfaction with their number. The table reveals that the customers in the age group of 36-45years receiving higher level of customer satisfaction.

This has been testified by the chi-square value (23.91767), which is significant at 0.01 level which indicates that there is a significant relation between age and customer satisfaction.

This has been testified by the chi-square value (23.91767), which is significant at 0.01 level which indicates that there is a significant relation between age and customer

satisfaction. Thus the three categories of customers differ significantly with regard to their perception of the customer satisfaction.

**Table-3.10: Level of Customer Satisfaction (Educational Qualification-wise)
under 5 classifications**

Education	*upto3.00	**3.01-3.25	***3.26-3.50	****> 3.501	Total
upto Matric	2 (0.609)	7 (4.298)	1 (5.635)	1 (0.457)	11
HSLC/PU	9 (6.646)	39 (46.892)	68 (61.477)	4 (4.985)	120
Graduate	23 (24.092)	187 (169.985)	209 (222.854)	16 (18.069)	435
PG/Ph.D	1 (2.271)	10 (16.022)	28 (21.005)	2 (1.703)	41
Professional qualification	1 (2.382)	11 (16.803)	27 (22.029)	4 (1.786)	43
Total	36	254	333	27	650

Chi-Square=23.91767, df =12**

Note: * Up to 3.00: Medium level of customer satisfaction

**3.01-3.25: High level of customer satisfaction

***3.26-3.50: Higher level of satisfaction

****>3.501: Highest level of satisfaction

The study of customer satisfaction variation, if any, at different levels of education, customers were grouped into five levels viz., level 1: upto Matric, level 2: Pre university, level 3: Graduation, level 4: Post graduation, level 5: Professionals. In order to study the distribution pattern of SBI and other PSB's across education levels of the perceived customer satisfaction, the respondents were classified into four categories on the basis of their customer satisfaction score. From this table we reveal that graduates are more satisfied as compare to other education levels. As revealed by table-3.10, the satisfaction level of customers of all the education level in SBI and Other PSB, s in Meghalaya fall under four categories i.e., Medium level of satisfaction, high level of satisfaction, higher level of satisfaction, highest level of satisfaction with their number. The table shows that a customer satisfaction is higher in case of graduate customers as compare to other professionals. But from the above table -3.10 we are not able to get a clear view of satisfaction level of customers because the number of respondents was less in case of Matric, and Pre University. So we clubbed both these educational qualification together to get actual view of CS. Similarly, in case of Post graduation and Professionals again we clubbed both the educational qualification together in order to secure exact CS which was depicted in table-3.10.

**Table-3.11: Level of Customer Satisfaction (Educational Qualification-wise)
under 3 classifications**

Education	*up to 3.00	**3.01-3.25	***3.26-3.50	****> 3.501
< Matric	11 (7.255)	46 (51.191)	69 (67.112)	5 (5.442)
Graduate	23 (24.092)	187 (169.985)	209 (222.854)	16 (18.069)
PG/Ph.D+	2 (4.652)	21 (32.825)	55 (43.034)	6 (3.489)

Chi-Square=27.2576, df =12**

Note: * Up to 3.00: Medium level of customer satisfaction

**3.01-3.25: High level of customer satisfaction

***3.26-3.50: Higher level of satisfaction

****>3.501: Highest level of satisfaction

It can be observed from table (3.11) that different levels of educational customers were grouped into three levels viz., level 1: < Matric, level 2: Graduation, level 3: Post graduation/ Ph.D and above. In order to study the distribution pattern of SBI and other PSB's across education levels of the perceived customer satisfaction, the respondents were classified into four categories on the basis of their customer

satisfaction score. As revealed by table 3.11 the satisfaction level of customers of all the education level in SBI and Other PSBs in Meghalaya fall under four categories i.e., Medium level of satisfaction, high level of satisfaction, higher level of satisfaction, highest level of satisfaction with their number. The table shows that Graduates customers were highly satisfied as compare to other educational qualifications.

This has been testified by the chi-square value (27.2576), which is significant at 0.01level which indicates that there is a significant difference between education and customer satisfaction.

3.5. CONCLUSION

Today the concept of banking is not merely the function of accepting deposits, lending and money transmission. They have now diversified financial activities. In order to survive in the present world of competition, the bank will have to formulate marketing strategies to woo the customers towards them because the current banking environment in the country is characterized by competition from new banks as well as old banks. The greatest challenge before the SBI and other PSBs in Meghalaya today is to make significant improvement in the quality of services extended to the customers. From this chapter we come to know that in case of branch - wise comparison of SBI and other PSBs the customer satisfaction is much in SBI Laitumkhras as compared to other banks branches in Meghalaya. While at the same

time in case of bank-wise comparison of SBI and other PSBs the customer satisfaction is higher in PNB, as compared to any other place. It could be because Laitumkhrah is the place where customers are more satisfied as because it covers a large area as well as most of the offices and schools are situated here. The present study also investigated the differences among the male and female customers regarding their satisfaction level on various service quality components. Female customers had better level of satisfaction than male customers in Meghalaya. It indicated that the gender differences are highly visible in the perception of service quality of commercial banks. Further it investigates that according to education wise classification; graduate customers are more satisfied as compared to others educated customers in Meghalaya. It reveals that satisfaction level is higher in case of graduate customers in both SBI and other PSBs. Further when we go for age wise classification it is found that the customers between the age group of 36-45 years of age had better satisfaction level as compared to other age groups.

The next chapter looks into the comparison of customer satisfaction between SBI and other PSBs across different demographic background, location, variable etc.

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CHAPTER-4

COMPARATIVE STUDY OF

CUSTOMER SATISFACTION IN SBI

AND OTHER PSBs

(BANK-WISE, BRANCH WISE AND

VARIABLE-WISE)

4.1. GENERAL

Banking in India is as old as its civilization. Banking industry in India has witnessed a sea change during the last two decades, especially in respect of its growth, coverage, goal and structure, and over the years it has emerged into mass banking from class banking. The banks today are not only depositors and givers of money but act as catalytic agents for gearing up the process of development and achieving socio-economic objectives of planning. They are reaching the doors of the common man not only in urban but in rural and remote areas too. Now banking activities are not only confined to borrowing and lending but provide an excess of services keeping in mind the requirements and convenience of customers. Banking services constitute a hybrid type of offering by an organization. The offer consists of both tangible goods like various brands of accounts, the size of lockers, the loan schemes and intangible services like the ambience, behavior of the staff, speed and courtesy of transaction and the reliability of the bank. However, with the liberalization of the financial sector in 90's, private and foreign banks have been set up all over the country. These newly set up commercial banks are offering aggressive and technology savvy competition to the PSBs in the form of innovative products and services which comprises of round the clock banking facility on phone i.e., tele-banking, banking facilities through internet sites i.e., net-banking, free home services to open a bank account and to withdraw, deposit money by cheques/draft i.e., home-banking, offer of 24 hours

Automated Teller Machines (ATMs) i.e., 24x7 and 365 days services to all the customers, provision of credit cards as well as free debit services to customers.

As a result of the introduction of competition in the banking sector, the environment in the industry is changing rapidly. Private sector banks and the foreign banks are increasingly entering the domain of PSBs. Moreover, the customers are no longer willing to accept the time consuming banking services in the PSBs. This trend has focused the PSBs to examine and revise their strategies to regain their existing customer base in the market. All the three major groups are wooing customers towards their own respective establishments by providing customer desired products and customer savvy services (Verma & Israney, 2001).

Post liberalization in 1990's has witnessed tremendous changes in the Indian banking sector as apart of financial reforms. Prior to economic liberalization, PSBs enjoyed a protected market. After liberalization, Indian banks were exposed to free market competition and consequently, the strategic need for customer retention which is the vital part of CS. Banks tends to emphasize customer retention because the cost of acquisition of new customers is higher than their retention (Lenka et al., 2009). Intense competition and continuously evolving customer demands have led Indian banks to identify drivers of CS and loyalty. Customers are the major decision makers in any marketing effort. They select a service offering that adds value to them and

optimizes their satisfaction. Therefore, bank managers are seeking out most influential determinants of CS and loyalty.

CS largely depends on the extent to which their needs and expectation are being fulfilled. Customer has various expectations for bank to be considered. Some of the expectations relate to the quality of the bank personnel, some may relate to the place or the location where the bank is rendering the service and some to the sequence and the flow of services involved in their rendering (Tandon, 2007). The change in the customer expectations is due to the use of advance technology like internet, online marketing and core banking etc. by them so as to ferret out different available alternatives from around the world and eventually arming themselves with an unprecedented amount of marketing knowledge (Parasuraman, 2000). In response to the latest technological challenges, organizations have to involve internal capabilities and skilled human resource management which is fundamental in generating these capabilities (Mittal and Kumar, 2001). CS depends on the quality of service, transaction time and products perceived performance in delivering value as per the buyer's expectations. If the products performance is according to the customers' expectations, the buyers feel satisfied. If the performances exceed expectations, the buyers are delighted (Kotler, 1999).

In Meghalaya, all the banks offer innovative products and services in order to acquire and retain more and more customers. The banks are facing tough competition at

different locations in Meghalaya. This chapter is comparing the CS level of the customers of different banks and branches.

4.2. CUSTOMER SATISFACTION ACROSS DEMOGRAPHIC VARIABLES

Today banking organization need to provide consistent customer satisfaction to maintain and increase their market share and profitability. In the present study an attempt is made to study and analyse whether banks provide the same CS across different demographic variables like gender, age and education.

Table 4.1 shows the general profile of the respondents on the basis of their gender, age and educational background. Most of the respondents (71%) were found to be males. Further there were only 1.5% who were below the age of 25 and most of them (42%) were between the age bracket of 36-45. Most of the respondents (67%) were graduates. Further the table also indicates that females were slightly more satisfied as compared to males because the CSI of female was more which is worked out as 0.326 whereas for males it was 0.325.

Table 4.1			
Respondents Profile and CSI (Overall)			
Demographic Variables	<i>n</i>		CSI
	650		
Gender		%	
Male	461	71	0.325
Female	189	29	0.326
Age			
25>	10	1.5	0.339
25-35	127	20	0.325
36-45	271	42	0.324
46-55	212	33	0.326
55<	30	4.6	0.328
Education			
Up to Matric	11	1.7	0.326
Pre-University	120	18	0.325
Graduate	435	67	0.357
Post-Graduate	41	6.3	0.325
Professional	43	6.6	0.326

Table 4.2						
Respondents Profile and CSI (SBI and other PSBs)						
Demographic Variables	SBI			Other PSB's		
	<i>n</i>		CSI	<i>n</i>		CSI
Gender	250	%		450	%	
Male	184	73.6	0.323	277	69.25	0.326
Female	66	26.4	0.327	123	30.75	0.327
Age						
25>	5	2	0.349	5	1.25	0.328
25-35	54	21.6	0.323	71	17.75	0.326
36-45	98	39.2	0.319	175	43.75	0.326
46-55	82	32.8	0.326	130	32.5	0.326
55<	11	4.4	0.328	19	4.75	0.328
Education						
Up to Matric	3	1.2	0.301	8	2	0.322
Pre-University	43	17.2	0.323	77	19.25	0.326
Graduate	170	68	0.322	266	66.5	0.319
Post-Graduate	19	7.6	0.338	22	5.5	0.326
Professional	15	6	0.339	27	6.75	0.327

Table 4.2 shows the sample distribution between males and females as it relates to customers age and education in both types of banks viz., SBI and other PSBs. Females were found to be more satisfied than males in general, however the difference between males and females was more in case of SBI as compared to other PSBs. Out of total sample of 400 customers from other PSBs, 277 were males whereas 123 were females. When we compare the CSI of SBI and other PSBs in Meghalaya in demographic variables relates to age, it is visible from Table 4.2 that the important age group is less than 25 years followed by above 55 years as because the CSI of SBI in the age group of less than 25 years is 0.349 and 0.328 in the age group of 55 years. It further indicates that both the age groups were highly satisfied with the products and services provided by the respective banks in Meghalaya. However it is important to mention here that as seen in the table the size of respondents from both of these age groups was least as compared to other age brackets.

Lastly, when we compare CSI of customers on the basis of their educational qualification it is found that in case of SBI the customers having post graduate qualification and professional qualification were more satisfied than other educational background respondents. In conclusion we can say that professional customers were given more preference in both the banks SBI and other PSB's in Meghalaya.

Table 4.3		
Location-Wise CSI of SBI (Gender-wise)		
BRANCHES	FEMALE	MALE
Laitumkhrah	0.337	0.344
Main Branch (GS Road)	0.317	0.317
Jowai	0.325	0.325
Byrnihat	0.321	0.321
Mendipathar	0.32	0.319
Cherapunjee	0.302	0.301

The total samples from SBI were distributed into six locations which were from Laitumkhrah, Main branch (GS Road), Jowai, Byrnihat, Mendipathar and Cherapunjee. From the Table 4.3 it is clearly seen that the CSI of Laitumkhrah branch was higher than all other branches both for males as well as females whereas Cherapunjee branch provided least CS for both the genders.

On the other hand, it is observed that the CSI of Laitumkhrah branch was higher in case of male customers which was found to be 0.344. In conclusion we can say that the Laitumkhrah branch ranked first in fulfilling the customer expectation which results in relatively better CS so far as SBI is concerned.

Table 4.4		
Location-Wise CSI of Other PSBs (Gender-wise)		
BRANCHES	FEMALE	MALE
Laitumkhrach	0.325	0.325
Main Branch (GS Road – Police Bazar)	0.330	0.327
Jowai	0.323	0.324
Byrnihat	0.326	0.326
Mendipathar	0.326	0.326
Cheerapunjee	0.326	0.327

From Table 4.4 it is clearly seen that the total sample of 380 customers of other PSB's were categorized into two genders. It is observed that the CSI of Main branch customers was higher for females as well as males across different PSBs. Though there was not much difference across locations for male customers, however females had more variation in the level of their CS. Jowai branch customers were found to have lowest CSI for both the genders.

It can be observed from the Table 4.5, that Laitumkhrach branch customers (SBI) of the age between the age group of 25-35 years had CSI of 0.341 as compared to Main branch which is worked out as 0.301. Cherapunjee customers were having lowest CSI in SBI which was quite similar to the customers of main branch which also had less satisfied customers as compared to other locations. However the customers of SBI

main branch below the age of 25 had highest CS. SBI, Laitumkhrah customers across different age groups had better CS than other locations.

Table 4.5					
Location-Wise CSI of SBI (Age-wise)					
BRANCHES	25>	25-35	36-45	46-55	55<
Laitumkhrah	0.347	0.342	0.339	0.346	0.341
Main Branch (GS Road)	0.354	0.301	0.310	0.322	0.334
Jowai	NA	0.327	0.326	0.325	NA
Byrnihat	NA	0.322	0.321	0.323	NA
Mendipathar	NA	0.320	0.321	0.318	NA
Cheerapunjee	NA	0.301	0.301	0.304	0.311

Table 4.6					
Location-Wise CSI of other PSBs (Age-wise)					
BRANCHES	25>	25-35	36-45	46-55	55<
Laitumkhrah	0.321	0.325	0.325	0.325	0.324
Main Branch (GS Road-Police Bazar)	0.331	0.329	0.328	0.328	0.329
Jowai	NA	0.322	0.325	0.324	NA
Byrnihat	NA	0.326	0.326	0.326	NA
Mendipathar	NA	0.326	0.326	0.326	NA
Cheerapunjee	NA	0.328	0.325	0.327	0.337

From the Table 4.6. it can be observed that in case of other PSBs, main branch customers are highly satisfied across all the locations and different age groups. The customers of Cherrapunjee branch of other PSBs had much better satisfaction as compared to the SBI branch there. The reason of higher CS in case of main branch customers which included the locations at GS Road and Police Bazar, could be because these are important and main branches where there is more focus from bank's side to provide better satisfaction to the customers as compared to other locations. The location of most of the main branches were found to be located at GS Road or Police Bazar which is situated in the heart of the city and caters to the needs of all types of customers.

Table 4.7					
Location-Wise CSI of SBI (Qualification-Wise)					
BRANCHES	Upto Matric	Pre- University	Graduate	Post- Graduate	Professional course etc
Laitumkhrach	NA	0.344	0.340	0.341	0.351
Main Branch (GS Road)	0.294	0.313	0.318	0.338	0.306
Jowai	NA	0.321	0.326	NA	NA
Byrnihat	NA	0.321	0.322	NA	NA
Mendipathar	NA	0.320	0.321	0.318	NA
Cherapunjee	NA	0.300	0.302	NA	NA

It can be observed from the Table 4.7 that Laitumkhrah branch customers within the pre-university level category are highly satisfied with the services provided by the banks as their CSI is worked out as 0.343. Even otherwise across different educational levels the customers of Laitumkhrah branch of SBI had better satisfaction level as compared to other locations.

From the Table 4.8 it can be seen that in case of the customers from other PSBs located at police bazaar and GS Road where these PSBs had their main branches, had higher CS as compared to other locations across different levels of their educational qualification. Only at Laitumkhrah and GS Road branches there were customers having less qualification than under matric, however most of the customers were graduates or pre university level. Professional degree holders at Laitumkhrah branch and Pre-university holders at Jowai had least CS. Further it can be observed that Laitumkhrah branch provides more satisfaction towards customers. Main branch customers within the pre-university level are highly satisfied with the services provided by the banks in which case the CSI is worked out to be 0.328 as compared to other branches in Meghalaya.

Location-Wise CSI of other PSBs (Qualification-Wise)					
BRANCHES	Upto Matric	Pre- University	Graduate	Post- Graduate	Professional course etc
Laitumkhrah	0.326	0.326	0.324	0.326	0.185
Main Branch (GS Road)	0.321	0.329	0.328	0.329	0.330
Jowai	NA	0.323	0.324	NA	NA
Byrnihat	NA	0.326	0.326	NA	NA
Mendipathar	NA	0.326	0.326	NA	0.326
Cherapunjee	NA	0.325	0.327	0.326	0.325

While comparing SBI and other PSBs at different locations on the basis of their gender, age and educational qualification, it is observed that Laitumkhrah branch customers of SBI had better CS as compared to the customers of PNB and VB. However the customers of other PSBs situated at GS Road and Police Bazar (UBI, UCO Bank, PNB) had better CS across these demographic variables. The size of female customers, customers below the age of 25 and above the age of 55 of both genders, and with the qualification of upto matric (both males and females) were very few as compared to other categories.

4.3. COMPARISON OF CUSTOMER SATISFACTION ACROSS DIFFERENT VARIABLES:

To analyze and compare CS level of SBI and other PSBs in Meghalaya and to find out the gap between different variables of CS, 't' test has been applied between different variables (components) of the CS. These components are under two broader categories viz., Service Quality (Reliability, Responsiveness, Assurance, Empathy, and Tangibility) and response time (taken for Withdrawal, Deposit, Money Transfer, Opening a/c and availing/providing other services). They are compared with each other to find out and study the gap between SBI and other PSBs. The underlying hypothesis (H1) that - *there exists no gap between the customer satisfaction in SBI and other PSBs in Meghalaya* is tested through t-test. The data is put in tabular form in the following tables in order to test the hypotheses variable-wise.

Table 4.9						
Results of the t-test (Reliability vs. Other Variables)						
Parameters	Banks	n	Mean	SD	t-test values	Remarks
Reliability	Other	400	0.142	0.013	7.783	Significant at 1%
Vs	PSB's					
Reliability	SBI	250	0.132	0.018		
Reliability	Other	400	0.142	0.013	-33.807	Significant at 1%
Vs	PSB's					
Responsiveness	SBI	250	0.185	0.020		

Reliability Vs. Assurance	Other PSB's SBI	400 250	0.142 0.227	0.013 0.020	-67.008	Significant at 1%
Reliability Vs Empathy	Other PSB's SBI	400 250	0.142 0.241	0.013 0.017	-84.604	Significant at 1%
Reliability Vs. Tangibility	Other PSB's SBI	400 250	0.142 0.160	0.013 0.010	-19.432	Significant at 1%
Reliability vs. Withdrawal	Other PSB's SBI	400 250	0.142 0.296	0.013 0.080	-37.743	Significant at 1%
Reliability Vs. Deposit	Other PSB's SBI	400 250	0.142 0.260	0.013 0.083	-28.034	Significant at 1%
Reliability vs. Money Transfer	Other PSB's SBI	400 250	0.142 0.678	0.013 0.079	-133.430	Significant at 1%
Reliability Vs. Opening Account	Other PSB's SBI	400 250	0.142 0.172	0.013 0.032	-17.014	Significant at 1%
Reliability Vs. Services	Other PSB's SBI	400 250	0.142 0.894	0.013 0.073	-201.537	Significant at 1%

The objective is to compare the mean scores of customers belonging to SBI and Other PSB's in Meghalaya with respect to Reliability vs. Other Variables. The hypothesis is that -

H_{1a} "There exists no gap between the customer satisfaction in SBI and other PSB's in Meghalaya with respect to Reliability vs other variables".

It could be observed from Table 4.9 that the 't' values of all the variables were highly significant at 1% level of significance. The result shows that there exists a lot of difference in the variables between two types of banks i.e., SBI and other PSB's in Meghalaya so far as Reliability vs other variables are concerned hence the hypothesis is rejected.

Table 4.10

Results of the t-test (Responsiveness vs. Other Variables)

Parameters	Banks	n	Mean	SD	t-test values	Remarks
Responsiveness Vs. Reliability	Other PSB's SBI	400 250	0.143 0.132	0.015 0.018	8.306	Significant at 1%
Responsiveness Vs. Responsiveness	Other PSB's SBI	400 250	0.143 0.185	0.015 0.020	-30.459	Significant at 1%

Responsiveness Vs Assurance	Other PSB's SBI	400 250	0.143 0.227	0.015 0.020	-61.185	Significant at 1%
Responsiveness Vs. Tangibility	Other PSB's SBI	400 250	0.143 0.241	0.015 0.017	-76.554	Significant at 1%
Responsiveness Vs. Withdrawal	Other PSB's SBI	400 250	0.143 0.160	0.015 0.010	-15.791	Significant at 1%
Responsiveness Vs Deposit	Other PSB's SBI	400 250	0.143 0.296	0.015 0.080	-37.104	Significant at 1%
Responsiveness vs. Money Transfer	Other PSB's SBI	400 250	0.143 0.260	0.015 0.083	-27.493	Significant at 1%
Responsiveness Vs Opening Account	Other PSB,s	400 250	0.143 0.678	0.015 0.079	-132.029	Significant at 1%
Responsiveness Vs. Services	Other PSB's SBI	400 250	0.143 0.172	0.015 0.032	-15.560	Significant at 1%

Table 4.10 tests the following hypothesis -

H_{1b} “There exists no gap between the customer satisfaction in SBI and other PSBs in Meghalaya with respect to Responsiveness vs other variables”.

It can be observed from the table that the ‘t’ value is significant at 1% level of significance. Hence, the null hypothesis is proved as there exists no gap between SBI and other PSBs in Meghalaya so far as Responsiveness vs other variables is concerned.

Table 4.11						
Results of the t-test (Assurance vs. Other Variables)						
Parameters	Banks	n	Mean	SD	t-test values	Remarks
Assurance Vs. Reliability	Other PSB's SBI	400 250	0.143 0.894	0.015 0.073	 -199.334	Significant at 1%
Assurance Vs. Responsiveness	Other PSB's SBI	400 250	0.253 0.132	0.009 0.018	 111.087	Significant at 1%
Assurance Vs. Assurance	Other PSB's SBI	400 250	0.253 0.185	0.009 0.020	 57.641	Significant at 1%

Assurance Vs. Empathy	Other PSB's SBI	400 250	0.253 0.227	0.009 0.020	23.507	Significant at 1%
Assurance Vs Tangibility	Other PSB's SBI	400 250	0.253 0.241	0.009 0.017	12.309	Significant at 1%
Assurance Vs. Deposit	Other PSB's SBI	400 250	0.253 0.296	0.009 0.080	-10.531	Significant at 1%
Assurance vs. Money Transfer	Other PSB's SBI	400 250	0.253 0.260	0.009 0.083	-1.649	Insignificant
Assurance vs. Opening Account	Other PSB's SBI	400 250	0.253 0.678	0.009 0.079	-106.576	Significant at 1%
Assurance Vs. Services	Other PSB's SBI	400 250	0.253 0.172	0.009 0.032	48.682	Significant at 1%

The next hypothesis -

H_{1c} “There exists no gap between the customer satisfaction in SBI and other PSB’s in Meghalaya with respect to Assurance vs other variables”.

is tested through Table 4.11 where the observed value is found to be highly significant at 1% level of significance. The result reveals that all the compared parameters are highly significant at 1% level of confidence with varying degrees of freedom that means that there are lots of differences in the parameters between two types of banks. When we compare assurance vs. deposit we came into conclusion that both the parameters are insignificant that means there is no difference in the variables between SBI and Other PSBs hence the hypothesis is accepted and proved.

Table 4.12						
Results of the t-test (Empathy vs. Other Variables)						
Parameters	Banks	n	Mean	SD	t-test values	Remarks
Empathy vs. Reliability	Other	400	0.253	0.009	-173.430	Significant at 1%
	PSB’s					
SBI		250	0.894	0.073		
Empathy Vs. Responsiveness	Other	400	0.235	0.007	100.826	Significant at 1%
	PSB’s					
SBI		250	0.132	0.018		
Empathy Vs Assurance	Other	400	0.235	0.007	44.425	Significant at 1%
	PSB’s					
SBI		250	0.185	0.020		

Empathy vs. Empathy	Other PSB's SBI	400 250	0.235 0.227	0.007 0.020	7.755	Significant at 1%
Empathy Vs Tangibility	Other PSB's SBI	400 250	0.235 0.241	0.007 0.017	-6.049	Significant at 1%
Empathy vs. Withdrawal	Other PSB's SBI	400 250	0.235 0.160	0.007 0.010	111.585	Significant at 1%
Empathy vs. Deposit	Other PSB's SBI	400 250	0.235 0.296	0.007 0.080	-15.177	Significant at 1%
Empathy vs. Money Transfer	Other PSB's SBI	400 250	0.235 0.260	0.007 0.083	-6.096	Significant at 1%
Empathy Vs Opening Account	Other PSB's SBI	400 250	0.235 0.678	0.007 0.079	-111.786	Significant at 1%
Empathy Vs. Services	Other PSB's SBI	400 250	0.235 0.172	0.007 0.032	38.701	Significant at 1%

Table 4.12 depicts the results as to the following hypothesis -

H₀ “There exists no gap between the customer satisfaction in SBI and other PSB’s in Meghalaya with respect to Empathy vs other variables”.

From the table it is observed that the ‘t’ value is highly significant at 1% level of confidence. Hence, the null hypothesis that there exists no gap between SBI and Other PSB’s with respect to Empathy vs other variables is rejected.

Table 4.13						
Results of the test (Tangibility vs. Other Variables)						
Parameters	Banks	n	Mean	SD	t-test values	Remarks
Tangibility Vs. Reliability	Other PSB’s SBI	400 250	0.235 0.894	0.007 0.073	 -179.476	Significant at 1%
Tangibility vs. Responsiveness	Other PSB’s SBI	400 250	0.172 0.132	0.005 0.018	 41.181	Significant at 1%
Tangibility Vs Assurance	Other PSB’s SBI	400 250	0.172 0.185	0.005 0.020	 -12.768	Significant at 1%

Tangibility Vs. Tangibility	Other PSB's SBI	400 250	0.172 0.227	0.005 0.020	-53.251	Significant at 1%
Tangibility vs. Withdrawal	Other PSB's SBI	400 250	0.172 0.241	0.005 0.017	-76.081	Significant at 1%
Tangibility vs. Deposit	Other PSB's SBI	400 250	0.172 0.160	0.005 0.010	20.209	Significant at 1%
Tangibility vs. Money Transfer	Other PSB's SBI	400 250	0.172 0.296	0.005 0.080	-30.856	Significant at 1%
Tangibility Vs. Opening Account	Other PSB's SBI	400 250	0.172 0.260	0.005 0.083	-21.209	Insignificant
Tangibility vs. Services	Other PSB's SBI	400 250	0.172 0.678	0.005 0.079	-128.105	Significant at 1%

Table 4.13 studies the hypothesis –

H_{1e} “There exists no gap between the customer satisfaction in SBI and other PSBs in Meghalaya with respect to Tangibility vs other variables”.

From the Table it is found that ‘t’ value is highly significant at 1% level of significance. Hence, the null hypothesis that there exists no significant difference among SBI and Other PSBs in Meghalaya with respect to tangibility vs. other parameters is rejected. The mean score of tangibility was found to be same as the mean score of the opening account. In other words, the tangibility of other PSBs vs. Opening account of SBI are insignificant that means there are no differences in the parameters between SBI and other PSBs in Meghalaya.

Table 4.14

Results of the t-test (Time taken for Withdrawal vs. other Variables)

Parameters	Banks	n	Mean	SD	t-test values	remarks
Withdrawal Vs Reliability	Other PSB's SBI	400 250	0.172 0.172	0.005 0.032	0.166	Significant at 1%
Withdrawal Vs Responsiveness	Other PSB's SBI	400 250	0.172 0.894	0.005 0.073	-197.384	Significant at 1%
Withdrawal vs. Assurance	Other PSB's SBI	400 250	0.350 0.132	0.000 0.018	236.759	Significant at 1%

Withdrawal Vs Empathy	Other PSB's SBI	400 250	0.350 0.185	0.000 0.020	161.012	Significant at 1%
Withdrawal vs. Tangibility	Other PSB's SBI	400 250	0.350 0.227	0.000 0.020	125.690	Significant at 1%
Withdrawal vs. Withdrawal	Other PSB's SBI	400 250	0.350 0.241	0.000 0.017	127.980	Significant at 1%
Withdrawal Vs. Deposit	Other PSB's SBI	400 250	0.350 0.160	0.000 0.010	374.300	Significant at 1%
Withdrawal vs. Money Transfer	Other PSB's SBI	400 250	0.350 0.296	0.000 0.080	13.378	Significant at 1%
Withdrawal vs. Opening Account	Other PSB's SBI	400 250	0.350 0.260	0.000 0.083	21.529	Significant at 1%
Withdrawal Vs. Services	Other PSB's SBI	400 250	0.350 0.678	0.000 0.079	-83.253	Significant at 1%

Table 4.14 shows the t-test values for the hypothesis -

H₀ If “There exists no gap between the customer satisfaction in SBI and other PSB’s in Meghalaya with respect to Time taken for withdrawal vs other variables”.

It could be observed from the table that the ‘t’ value of all the variables was highly significant at 1% level of significance. The result shows that there exist a lot of differences in the variables between two types of banks i.e., SBI and Other PSB’s in Meghalaya so far as time taken for withdrawal vs other variables are is concerned.

Table 4.15

Results of the t-test (Time taken for Deposit vs. Other Variables)

Parameters	Banks	n	Mean	SD	t-test values	Remarks
Deposit vs. Responsiveness	Other PSB’s SBI	400 250	0.210 0.185	0.000 0.073	23.989	Significant at 1%
Deposit vs. Assurance	Other PSB’s SBI	400 250	0.210 0.227	0.000 0.018	-16.846	Significant at 1%
Deposit Vs. Empathy	Other PSB’s SBI	400 250	0.210 0.241	0.000 0.020	-35.943	Significant at 1%

Deposit vs. Tangibility	Other PSB's SBI	400 250	0.210 0.160	0.000 0.020	98.467	Significant at 1%
Deposit Vs. Withdrawal	Other PSB's SBI	400 250	0.210 0.296	0.000 0.017	-21.461	Significant at 1%
Deposit Vs Deposit	Other PSB's SBI	400 250	0.210 0.260	0.000 0.010	-12.110	Significant at 1%
Deposit Vs. Money Transfer	Other PSB's SBI	400 250	0.210 0.678	0.000 0.080	-118.797	Significant at 1%
Deposit vs. Opening Account	Other PSB's SBI	400 250	0.210 0.172	0.000 0.083	24.366	Significant at 1%
Deposit Vs. Services	Other PSB's SBI	400 250	0.210 0.894	0.000 0.079	-187.593	Significant at 1%

The next hypothesis

H_{1g} “There exists no gap between the customer satisfaction in SBI and other PSBs in Meghalaya with respect to Time taken for deposit vs other variables”.

is tested through t-test in the table 4.15 where it could be observed that the ‘t’ value of all the variables was highly significant at 1% level of significance. The result shows that there exist a lot of differences in the variables between two types of banks i.e., SBI and Other PSBs in Meghalaya for this hypothesis, hence the hypothesis is rejected.

Table 4.16						
Results of the t-test (Time taken for Money Transfer vs. Other Variables)						
Parameters	Banks	n	Mean	SD	t-test values	Remarks
Money Transfer vs. Reliability	Other	400	0.704	0.000	240.548	Significant at 1%
	PSB's					
Reliability	SBI	250	0.132	0.032		
	Other	400	0.704	0.000	214.389	Significant at 1%
Vs. Responsiveness	PSB's					
	SBI	250	0.185	0.073		
Money Transfer vs. Assurance	Other	400	0.704	0.035	198.765	Significant at 1%
	PSB's					
SBI	250	0.227	0.018			

Money Transfer vs. Empathy	Other PSB's SBI	400 250	0.704 0.241	0.035 0.020	196.931	Significant at 1%
Money Transfer Vs. Tangibility	Other PSB's SBI	400 250	0.704 0.160	0.035 0.020	241.748	Significant at 1%
Money Transfer Vs. Withdrawal	Other PSB's SBI	400 250	0.704 0.296	0.035 0.017	89.090	Significant at 1%
Money Transfer Vs. Deposit	Other PSB's SBI	400 250	0.704 0.260	0.035 0.010	94.317	Significant at 1%
Money Transfer vs. Money Transfer	Other PSB's SBI	400 250	0.704 0.678	0.035 0.080	5.801	Significant at 1%
Money Transfer vs. Opening Account	Other PSB's SBI	400 250	0.704 0.172	0.035 0.083	197.258	Significant at 1%
Money Transfer vs. Services	Other PSB's SBI	400 250	0.704 0.894	0.035 0.079	-44.689	Significant at 1%

Table 4.16 studies the following hypothesis -

H_{1h} "There exists no gap between the customer satisfaction in SBI and other PSBs in Meghalaya with respect to Time taken for money transfer vs other variables".

It could be observed from the table that the 't' value of all the variables was highly significant at 1% level of significance. The result shows that there exist a lot of differences in the variables between two types of banks i.e., SBI and Other PSBs in Meghalaya, hence the hypothesis is rejected.

Table 4.17

Results of the t-test (Time taken for Opening account vs. Other Variables)

Parameters	Banks	n	Mean	SD	t-test values	remarks
Opening Account vs. Reliability	Other	400	0.173	0.035	31.014	Significant at 1%
	PSB's					
Opening Account Vs. Responsiveness	SBI	250	0.132	0.032	-9.145	Significant at 1%
	Other	400	0.173	0.035		
Opening Account Vs. Assurance	PSB's				-39.586	Significant at 1%
	SBI	250	0.227	0.018		

Opening Account Vs. Empathy	Other PSB's SBI	400 250	0.173 0.241	0.015 0.020	-53.547	Significant at 1%
Opening Account Vs. Tangibility	Other PSB's SBI	400 250	0.173 0.160	0.015 0.020	12.003	Significant at 1%
Opening Account Vs. Withdrawal	Other PSB's SBI	400 250	0.173 0.296	0.015 0.017	-29.913	Significant at 1%
Opening Account Vs. Deposit	Other PSB's SBI	400 250	0.173 0.260	0.015 0.010	-20.532	Significant at 1%
Opening Account Vs. Money Transfer	Other PSB's SBI	400 250	0.173 0.678	0.015 0.080	-124.757	Significant at 1%
Opening Account Vs. Opening Account	Other PSB's SBI	400 250	0.173 0.172	0.015 0.083	0.640	Insignificant
Opening Account Vs. Services	Other PSB's SBI	400 250	0.173 0.894	0.015 0.079	-191.569	Significant at 1%

Table 4.17 shows the result of the t-test for the hypothesis -

H₁ "There exists no gap between the customer satisfaction in SBI and other PSB's in Meghalaya with respect to Responsiveness vs other variables".

It is observed from the table that the 't' value of all the variables was highly significant. The result shows that there exist a lot of differences in the variables between two types of banks i.e., SBI and Other PSB's in Meghalaya. Only in case of opening a/c vs. opening a/c are insignificant that means there are no difference in the variables between two banks.

Table 4.18

Results of the t-test (Time taken for other services vs. Other Variables)

Parameters	Banks	n	Mean	SD	t-test values	remarks
Services Vs. Reliability	Other PSB's SBI	400 250	0.883 0.132	0.015 0.032	 473.106	Significant at 1%
Services Vs. Responsiveness	Other PSB's SBI	400 250	0.883 0.185	0.015 0.073	 423.219	Significant at 1%
Services Vs. Assurance	Other PSB's SBI	400 250	0.883 0.227	0.020 0.018	 404.239	Significant at 1%

Services	Other	400	0.883	0.020	414.460	Significant at 1%
Vs.	PSB's					
Empathy	SBI	250	0.241	0.020		
Services	Other	400	0.883	0.020	520.505	Significant at 1%
Vs.	PSB's					
Tangibility	SBI	250	0.160	0.020		
Services	Other	400	0.883	0.020	138.941	Significant at 1%
Vs	PSB's					
Withdrawal	SBI	250	0.296	0.017		
Services	Other	400	0.883	0.020	142.807	Significant at 1%
Vs.	PSB's					
Deposit	SBI	250	0.260	0.010		
Services	Other	400	0.883	0.020	49.408	Significant at 1%
Vs	PSB's					
Money Transfer	SBI	250	0.678	0.080		
Services	Other	400	0.883	0.020	349.119	Significant at 1%
Vs	PSB's					
Opening Account	SBI	250	0.172	0.083		
Services	Other	400	0.883	0.020	-2.976	1%Significa nt
Vs	PSB's					
Services	SBI	250	0.894	0.073		

The next hypothesis to be tested is -

H1j “There exists no gap between the customer satisfaction in SBI and other PSBs in Meghalaya with respect to Time taken for other services vs other variables”.

It could be observed from the Table 4.18 that the ‘t’ value of all the variables was highly significant. The result shows that there exist a lot of differences in the variables between two types of banks i.e., SBI and Other PSBs in Meghalaya.

Different hypotheses (*H1a* to *H1j*) have been tested through t-test and shown in the above tables (4.9 to 4.18). These hypotheses were based on different variables taken up in the current study viz., Reliability, Responsiveness, Assurance, Empathy, Tangibility, Time taken for Deposit, Money Transferred, Opening A/c and Services provided. It has been noted that all the compared variables are highly significant at 1% level of confidence with varying degree of freedom that means there are lot of differences in the components between two types of banks - SBI and other PSBs. Only while Assurance being compared with Money transfer, Tangibility with Opening Accounts and Opening accounts vs. Opening accounts, it is found to be insignificant, which further means there is no difference in these variables between SBI and other PSBs. Services vs. Services are significant at 1% whereas in case of other components they are all highly significant. It means that two types of banks (SBI and other PSBs) do not have the same satisfaction level across different variables. During the course of study, while talking to the customers and visiting

different banks it has been observed that the customer satisfaction varied across different variables which is proved through t-test also. Hence the hypothesis (H1) - *there exist no gap between the customer satisfaction in SBI and other PSBs in Meghalaya* is rejected.

4.4. RELATIONSHIP AMONGST CS VARIABLES:

In order to study the relationship amongst the variables the correlation was done. For this reason one component is compared with the other components in order to find out the nature of relationship between these components whether they are maintaining a positive or negative relationship. In order to carry out the study the correlation was established amongst all the ten variables in both the banks (SBI and other PSBs) taken for the study in the state of Meghalaya. As put earlier the sample size from SBI was 250 customers (Table 4.19) and 400 from other PSBs (PNB, UBI, UCO, VB – 100 each) (Table 4.20) across different branches at different locations in Meghalaya covering 4 districts.

Table 4.19 shows bivariate correlations across all ten variables both on service quality and time factor with almost all correlations appearing significant at 0.01 (2-tailed) across all branches of SBI in Meghalaya. The figures indicate that Service Quality has a very high correlation of .453 with reliability which further explains that both the variables are

Table 4.19

Relationship amongst CS Variables in SBI (n=250)

	RELI- AB	RESP- NESS	ASSU- RANC	EMP- ATHY	TANG	SERQ- UAL	WITH- DRAW	DEPO- SIT	TRAN- SFER	OPAC- COUN	SERV- ICE	TIME
RELIAB	1											
RESPNESS	.122	1										
ASSURANC	-.199**	-.347**	1									
EMPATHY	.070	.356**	-.215**	1								
TANG	-.005	.364**	.048	.231**	1							
SERQUAL	.453**	.640**	.142*	.593**	.559**	1						
WITHDRAW	.035	.602**	-.580**	.352**	.478**	.310**	1					
DEPOSIT	.150*	.388**	-.513**	.229**	.280**	.185**	.618**	1				
TRANSFER	.297**	.441**	-.541**	.376**	.062	.273**	.582**	.366**	1			
OPACCOUN	.129*	-.224**	.290**	-.174**	-.348**	-.075	-.503**	-.066	-.176**	1		
SERVICE	.179**	-.052	-.092	.009	-.225**	-.043	-.126*	.082	.090	.463**	1	
TIME	.263**	.491**	-.609**	.339**	.185**	.265**	.718**	.778**	.738**	.026	.429**	1

** Correlation is significant at the 0.01 level 2-tailed.

* Correlation is significant at the 0.05 level 2-tailed.

moving in the same direction. Similarly time taken for the money transfer has a very high correlation of .297 with reliability which indicates that both are having positive relationship with each other. When customers know that the time taken for transfer of money from one place to another is less obviously they are crazy to transfer their money from one place to another through core banking or otherwise simultaneously the steadiness of the bank increases. Whenever service quality and money transfer remains favorable, customers' reliability is automatically sustained; however any adverse impact on both the variables results in customer dissatisfaction. Further it is also found that assurance shows a negative relationship but it is significant indicating that increase in the satisfaction from these variables results in decrease in steadiness of the bank.

Service quality has a very high correlation of .640 with Responsiveness which indicates that through Responsiveness contributes a lot to the service quality as customers were found to be satisfied with the responsive behavior of the bank employees. Further it amounts to a conclusion that as responsiveness increases, service quality also increases. Similarly, the time taken for withdrawal of money has a high correlation of .602 with responsiveness which indicates that both the components were moving in the same direction. All the components like empathy, times taken for withdrawal, deposit, money transfer and time factor overall were showing negative relations but highly significant which indicates that all the components were moving

in the opposite direction whenever one component increases automatically the other component decreases. Hence it can be concluded for these variables that there is inverse relationship whereas time taken for opening account shows a positive relation indicating that both are moving in the same direction. Service quality was found to be having high correlation of .593 with empathy as compared to other variables which indicate that when service quality increases automatically the caring attitude towards individual customer (empathy) also increases. There seems to be no relationship between empathy and the time taken for other services.

Service quality was found to be having high correlation of .559 with tangibility which shows when satisfaction from overall service quality offered by the bank increases automatically the satisfaction from tangibility variable also increases. Similarly, when customers know that the physical facilities available in the bank premises are good and to their satisfaction it increases their satisfaction simultaneously from the service quality of the bank. In case of time taken for opening a/c and providing other services, it shows negative relationship with tangibility but was highly significant which indicates that satisfaction from both the variables was moving in the opposite direction.

The satisfaction from the time taken for withdrawal and deposit were highly correlated (.618) whereas overall time factor relationship was found to be more closer

to the time taken for money transfer (.738) which shows that for satisfaction from overall time factor, time taken for money transfer constitutes a major share. Satisfaction from time taken for providing other services and opening an account was moving in the same direction. It can be said on this basis that customers would prefer opening an account only when bank provides variety of products and services.

At the end it can be summarized that the Service quality plays a vital role in satisfying customers in SBI as compared to time factor. SBI customers derived more satisfaction from service quality as compared to the time taken for various types of transactions.

Table 4.20 shows bivariate correlations across all ten variables of service quality and response time for different types of transactions with almost all correlations appearing significant at 0.01 (2-tailed) in case of the other PSBs in Meghalaya. The figures indicate that Assurance has a very high correlation of .618 with reliability which indicates that the satisfaction from both the variables was moving in the same direction. Similarly time taken for opening account was found to have very high correlation of with reliability which indicates that the satisfaction from both the variables is having positive relationship with each other. When customers know that the time taken for opening account is less obviously they prefer opening an account with that bank. The variables like responsiveness, empathy, tangibility and time taken for money transfer shows a negative relationship but significant indicating that

increase in the satisfaction from these variables results in the decrease in steadiness (responsiveness) of the bank.

Table 4.20 shows bivariate correlations across all ten variables of service quality and response time for different types of transactions with almost all correlations appearing significant at 0.01 (2-tailed) in case of the other PSBs in Meghalaya. The figures indicate that Assurance has a very high correlation of .618 with reliability which indicates that the satisfaction from both the variables was moving in the same direction. Similarly time taken for opening account was found to have very high correlation of with reliability which indicates that the satisfaction from both the variables is having positive relationship with each other. When customers know that the time taken for opening account is less obviously they prefer opening an account with that bank. The variables like responsiveness, empathy, tangibility and time taken for money transfer shows a negative relationship but significant indicating that increase in the satisfaction from these variables results in the decrease in steadiness (responsiveness) of the bank.

Tangibility was found to be having very high correlation of with Responsiveness which indicates that through the satisfaction from physical facilities and equipments the customers were able to get satisfaction from the behavior of employees as to their willingness to help customers. This further explains that when satisfaction from

Table 4.20

Relationship amongst CS Variables in other PSBs (n=400)

	RELI- AB	RESP- NESS	ASSU- RANC	EMPA- THY	TANG	SERQ- UAL	WITH- DRAW	DEPO- SIT	TRAN- SFER	OPAC- COUN	SERV- ICE	TIME
RELIAB	1											
RESPNESS	-.350**	1										
ASSURANC	.618**	-.415**	1									
EMPATHY	-.435**	.178**	-.475**	1								
TANG	-.562**	.687**	-.672**	.381**	1							
SERQUAL	.412**	.609**	.245**	.080	.232**	1						
WITHDRAW	.a	.a	.a	.a	.a	.a	.a					
DEPOSIT	.a	.a	.a	.a	.a	.a	.a	.a				
TRANSFER	-.232**	.268**	-.283**	.072	.377**	.038	.a	.a	1			
OPACCOUN	.544**	-.247**	.324**	-.233**	-.270**	.183**	.a	.a	-.044	1		
SERVICE	.008	-.153**	-.159**	.286**	.079	-.072	.a	.a	.131**	.468**	1	
TIME	.004	.052	-.174**	.103*	.225**	.054	.a	.a	.771**	.480**	.671**	1

** Correlation is significant at the 0.01 level 2-tailed. * Correlation is significant at the 0.05 level 2-tailed.

a Cannot be computed because at least one of the variables is constant

tangibility increases automatically the satisfaction from responsiveness also increases. All the variables like empathy, tangibility, time takne for money transfer and providing services were showing negative relationship with assurance but highly significant which indicates that both are moving in the opposite direction whenever one the satisfaction from variable increases automatically the satisfaction from other variable decreases. It shows that in case of satisfaction from empathy, tangibility, time taken for money transfer and providing services, they had inverse relationship with assurance. On the other hand the satisfaction from Empathy had high correlation with tangibility as compared to other variables, it shows that when satisfaction tangibility variable increases automatically the satisfaction from caring attitude of bank employees also increases whereas satisfaction from empathy and satisfaction from the time taken for money transfer moves in negative direction which tends to suggest that there is no relationship between Empathy and time taken for money transfer.

Time taken for money transfer has a high correlation of .377 with tangibility as because customer knows how much time is required for money transfer by the physical facilities available in the bank premises. So both the components were moving in the same direction. Further in case of time taken for Withdrawal and Deposit the responses were constant.

The relationship of overall time factor with other variables under it, it enjoyed closest relationship with the time taken in money transfer. The movement in the importance to time factor moves in the same direction as time taken for money transfer. As satisfaction from different services provided by the bank was increasing, similarly the satisfaction from time taken from opening an account also was moving in the same direction.

In case of the customers from PSBs the important variables were identified as Reliability, Responsiveness, time taken for money transfer and services. These variables were found to be very closely related, hence it could be said that the CS was attributed to these variables more than other variables. Service quality was found to be playing an important role in contributing to the level of satisfaction of customers of other PSBs. Similar trend was observed from the customers of SBI also.

4.5. CUSTOMER SATISFACTION ACROSS FOUR DISTRICTS IN MEGHALAYA (VARIABLE-WISE):

District Wise Classification was done in order to know the impact of one component with the other components in both the banks (SBI and other PSB's) in Meghalaya. Four districts, viz., East Khasi Hills district, East Garo Hills District, Jaintia Hills District and Ri-Bhoi District were taken into consideration for regression statistics.

Table 4.21

Results of Regression Analysis of SBI customers in East Khasi Hills District						
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	-0.00017	0.000122		-1.37669	0.170328
	RELIAB	0.999692	0.000243	0.076195	4118.692	0
	RESPONSI	1.00055	0.000253	0.086559	3961.057	0
	ASSURANC	1.000364	0.000303	0.085691	3297.313	0
	EMPATHY	1.000407	0.000262	0.075483	3823.984	0
	TANGIBIL	0.999143	0.000517	0.044065	1931.032	0
	WITHDRAW	0.999819	0.000124	0.329985	8082.453	0
	DEPOSIT	1.00012	0.000102	0.346918	9775.645	0
	MOTRANSF	1.000091	0.00007	0.33979	13941	0
	OPACCOUN	0.999728	0.000182	0.118944	5503.581	0
	SERVICES	1.000083	0.00006	0.312836	16013.32	0
a	Dependent Variable: CSI					
R 1			Adj R ² 1			
R ² 1			Std. Error of the Estimate 0.0006			

Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	0.780634	0.133779		5.83523	0.00000
	RELIAB	1.341607	0.288579	0.102256	4.649007	0.00001
	RESPONSI	0.903057	0.301402	0.078125	2.996183	0.003119
	ASSURANC	0.254537	0.357819	0.021804	0.711356	0.477784
	EMPATHY	1.262053	0.311643	0.095225	4.049679	0.00008
	TANGIBIL	0.679687	0.617107	0.029976	1.10141	0.272189
	WITHDRAW	0.996648	0.147646	0.328938	6.750234	0.00000
	DEPOSIT	1.019649	0.122102	0.353692	8.350826	0.00000
	MOTRANSF	1.026572	0.0856	0.348787	11.99263	0.00000
	OPACCOUN	2.276487	0.19481	0.270849	11.68569	0.00000
a	Dependent Variable: CSI					
R 0.9633			Adj R ² 0.9243			
R ² 0.9279			Std. Error of the Estimate 0.0712			
Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			

		B	Std. Error	Beta		
1	(Constant)	0.780634	0.133779		5.83523	0.00000
	RELIAB	1.341607	0.288579	0.102256	4.649007	0.00001
	RESPONSI	0.903057	0.301402	0.078125	2.996183	0.003119
	ASSURANC	0.254537	0.357819	0.021804	0.711356	0.477784
	EMPATHY	1.262053	0.311643	0.095225	4.049679	0.00008
	TANGIBIL	0.679687	0.617107	0.029976	1.10141	0.272189
	WITHDRAW	0.996648	0.147646	0.328938	6.750234	0.00000
	DEPOSIT	1.019649	0.122102	0.353692	8.350826	0.00000
	MOTRANSF	1.026572	0.0856	0.348787	11.99263	0.00000
	OPACCOUN	2.276487	0.19481	0.270849	11.68569	0.00000
a	Dependent Variable: CSI					
R 0.9633			Adj R ² 0.9243			
R ² 0.9279			Std. Error of the Estimate 0.0712			
Variables	Coefficients				t	
	Unstandardized		Standardized	Value	Significance	
	B	Standard error	Beta			
		B	Std. Error	Beta		
1	(Constant)	1.135528	0.1723		6.590411	0.00000
	RELIAB	1.557675	0.380853	0.118724	4.089964	0.00006

	RESPONSI	1.270677	0.396418	0.109929	3.205395	0.001595
	ASSURANC	1.142673	0.462408	0.097881	2.471137	0.014393
	EMPATHY	0.975563	0.410861	0.073609	2.374438	0.018622
	TANGIBIL	-0.66062	0.801885	-0.02914	-0.82384	0.411115
	WITHDRAW	0.55433	0.188732	0.182953	2.937119	0.003743
	DEPOSIT	1.242334	0.159497	0.430936	7.789084	0.00000
	MOTRANSF	1.177179	0.111913	0.399957	10.51867	0.00000
a	Dependent Variable: CSI					
R 0.9345			Adj R ² 0.8677			
R ² 0.8733			Std. Error of the Estimate 0.0942			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.745717	0.205376		8.500091	0.00000
	RELIAB	2.914588	0.453613	0.222146	6.425271	0.00000
	RESPONSI	1.806272	0.497658	0.156264	3.629545	0.000369
	ASSURANC	0.533873	0.580745	0.045731	0.919289	0.359161
	EMPATHY	2.029266	0.504401	0.153113	4.023119	0.00008
	TANGIBIL	-2.9225	0.977905	-0.12889	-2.98853	0.00319

	WITHDRAW	1.061191	0.230993	0.35024	4.594042	0.00001
	DEPOSIT	1.243303	0.201903	0.431272	6.157937	0.00000
a	Dependent Variable: CSI					
R 0.8921			Adj R ² 0.78801			
R ² 0.7958			Std. Error of the Estimate 0.11927			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	2.095126	0.216379		9.682658	0.00000
	RELIAB	2.890827	0.497253	0.220335	5.8136	0.00000
	RESPONSI	1.789323	0.545546	0.154798	3.279876	0.001243
	ASSURANC	-0.60281	0.603624	-0.05164	-0.99865	0.319284
	EMPATHY	1.350503	0.539582	0.101899	2.502868	0.013195
	TANGIBIL	-1.93714	1.057572	-0.08543	-1.83168	0.068625
	WITHDRAW	2.016315	0.187647	0.665473	10.74523	0.00000
a	Dependent Variable: CSI					
R 0.8679			Adj R ² 0.7452			
R ² 0.7533			Std. Error of the Estimate 0.1307			

Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	2.157891	0.275481		7.833181	0.00000
	RELIAB	2.387788	0.630489	0.181994	3.787197	0.000206
	RESPONSI	3.925251	0.647045	0.339581	6.066431	0.00000
	ASSURANC	-4.52027	0.612715	-0.3872	-7.37744	0.00000
	EMPATHY	2.13427	0.680906	0.161036	3.134458	0.002004
	TANGIBIL	3.607204	1.175738	0.159087	3.068033	0.00248
a	Dependent Variable: CSI					
R 0.7731			Adj R ² 0.5867			
R ² 0.5976			Std. Error of the Estimate 0.1665			
Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	2.416851	0.268128		9.013803	0.00000
	RELIAB	2.446675	0.644367	0.186482	3.797021	0.000198
	RESPONSI	4.607586	0.621284	0.398611	7.416232	0.00000

	ASSURANC	-4.06627	0.607947	-0.34831	-6.68853	0.00000
	EMPATHY	2.456459	0.687885	0.185346	3.571028	0.000453
a	Dependent Variable: CSI					
R 0.7596			Adj R ² 0.5679			
R ² 0.5771			Std. Error of the Estimate 0.1702			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	2.924413	0.234428		12.47466	0.00000
	RELIAB	2.467495	0.664385	0.188069	3.713955	0.00027
	RESPONSI	5.335003	0.6052	0.461541	8.815273	0.00000
	ASSURANC	-4.29428	0.623392	-0.36785	-6.88856	0.00000
a	Dependent Variable: CSI					
R 0.7402			Adj R ² 0.5406			
R ² 0.5479			Std. Error of the Estimate 0.1755			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.577575	0.144517		10.91622	0.00000

	RELIAB	3.385085	0.727259	0.258007	4.654583	0.00001
	RESPONSI	6.66755	0.64073	0.576822	10.40618	0.00000
a	Dependent Variable: CSI					
R 0.6577			Adj R ² 0.4265			
R ² 0.4326			Std. Error of the Estimate 0.1961			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	2.687017	0.122273		21.97561	0.00000
	RELIAB	4.233133	0.90571	0.322644	4.673827	0.00001
a	Dependent Variable: CSI					
R 0.3226			Adj R ² 0.099			
R ² 0.1040			Std. Error of the Estimate 0.2458			

The result of regression analysis as shown in Table 4.21, show that as variables are dropped one by one there is a downtrend which tends to indicate that every variable contributes to CS in East Khasi Hills. When all the variables of CS are taken together the CSI is accounted for 100% of the total variation and when time taken for providing services is dropped then the variation of CSI drops but very negligible i.e., by 92%. Further when we drop time taken for opening accounts then the variation of

CSI drops further by 87%. Similarly, when time taken for Money transfer is dropped then CSI drops by 79%, when time taken for deposit dropped, CSI drops 75%, withdrawal drops by 59%, tangibility drops by 57%, empathy drops by 54% assurance drops by 43% Responsiveness drops by 10% it indicates that while dropping one by one variables the CSI decreases but variation is highly found in case of responsiveness it seems responsiveness has got a significant effect on the CS of the bank as compared to other variables like services, opening accounts, deposits, withdrawal tangibility empathy, assurance.

Table 4.22						
Results of Regression Analysis of Other PSBs customers in East Khasi Hills						
District						
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
	B	Std. Error	Beta			
1	(Constant)	0.560228	0.000265		2117.219	0
	RELIAB	0.997882	0.000292	0.240938	3412.292	0
	RESPONS	0.999247	0.000234	0.292042	4270.877	0
	ASSURANC	1.000793	0.000406	0.17466	2462.372	0
	EMPATHY	1.000285	0.000481	0.121278	2077.826	0

	TANGIBIL	0.99996	0.000926	0.089774	1080.416	0
	MONTRANS	0.999964	0.00008	0.662612	12776.84	0
	OPACCOUN	1.000372	0.000247	0.292276	4055.148	0
	SERVICES	0.999852	0.000178	0.372054	5617.725	0
a	Dependent Variable: CSI					
R 1			Adj R ² 0.9999			
R ² 0.9999			Std. Error of the Estimate 0.00005			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.146124	0.074977		15.28627	0.00000
	RELIAB	0.863862	0.089862	0.208579	9.613198	0.00000
	RESPONS	0.655064	0.069618	0.19145	9.409355	0.00000
	ASSURANC	0.664637	0.123944	0.115993	5.362397	0.00000
	EMPATHY	1.886998	0.140221	0.228786	13.45734	0.00000
	TANGIBIL	1.377857	0.2846	0.123701	4.841377	0.00000
	MONTRANS	1.047497	0.023988	0.694109	43.66677	0.00000
	OPACCOUN	1.836967	0.060637	0.536702	30.29474	0.00000
a	Dependent Variable: CSI					

R 0.9640			Adj R ² 0.9279			
R ² 0.9293			Std. Error of the Estimate 0.0147			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.134547	0.14525		7.810974	0.00000
	RELIAB	2.125081	0.154279	0.513099	13.77427	0.00000
	RESPONS	0.370446	0.133637	0.108267	2.772036	0.00588
	ASSURANC	0.744361	0.240061	0.129907	3.100724	0.00210
	EMPATHY	1.812582	0.271605	0.219763	6.673583	0.00000
	TANGIBIL	2.200653	0.548835	0.19757	4.009679	0.00008
	MONTRANS	1.115493	0.046269	0.739165	24.1091	0.00000
a	Dependent Variable: CSI					
R 0.8568			Adj R ² 0.7294			
R ² 0.7342			Std. Error of the Estimate 0.0285			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		

1	(Constant)	1.542037	0.23868		6.460689	0.00000
	RELIAB	2.114856	0.255249	0.51063	8.285464	0.00000
	RESPONS	0.355097	0.221096	0.103781	1.606078	0.10920
	ASSURANC	0.412247	0.396519	0.071946	1.039667	0.29925
	EMPATHY	1.752506	0.449344	0.21248	3.900141	0.00012
	TANGIBIL	4.988672	0.887646	0.447872	5.620115	0.00000
a	Dependent Variable: CSI					
R 0.5198			Adj R ² 0.2593			
R ² 0.2702			Std. Error of the Estimate 0.0472			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	2.509116	0.17279		14.52121	0.00000
	RELIAB	1.857159	0.262309	0.448409	7.080041	0.00000
	RESPONS	1.102232	0.184553	0.32214	5.972431	0.00000
	ASSURANC	-0.47857	0.37969	-0.08352	-1.26043	0.20839
	EMPATHY	1.949742	0.467975	0.236393	4.166338	0.00004
a	Dependent Variable: CSI					
R 0.4486			Adj R ² 0.1917			
R ² 0.2012			Std. Error of the Estimate 0.0493			

Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	2.916969	0.047017		62.04028	0.00000
	RELIAB	1.257717	0.22141	0.303674	5.680493	0.00000
	RESPONS	1.205753	0.182915	0.352396	6.591862	0.00000
a	Dependent Variable: CSI					
R 0.3804			Adj R ² 0.1396			
R ² 0.1447			Std. Error of the Estimate 0.0509			
Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	3.158888	0.031181		101.3076	0.00000
	RELIAB	0.769253	0.221357	0.185735	3.47517	0.000577
a	Dependent Variable: CSI					
R 0.1857			Adj R ² 0.0316			
R ² 0.0344			Std. Error of the Estimate 0.0540			

While looking at the results as depicted in Table 4.22 for the customers of other PSBs at East Khasi Hills districts it is observed that when all the variables of CS are taken together the CSI is accounted only for 99% of the total variation. If we drop the services then the variation of CSI drops but very negligible i.e., by 92.93%. Further when we drop opening accounts then the variation of CSI drops further by 73% which indicates that there is a quite significant impact of the time taken in opening accounts on customer satisfaction. Similarly, when the time taken for money transfer and tangibility, are dropped the drop in CSI is identical which is less than half of the total variation. Further it is also seen from the analysis that if as we drop Empathy then variation of CSI drops by 20.12% which is quite significant. Further when assurance is dropped, CSI drops by 14.47% and lastly when responsiveness is dropped the drop is CSI is by 3.44% which indicates that the responsiveness has got a significant impact on CS. In conclusion we can say that money transfer and tangibility has got most significant effect on the CS as compared to other variables in case of other PSBs situated in East Khasi Hills.

Table 4.23						
Results of Regression Analysis of SBI customers in Jaintia Hills District						
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		

1	(Constant)	1.578487	0.00058		2720.686	0.00000
	RESPONS	0.999755	0.000735	0.266915	1360.348	0.00000
	ASSURANC	0.999633	0.001347	0.12891	742.2025	0.00000
	EMPATHY	0.998287	0.001222	0.140535	816.9488	0.00000
	OPACCOUN	1.000192	0.000386	0.4324	2589.023	0.00000
	SERVICES	0.999795	0.000203	0.976178	4919.24	0.00000
a	Dependent Variable: CSI					
R 1			Adj R ² 0.99999			
R ² 1			Std. Error of the Estimate 0.00002			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.180267	0.609911		5.214314	0.000105
	RESPONS	-0.9254	0.790106	-0.24706	-1.17124	0.259774
	ASSURANC	-0.10407	1.686785	-0.01342	-0.0617	0.951618
	EMPATHY	0.465565	1.54597	0.06554	0.301148	0.767436
	OPACCOUN	1.174674	0.488609	0.507831	2.404117	0.029586
a	Dependent Variable: CSI					
R 0.5985			Adj R ² 0.1871			
R ² 0.3582			Std. Error of the Estimate 0.0299			

Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.378741	0.68867		4.90618	0.000158
	RESPONS	-1.25241	0.886978	-0.33437	-1.412	0.177102
	ASSURANC	0.235526	1.915543	0.030373	0.122955	0.903674
	EMPATHY	0.320399	1.760475	0.045105	0.181996	0.857872
a	Dependent Variable: CSI					
R 0.3331			Adj R ² (-0.0556)			
R ² 0.1110			Std. Error of the Estimate 0.0341			

Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.475731	0.423601		8.205203	0.00000
	RESPONS	-1.2373	0.8576	-0.33033	-1.44274	0.167265
	ASSURANC	0.131479	1.77549	0.016955	0.074052	0.941833

a	Dependent Variable: CSI					
R 0.3304			Adj R ² 0.0043			
R ² 0.1091			Std. Error of the Estimate 0.0331			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.504395	0.167251		20.95294	0.00000
	RESPONS	-1.23599	0.833394	-0.32998	-1.48308	0.155352
a	Dependent Variable: CSI					
R 0.3299			Adj R ² 0.0593			
R ² 0.1088			Std. Error of the Estimate 0.0322			

Table 4.23 shows the importance of different variables for SBI customers of Jaintia Hills District. It shows that when all the variables of CS are taken together the CSI is accounted by 100% of the total variation. If we drop the services then the variation of CSI drops drastically and the variation is less than half of the total variation. It indicates that the time taken in providing the services has got a significant effect on the CS as compared to the variables like responsiveness, assurance, empathy and time taken for opening an account. When another variable i.e., time taken for opening account is dropped, the variation of CSI drops by 11% which implies that the opening

accounts has got a significant effect on CS. Further if we drop the assurance and empathy then the variation of CSI drops by 10% which does not have any significant impact on CS of SBI at Jaintia Hills. Time taken for service was found to be most important factor.

Table 4.24						
Results of Regression Analysis of Other PSBs customers in Jaintia Hills District						
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.2941	0		.	.
	RESPONS	1	0	0.134897	.	.
	ASSURANC	1	0	0.117417	.	.
	MOTRANSF	1	0	0.459902	.	.
	SERVICES	1	0	0.724261	.	.
a	Dependent Variable: CSI					
R 1			Adj R ² 1			
R ² 1			Std. Error of the Estimate 0			
Variable	Coefficients				t	
	Unstandardized			Standardized	Value	Significance

	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.825259	0.452355		4.035016	0.000959
	RESPONS	0.635703	1.290335	0.085755	0.492665	0.628942
	ASSURANC	1.247872	1.47865	0.146522	0.843926	0.411151
	MOTRANSF	1.491668	0.375803	0.68602	3.96928	0.001101
a	Dependent Variable: CSI					
R 0.7267			Adj R ² 0.4396			
R ² 0.5281			Std. Error of the Estimate 0.0283			
Variables	Coefficients				t	
	Unstandardized		Standardized	Value	Significance	
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	2.681063	0.543503		4.93293	0.000126
	RESPONS	1.098036	1.75634	0.148122	0.625184	0.540152
	ASSURANC	1.573023	2.017813	0.1847	0.779568	0.446363
a	Dependent Variable: CSI					
R 0.2520			Adj R ² 0.0466			
R ² 0.0635			Std. Error of the Estimate 0.0387			
Variable	Coefficients				t	
	Unstandardized		Standardized	Value	Significance	

	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.062766	0.233328		13.12645	0.00000
	RESPONS	1.285051	1.720817	0.17335	0.746768	0.464847
a	Dependent Variable: CSI					
R 0.1733			Adj R ² (-) 0.0238			
R ² 0.0300			Std. Error of the Estimate 0.0382			

Table 4.24 shows that in case of other PSBs at Jaintia Hills, when all the variables of customer satisfaction taken together the CSI is accounted by 100% of the total variation. If we drop the services then the variation of CSI drops drastically and the variation is almost half of the total variation i.e., 53% which indicates that service has got a significant effect on the customer satisfaction as compare to the other variables. It is also seen from the table that if we drop the time taken for money transfer then the variation of CSI drops by 6% which indicates that money transfer also has a quite significant impact on CS. In short we can conclude that service has got a greater impact on CS in the other PSBs situated in the district of Jaintia hills.

Table 4.25				
Results of Regression Analysis of SBI customers in Ri-Bhoi District				
Variable	Coefficients		t	
	Unstandardized	Standardized	Value	Significance

	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.435089	0.001322		1085.147	0.00000
	RELIAB	1.000693	0.00077	0.562364	1299.49	0.00000
	RESPONS	0.999711	0.001044	0.343223	957.1297	0.00000
	ASSURANC	1.002432	0.001779	0.223368	563.3764	0.00000
	EMPATHY	1.001553	0.004487	0.08178	223.2076	0.00000
	OPACCOUN	1.000453	0.000818	0.641688	1222.342	0.00000
	SERVICES	0.999998	0.000609	0.569657	1640.781	0.00000
a	Dependent Variable: CSI					
R 0.9999			Adj R ² 0.99999			
R ² 0.9999			Std. Error of the Estimate 0.00002			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
	B	Std. Error	Beta			
1	(Constant)	1.934124	0.564388		3.42694	0.004088
	RELIAB	0.761882	0.331601	0.428159	2.297586	0.037522
	RESPONS	0.875314	0.456819	0.300514	1.916105	0.075998
	ASSURANC	0.937515	0.780076	0.208903	1.201825	0.249367

	EMPATHY	2.878006	1.902688	0.234999	1.5126	0.152624
	OPACCOUN	0.870262	0.357224	0.558184	2.436178	0.028799
a	Dependent Variable: CSI					
R 0.8826			Adj R ² 0.7001			
R ² 0.7790			Std. Error of the Estimate 0.0109			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	2.576744	0.575202		4.479717	0.000441
	RELIAB	1.043613	0.358277	0.586485	2.912869	0.010711
	RESPONS	1.356777	0.474797	0.465811	2.857593	0.011981
	ASSURANC	0.243928	0.837255	0.054354	0.291343	0.774779
	EMPATHY	0.836795	1.969332	0.068327	0.424913	0.676932
a	Dependent Variable: CSI					
R 0.8278			Adj R ² 0.6014			
R ² 0.6853			Std. Error of the Estimate 0.0126			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		

1	(Constant)	2.800638	0.224701		12.46385	0.00000
	RELIAB	0.998266	0.33314	0.561001	2.996538	0.008541
	RESPONS	1.313285	0.451604	0.450879	2.908043	0.010268
	ASSURANC	0.201182	0.809625	0.044828	0.248488	0.806918
a	Dependent Variable: CSI					
R 0.8255			Adj R ² 0.6218			
R ² 0.6815			Std. Error of the Estimate 0.0122			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	2.852971	0.076137		37.47142	0.00000
	RELIAB	0.951442	0.267036	0.534687	3.56298	0.002394
	RESPONS	1.302963	0.437104	0.447335	2.980897	0.008389
a	Dependent Variable: CSI					
R 0.8248			Adj R ² 0.6427			
R ² 0.6803			Std. Error of the Estimate 0.0119			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		

1	(Constant)	3.061155	0.036361		84.18834	0.00000
	RELIAB	1.274842	0.292611	0.716429	4.356786	0.00038
a	Dependent Variable: CSI					
R 0.7164			Adj R ² 0.4862			
R ² 0.5132			Std. Error of the Estimate 0.0143			

Table 4.25 shows the results of the regression analysis of SBI customers of Ri-bhoi district. It shows that when all the variables of CS taken together the CSI is accounted only for 99% of the total variation. If we drop the services then the variation of CSI drops drastically by 78% which indicates that service play a dominant role in customer satisfaction. Further if we dropped the variables like time taken for opening account, empathy and assurance then the variation of CSI drops which is very negligible at the same time the variation is more or less constant which implies they are important for CS. Similarly if we drop the Responsiveness then the variation of CSI drops by 51% which implies that there is negligible impact on customer satisfaction.

The CS of the customers of other PSBs in Ri-Bhoi district showed that all the variables are constant which has restricted us to go for regression analysis of the responses of these customers.

Table 4.26

Results of Regression Analysis of SBI customers in East Garo Hills District

Variables	Coefficients				t	
	Unstandardized		Standard-ized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	1.2203	0.00000		85126462.60059	0.00000
	RESPONS	1	0.00000	0.290548	77205949.63783	0.00000
	ASSURANC	1	0.00000	0.12733	32490953.28852	0.00000
	OPACCOUN	1	0.00000	0.945418	237860027.39344	0.00000
	SERVICES	1	0.00000	0.264859	69970979.84131	0.00000
a	Dependent Variable: CSI					
R 1			Adj R ² 1			
R ² 1			Std. Error of the Estimate 0.0			
Variables	Coefficients				t	
	Unstandardized		Standard-ized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	2.095668	0.122431		17.1171767	0.00000

	RESPONS	0.859257	0.223824	0.249655	3.838991123	0.001449
	ASSURANC	1.228309	0.535354	0.1564	2.294386656	0.035636
	OPACOUN	0.951921	0.072553	0.899963	13.12030196	0.00000
a	Dependent Variable: CSI					
R 0.966			Adj R ² 0.9207			
R ² 0.933			Std. Error of the Estimate 0.0066			
Variables	Coefficients				t	
	Unstandardized			Standard-	Value	Significance
	B	Standard error		ized Beta		
	B	Std. Error	Beta			
1	(Constant)	2.324098	0.403156		5.76476445	0.00002
	RESPONS	0.530462	0.739921	0.154124	0.716916379	0.48316
	ASSURANC	3.46365	1.688389	0.441026	2.051452935	0.055959
a	Dependent Variable: CSI					
R 0.4634			Adj R ² 0.1224			
R ² 0.2148			Std. Error of the Estimate 0.0221			
Variables	Coefficients				t	
	Unstandardized			Standard-	Value	Significance
	B	Standard error		ized Beta		

		B	Std. Error	Beta		
1	(Constant)	3.101712	0.149036		20.81187676	0.00000
	RESPONS	0.491955	0.802905	0.142936	0.612719232	0.547726
a	Dependent Variable: CSI					
R 0.1429			Adj R ² (-) 0.0339			
R ² 0.0204			Std. Error of the Estimate 0.0240			

Table 4.26 shows the impact of different variables on CS for the customers of SBI in East Garo Hills. It is showing that when all the variables of CS are taken together the CSI is accounted 100% of the total variation. If we drop the services than the variation of CSI drops but very negligible i.e., 93% .Further when we drop opening account then the variation of CSI drops further by 21% which indicates that opening accounts play a vital role in CS for SBI, East Garo Hills customers. Similarly, when we drop assurance than the variation of CSI drops further by 2% which implies that the assurance play a major role in satisfying customers in East Garo Hills as compared to other variables. In conclusion we can say that opening accounts has got a significant effect on the CS of the bank.

Table 4.27

Results of Regression Analysis of Other PSBs customers in East Garo Hills

District

Variables	Coefficients				t	
	Unstandardized			Standard-	Value	Significance
	B	Standard error		ized		
		B	Std. Error	Beta		
1	(Constant)	0.505238	0.001822		277.3226497	0.00000
	RELIAB	0.999799	0.002018	0.273353	495.3405999	0.00000
	ASSURANC	1.011303	0.004312	0.150953	234.5274755	0.00000
	MOTRANSF	1.000134	0.001009	0.610543	990.7571188	0.00000
	SERVICES	1.877093	0.001534	0.675474	1223.989644	0.00000
a	Dependent Variable: CSI					
R 0.9999			Adj R ² 0.99999			
R ² 0.9999			Std. Error of the Estimate 0.00004			
Variables	Coefficients				t	
	Unstandardized			Standard-	Value	Significance
	B	Standard error		ized		
		B	Std. Error	Beta		

1	(Constant)	1.317177	0.001352		974.1875194	0.00000
	RELIAB	0.999799	0.002018	0.273353	495.3405999	0.00000
	ASSURANC	1.011303	0.004312	0.150953	234.5274755	0.00000
	EMPATHY	3.624731	0.002961	0.675474	1223.989644	0.00000
	MOTRANSF	1.000134	0.001009	0.610543	990.7571188	0.00000
a	Dependent Variable: CSI					
R 0.9999			Adj R ² 0.99999			
R ² 0.9999			Std. Error of the Estimate 0.00004			
Variables	Coefficients				t	
	Unstandardized			Standard-	Value	Significance
	B	Standard error		ized Beta		
	B	Std. Error	Beta			
1	(Constant)	1.360317	0.334724		4.063996506	0.000902
	RELIAB	0.989473	0.499935	0.27053	1.979202853	0.065267
	ASSURANC	3.124113	0.928312	0.466324	3.365370593	0.003938
	EMPATHY	4.14491	0.721894	0.77241	5.741713991	0.00003
a	Dependent Variable: CSI					
R 0.8508			Adj R ² 0.6722			
R ² 0.7240			Std. Error of the Estimate 0.0099			

Variables	Coefficients				t	
	Unstandardized			Standard- ized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	1.453578	0.325214		4.469597812	0.000387
	RELIAB	0.989473	0.499935	0.27053	1.979202853	0.065267
	RESPONSI	6.01012	1.046747	0.77241	5.741713991	0.00003
	ASSURANC	3.124113	0.928312	0.466324	3.365370593	0.003938
a	Dependent Variable: CSI					
R 0.8508			Adj R ² 0.6722			
R ² 0.7240			Std. Error of the Estimate 0.0099			
Variables	Coefficients				t	
	Unstandardized			Standard- ized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	2.418901	0.194302		12.44918672	0.00000
	RELIAB	0.569012	0.613721	0.155573	0.927150296	0.366825
	RESPONSI	5.378981	1.305624	0.691297	4.119853254	0.000715
a	Dependent Variable: CSI					

R 0.7270 R ² 0.5286			Adj R ² 0.4731 Std. Error of the Estimate 0.0126			
Variables	Coefficients				t	
	Unstandardized			Standard- ized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.128605	0.123478		25.33735552	0.00000
	RELIAB	0.881155	0.836697	0.240915	1.053134482	0.306212
a	Dependent Variable: CSI					
R 0.24091 R ² 0.0			Adj R ² 0.0057 Std. Error of the Estimate 0.0173			

Table 4.27 shows that when all the variables of CS are taken together the CSI is accounted only for 99% of the total variation whereas if we drop the time taken for providing services then the variation of CSI remains same. It indicates that service has got no significant impact on CS in the district of East Garo Hills customers of other PSBs. Similarly, if we drop the time taken for money transfer and empathy then the variation of CSI drops drastically by 72% which implies quite significant effect on CS as compared to other variables. It is also seen from the above analysis that when we drop assurance then the variation of CSI drops by 52% which indicates that variation is very negligible as a result there is no significant impact on CS. Further if we drop

the responsiveness then the variation of CSI drops drastically by 47% which reveals that responsiveness has got greater impact on CS in other PSBs situated at East Garo Hills as compared to other variables.

4.6. CONCLUSION:

The advent of liberalization, globalization and privatization has paved the way for the entry of more number of private and global players in almost all the economic activities of the country and banking sector. As a result SBI and other PSBs are facing competition with foreign and private sector banks apart from financial institutions. In the present comparative study of CS across different demographic variables we find that in both SBI and other PSBs female customers were more satisfied than males which implies that expectations of female customers were given more preference as compared to males. Further in case of age wise distribution of customers in both the banks we conclude that in the age group of less than 25 years and above 55 years customers were highly satisfied, however, the variation of CSI in the age group of less than 25 years were very negligible as compare to age group of above 55 years in SBI and other PSB's which constitutes 0.021 and nil respectively. At the same time, we can say that customers with professional qualification had better satisfaction level in both types of banks across different locations. The customers with the educational qualification of a graduate were least satisfied in other PSBs as compared to SBI where their satisfaction level was relatively better. It does indicate that the customers

with professional qualification were very much concerned about the products and services offered by the banks time to time in order to satisfy their expectations.

While comparing the data on the basis of location, it is found that Laitumkhrah, GS Road, and Police bazaar Branches were providing more CS as compared to other locations. For SBI, Laitumkhrah branch was found to be best branch so far as CS is concerned in whole of Meghalaya, however for other PSBs it was the branches situated in Police bazaar and GS Road. The CS level was found to be lower in the branches of both SBI as well as other PSBs situated at Jowai, Cherapunjee, Byrnihat and Mendipathar.

While studying the level of satisfaction derived from different variables on the basis of Service Quality (Reliability, Responsiveness, Assurance, Empathy, and Tangibility) and Response Time (time taken for deposit, money transfer, opening account and providing services), the variables are compared with each other to find out the gap between SBI and other PSBs. Further the gaps were evaluated by statistical test applied on the customers' responses, statistical mean, Standard Deviation and T-test to ascertain the difference. From the result of the t-test, it is concluded that all the compared components are highly significant at 1% level of confidence with varying degree of freedom that means there are lot of differences in the components between two types of banks i.e., SBI and other PSBs. Only in case of Assurance vs. Money transfer, Tangibility vs. Opening Accounts and Opening vs.

Opening Accounts the difference was found to be insignificant that means there are no difference in the variables between SBI and other PSBs.

Through the correlation analysis it is found that Service quality was more important factor than time for CS across all banks, at different locations. In the district-wise analysis it was found that in case of SBI in East Khasi Hills, responsiveness played more important role for CS as compared to other variables whereas in case of SBI at Ri-bhoi district and Jaintia Hills. At the same time in case of SBI in East Garo Hills which indicates that opening accounts play a vital role in customer satisfaction in the banks. Further we conclude that SBI in Ri-bhoi and Jaintia Hills district, service play a pivotal role in satisfying customers and has a greater impact on customer satisfaction.

Table 4.28						
District wise Respondents Profile and CSI (SBI and other PSBs)						
DISTRICT	SBI			PSBs		
	VARIABLES		CSI	VARIABLES		CSI
EAST KHASI HILLS	Responsiveness	57%	0.319	Tangibility	79.8%	0.326
JAINTIA HILLS	Service	65%	0.325	Service	47%	0.323
RI-BHOI	Service	22%	0.321			0.326
EAST GARO HILLS	Opening A/c	79%	0.319	Responsiveness	94%	0.326

On the other hand, in case of other PSBs in East Khasi Hills we can say that tangibility has got a significant effect on the customer satisfaction of the bank as compare to other variables. Whereas in case of Ri-Bhoi district all the parameters are remaining constant as a result regression analysis is not possible in case of Ri-Bhoi District. At the same time in short we can conclude that service has got a greater impact on customer satisfaction in banks in Jaintia hills. In case of East Garo Hills district it reveals that responsiveness has got greater impact on customer satisfaction in the bank. In conclusion we can say that in customers point of view responsiveness got more emphasis as compared to other variables. Further we conclude that in other PSBs in Meghalaya service have got no impact on customer satisfaction except in Jaintia hills district where service has got greater impact on customer satisfaction.

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CHAPTER-5

CUSTOMER SATISFACTION AND

BRANCH PERFORMANCE

5.1. GENERAL

India is the largest country in South Asia with a huge financial system characterized by variety of institutions and instruments. The Indian financial sector was well developed even before political independence of the country in 1947. The first bank in India; though conservative, was established in 1786 in the name of General Bank of India which was the first joint stock bank. In the first half of the 19th century, the East India Company established three banks: the Bank of Bengal in 1809, the Bank of Bombay in 1804 and Bank of Madras in 1843. These three banks were amalgamated in 1920 and the Imperial Bank of India was established on Jan 27, 1921. With the passing of the SBI Act in 1955, the Imperial Bank of India was taken over by the newly constituted SBI. The Reserve Bank which is the Central Bank was created in 1935 by passing the Reserve Bank of India act, 1934 (Malik and Prakash, 2008).

In the wake of the Swadeshi Movement, two successive nationalizations of banks were taken up on July 19, 1969 (14 major banks of the country were nationalized) and on April 15, 1980 (6 more commercial private sector banks were also taken over by the government). The present commercial banking system may be categorized into three types of banks like public sector banks, private sector banks and foreign banks. In India, public sector banks (PSBs) meet nearly 90 percent banking needs of the country and 80 percent of this total banking business is done through retail banking (Ram Mohan, 2002). Many academicians and practitioners have highlighted the need

for better service quality in banks. Several researchers have suggested the adoption of modern banking technology as a means to improve service (Rao and Pathak, 1990 & Gani and Bhatt, 2003). These studies have made PSBs aware of the fact that if the present trend of customer dissatisfaction continues, they would lose their valuable customers to their competitors especially to private and foreign banks.

Performance of commercial banks in India has been under policy and academic spotlight for a while now with the PSB performance receiving most attention. The performance of several PSBs has been so poor that many have called for a complete overhaul of these banks and privatization as a solution (Chakrabarti, 2005) as because banks are key financial intermediaries or institutions that serve as “middle man” in the transfer of fund from savers to those who invest in real assets as house, equipment and factories. In performing this function financial intermediaries improve the well-being of both saver and investor. By improving economic efficiency they raise living standard of the society. The banking sector is considered to be an important source of financing for most businesses. Commercial banks are the backbone of the economy of the country. It is one of the determinant factors to bring the development of the country. It serves as a bridge in between savings and investments.

It plays a very important role in the effort to attain stable prices, high level of employment and sound economic growth. They make funds available to meet the needs of individuals, businesses and the government. In doing this, they facilitate the

flow of goods and services and the activities of governments. The commercial Banking system provides a large portion of the medium of exchange of a given country, and is the primary instrument through which monetary policy is conducted, through their deposit mobilization and lending operations. It makes the productive utilization of idle funds, thus assists the society to produce wealth.

The financial sector plays a major role in mobilization and allocation of financial savings from net savers to the borrowers. The bank was the most important segment of the financial sector. The structure of banking industry affects its performance and efficiency in turn affects the bank's ability to collect savings and channel them into productive investments. The effective role of the intermediation by banks adds gains to the real sector of the economy. Government regulation, in most of the countries safeguarded the banks from the forces of competition. India is no exception for this. With the nationalization of the most of the major commercial banks in 1969, restrictions on entry and expansion of private and foreign banks were gradually increased. *The RBI also began enforcing uniform interest rates, spreads and service charges among nationalized banks. These cause a lack of competition either among public sector banks or between the public and private banks and gradually eroded the spirit of competition from the banking sector*" (Karamala and Anchula, 2007)

The Indian financial sector underwent a radical change during the nineties. From the relatively closed and regulated environment in which agents were operating, the

sector was opened up as part of the efficiency enhancing structural policies to bring about high sustainable long-term growth of the economy. The banking sector was also not an exception to this rule. New measures were undertaken to induce efficiency and competition into the system. The Indian banking sector consists of the Reserve Bank of India (RBI), which is the central bank, commercial banks and co-operative banks. Commercial banks are of two types – scheduled, which are subject to statutory requirements and non-scheduled, which are not. Scheduled banks can be further classified into PSBs (comprising of the SBI, its seven associates, other nationalized banks and the Regional Rural Banks - RRBs) and private sector banks, which can be either domestic or foreign (De, 2003). In his paper, he attempts to analyze the effects of ownership on bank performance in this deregulated regime. More specifically, it aims to analyze if PSBs, old private sector banks and new private sector banks differ significantly in performance, performance being measured in terms of profitability, efficiency in portfolio management and operating efficiency.

Performance, as defined as a means of evaluating how effectively and efficiently organizations use resources to achieve objectives. The performance of commercial banks is judged by many factors. For the sustainability of commercial banks, profitability is very significant factor and that can be used to measure the performance of commercial banks. *Performance is the word thrown about liberally in corporate world. Nevertheless very few realize the performance measures are powerful tools to*

achieve numeral business pursuit. It is the key to corporate competitiveness (Thaker, 2008). Performance measurement and management is of utmost importance as it plays a fundamental role in developing and implementing strategic plans, evaluating the achievement of organizational objectives, synchronizing divisional & functional efforts, compensating managers and influencing behavior of people and parts of the organization. Yet many corporate managers feel, offered measurement systems are inadequate to fulfill its function. Thaker (2008) did a study on measuring and managing corporate performance emphasized that increasing adoption of performance measurement innovations, many organizations and managers are dissatisfied about the benefits derived to enhance corporate performance. Performance measures have become a tactical concern rather a strategic priority to advance business competitiveness. A well articulated performance measurement would have helped avoid many corporate blunders.

Shelagh (1996) insisted that the banking world is changing rapidly; the strategic priority has shifted away from growth and size alone towards a greater emphasis on profitability, performance and value creation within the banking firm. The performance of the banks decides the economy of nation. If the banks perform successfully, the economy of nation becomes sound, growing and sustainable. The performance of macro economy of a country has got a direct and an immediate impact on banks, may be, more than any thing else in the economy. This is duly supported by

Greuning and Bratanovic (2000) who state that unstable *macro economic environment is a principle cause of instability in the financial system.*

Commercial banking in India continues to undergo significant change. Due to this change, the importance of improved efficiency has increased substantially for the survival and sustained viability of the commercial banks. As product innovations and process deregulation has taken place, competitive pressures have mounted to force banks to operate more efficiently. Not all the banks will be able to employ the best methods to achieve a high level of performance. Successful banks will adopt the changing environment while those that are unable to do so will have difficulty in surviving. The crucial factor that makes the difference is the management function (Swami & Subrahmanyam, 1993). Management not only involves leading and organizing but also planning and controlling for efficiency in day-to-day operations. The financial performance of the banks is measured using standard measures like ROA, spread to working funds ratio, establishment expenses to total expenses ratio, loan out ratio (Loan/Deposits) and non performing assets to net advance ratio. At the same time efficiency of the banks was measured using accounting ratios such as deposit per employee, advance per employee and net profit per employee (Sathye, 2005).

Janki (2002) analyzed the effect of technology on labour productivity. The study concluded that that efficiency can be enhanced by using technology to develop new

products and motivation of work force. To conclude efficiency is a function of input efficiency and output efficiency. Both input and output efficiency are function of many factors that are allocative and technical in nature.

Banking industry in India is undergoing a major transformation due to changes in economic conditions and continuous deregulation. The implementation of reforms has had an all round salutary impact on the financial health of the banking system, as evidenced by the significant improvements in a few salient financial indicators of the banking system. Tandon (2006) in his research paper focused on the PSBs as they continue to be a dominant part of the banking system. As on March 31, 2008, the PSBs accounted for 69.9 per cent of the aggregate assets and 72.7 per cent of the aggregate advances of the scheduled commercial banking system. This paper conducts productivity and efficiency analysis of PSBs operating in India. The number of instruments available, the number of services banks provide to both retail and corporate customers, the levels of technology involved, are the mantras for leap bound progress of PSBs but still there is a long way to go. Today PSBs are facing challenges of squeezed spreads, demanding customers and lack of matching skills with private sector banks of India. This has increased pressure on efficiency and productivity of the banks. This paper empirically defines and an attempt has been made by the author to analyze technical efficiency of PSBs operating in India applying Data Envelopment Analysis (DEA) Model. The performance of Banks is assessed in DEA using the concept of efficiency or productivity, which is the ratio of total outputs to total inputs.

This paper explains the performance variance and relative efficiencies of 19 (nineteen) PSBs excluding State Bank Group banks operating in India during 2003 to 2008.

Rao and Murthy (1981) in a case study of Sri Visakha Gramin Bank analyzed the performance of RRBs in the state of Karnataka. The study examined the impact of rural bank finance in terms of agriculture produce, cropping pattern and the assets of beneficiaries. Varde and Singh (1982) attempted to analyze the overall profitability performance of 4 RRBs over three years (1978-1980). They stressed that for improving profitability, a bank has to aim at increasing the magnitude of burden ratio (manpower expenses ratio + other expenses ratio-other income ratio) while emphasizing only on the financial requirements of a bank. Balaji and Rai (1986) attempted to evaluate the performance of 73 RRBs functioning in 130 districts in the entire country and concluded that advances made by them are greater than the deposit and also probed into the matters of growing overdue, continuous losses and branch licensing.

Panda (2001) in his research paper focused on high level of external customer satisfaction (CS) largely depends upon the level of internal CS and corresponding nature of service quality delivered by internal customers to the external customer in financial services industry. CS for financial services industry is also dependant upon the amount of trust the customers place with the organization which is again

dependant on the relationship of the customer with the employees of the organization. A good relationship is a reflection of greater propensity to buy the services from the financial institution. The customers view their financial institution to be professional par excellence in service quality delivery. So it is important on the part of the internal customer or employee to understand and communicate the explicit and tacit knowledge about the financial service delivered to customers. The financial institution in the process should make an attempt to enhance the confidence of their staff about their brand building roles. Higher level of staff motivation and job satisfaction leads to greater consistency in service delivery. High level of service delivery increases the CS level reflected ultimately with higher sales, greater market share and good brand image.

The success of a business enterprise is guided by the strategic orientation of the organization towards its customers, competitors and internal customers (employees) and the relationship between these significant components. External marketing addresses the relationship between the firm and its customers. Interactive marketing refers to the front end of the firm and the customer. Internal marketing refers to the relationship of the firm with its employees through its internal policies and interaction methods including the expectation–matching behavior and compensation planning. Substantial amount of research effort has been expended for understanding external customer behavior and developing tools and techniques for testing and interpreting the external consumer behavior (Parasuraman et al., 1988). The research work

highlighting the importance of supportive relationship between the organization and role of various groups working within the organization and individual employees is of very recent origin (Berry, 1981).

The need for effective internal marketing as an integral and effective tool for satisfying external customer need is recognized only in the 80s. It is not possible for an individual to know everything about the organization and its offerings in today's multilayered and multi location enterprises. So there is a need for internal customer relationship management. A good internal customer relationship management program makes the employees feel about their job, the relative significance their job holds for the enterprise and how their performance affects the whole chain of external marketing delivery in an organization. Any gap in the process of realizing significance of the job done by an employee and strategic relevance of his contribution to overall CS has to be attended by top management while planning for internal CS program. This understanding can also help in avoiding duplicity of effort and strains on functional relationships across departments in the organizations. Satisfied internal customer and their attitude is a prerequisite to satisfied external customers.

CS with quality and its link with service delivery have been explored in previous researches resulting in the identification of number of gaps (Zeithml et al. 1990). Zeithml and Bitner (1996) have analyzed these gaps and have identified a number of

services. Kasper and De Vries (1999) examined various alternative strategies for service marketing and gave emphasis to the need of a right service mix of services (product), people, system and technology. Many factors were identified as demanding attention in the triad of services, particularly the need of continuous interaction between the front office, back office and external customer. From the review of the literature it can be said that delivery of the intended service to the customer is dependant upon the extent of integration of values and behavior of the employees in an organization.

Nationalization of the fourteen commercial banks in July 1969 marked the phase of big push for expansion of the banking industry in India. Performance evaluation of the banking sector in India has assumed primal importance due to intense competition, greater customer demands and changing banking reforms. The banking industry has undergone a sea change after the first phase of economic liberalization in 1991 and hence credit management. While the primary function of banks is to lend funds as loans to various sectors such as agriculture, industry, personal loans, housing loans etc., In recent times the banks have become very cautious in extending loans for which the reason is mounting non-performing assets (NPAs). An NPA is defined as a loan asset, which has ceased to generate any income for a bank whether in the form of interest or principal repayment. As per the prudential norms suggested by the RBI, a bank cannot book interest on an NPA on accrual basis. In other words, such interests can be booked only when it has been actually received. Therefore, this has become

what is called as a 'critical performance area' of the banking sector as the level of NPAs affects the profitability of a bank (Das, 2003).

5.2. BANK PERFORMANCE OF SBI AND OTHER PSBs

5.2.1. Bank Performance Parameters

The study on the measure of bank performance is based on five variables (Deposit, Loan and Advances, Non-performing assets, Net profit and Business per employee) which are explained hereunder:

5.2.1.1. Deposit: Banks deal in other peoples' money which they receive as deposits of various types. These deposits serve as a means of payment and a medium of savings and are a very important variable in the national economy. Indian banks accept two main types of deposit they are demand deposit and term deposit. Again the demand deposit is classified into two sub heads like call deposit and current deposit.

5.2.1.2. Loans and Advances: Banks usually advance credit to various customers by way of overdraft, cash credit, loans and discounting of bills. Granting of credit in different forms is one of the basic functions of bank. The profit of the bank depends mostly on interest they collect on the money lent by them. Customers generally take

loans and advances from banks in order to fulfill their requirements by paying the prescribed interest rates which is fixed by the RBI.

5.2.1.3. Net Profit: It means the actual profit made on a business transaction, sale, etc., or during a specific period of business activity, after deducting all costs from gross receipts.

5.2.1.4. Non-performing Assets (NPAs): The assets of a banking company are to be bifurcated into performing and non performing assets. A bank advance which is provided to customers and not returned by the customers on a continuous basis is termed as non performing assets, or in other words advances taken by the customers are not returned which remains out of order for 180 days. NPA is one which ceases to generate income for the bank.

5.2.1.5. Business per Employee (BE): It is broadly defined as the outcome of the total deposits and advances against the number of employees.

Five PSBs (SBI, PNB, UBI, UCO and VB) were taken for the study over the period of three years (2005-2008). As a matter of simplicity the data for the financial year 2005-2006 is stated as year 2006, 2006-2007 as 2007 and 2007-2008 as 2008. The collected data from all the five banks is shown in Table 5.1

Table 5.1: Branch Performance of SBI and other PSBs in Meghalaya

(Rs.in Crores)

Bank	Location	Deposit			Advances			NPA			Net profit			*Business Per Employee		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
State Bank of India	Laitumkrah	146.55	233.47	309.77	49.33	65.75	90.26	3.33	4.39	10.02	156.74	180.40	274.74	3.497	5.867	9.0915
Vijaya Bank	Laitumkrah	95.54	121.45	117.01	10.25	12.46	7.59	0.13	0.09	0.31	4.22	4.89	5.23	5.567	6.695	6.922
Punjab National Bank	Laitumkrah	1038.12	1750.44	2243.76	1274.64	204.53	161.29	0.00	0.00	1.42	9.54	12.04	37.22	385.46	325.82	400.8
State Bank of India	Jowai	46.88	64.07	86.44	16.88	22.08	24.41	1.78	1.96	2.47	210.08	193.40	247.53	4.250	6.153	8.526
United Bank of India	Jowai	43.35	54.12	56.54	3.74	4.05	4.02	0.09	0.15	0.10	1.19	1.36	1.97	3.9241	5.288	5.505
State Bank of India	GS Road	265.84	274.54	275.35	193.83	147.80	126.23	0.70	1.69	1.83	9.80	12.65	20.02	4.141	3.910	4.056
United Bank of India	GS Road	80.53	95.29	91.21	55.34	60.56	68.88	0.78	0.79	3.63	2.89	4.47	4.83	5.661	6.776	6.96
Vijaya Bank	GS Road	104.57	128.16	123.49	25.06	41.48	38.08	0.71	0.69	0.73	3.50	3.75	4.05	6.481	9.427	8.975
Punjab National Bank	GS Road	65.62	83.17	160.48	29.30	37.25	42.25	0.60	0.58	0.55	4.25	4.75	5.25	5.583	7.526	13.515
UCO Bank	GS Road	116.03	118.37	74.46	16.75	26.65	39.99	0.91	1.40	1.32	3.21	2.31	2.27	3.793	4.143	3.576
State Bank of India	Byrnihat	19.33	21.89	28.60	27.07	31.20	27.50	2.03	2.51	1.84	6.09	3.60	4.80	3.314	4.083	4.675
United Bank of India	Byrnihat	3.50	4.50	5.10	1.91	1.63	1.80	0.27	0.21	0.15	0.09	0.12	0.18	1.082	1.532	1.725
State Bank of India	Cheerapunjee	14.61	15.71	19.40	3.57	3.87	4.81	0.37	0.37	0.56	24.35	30.70	18.08	2.272	2.797	3.458
UCO Bank	Cheerapunjee	10.11	11.20	13.75	1.50	2.00	2.40	0.15	0.14	0.26	12.21	20.10	20.75	1.161	1.6	2.018
United Bank of India	Nongthymmai	36.35	34.31	34.57	30.54	35.86	35.10	65.89	36.60	83.04	88.14	118.95	106.54	6.080	6.379	6.333
State Bank of India	Polo Bazar	25.39	38.31	54.80	8.67	11.69	12.62	0.35	0.61	1.64	29.12	25.40	34.91	2.270	3.571	5.618
State Bank of India	Malki	51.95	64.74	92.74	18.34	25.53	30.18	1.15	1.65	3.12	14.39	9.90	21.96	2.928	3.924	6.828

Note: *Business per Employees is computed by adding deposit and advances divided by no. of employees.

From the data collected from the banks on their performance it is clearly visible that all the bank performance variables like Deposit, Loan and Advances, Net profit, and Business per employee were increasing year to year which indicates the increase in bank performance. When we compare the bank performance of SBI with other PSBs (Branch- wise) in Meghalaya, it is observed that the PNB is having better performance as compared to other banks at Laitumukhrah, whereas, at Jowai, SBI has better performance as compared to other PSBs. It was found that SBI was performing better as compared to other PSBs in Meghalaya in all the three districts East Khasi Hills, Ri-Bhoi and Jaintia Hills. The bank performance data of East Garo Hills district could not be collected from the respective branches of other PSB even after repeated requests and visits. However, the data as to SBI branch was obtained but since other PSB branch data was not available, SBI data is also ignored. Hence, for comparing bank performance with customer satisfaction, East Garo Hills district is not taken into account.

5.3. Analysis of Bank Performance and Customer Satisfaction:

In order to test the second hypothesis –

*H2 - There exist a relationship between customer satisfaction
and bank performance.*

correlation has been calculated between CS and bank performance. Further two more hypotheses are formed:

H2a - There exist a relationship between customer satisfaction and bank performance in SBI.

H2b -There exist a relationship between customer satisfaction and bank performance in other PSBs.

These two hypotheses are tested through correlation matrix as shown in Table 5.2 (SBI) and 5.3 (other PSBs).

Table 5.2 shows bivariate correlations across all five parameters of bank performance and CS with almost all correlation appearing significant at 0.01(2-tailed). The figures indicate that in case of SBI, when we compare the relationship of CS and B/E we find that CS is highly negative, which implies that the more the B/E increases; CS decreases, whereas other parameters like Deposit and Advances have positive relationship with B/E indicating that both are moving in the same direction. In other words we can say that when B/E increases, Deposit and Advances also increase. CS is positively correlated with NPA and Net Profit in the similar degree which implies that satisfaction of customers and NPA and Net Profit were moving in the same direction.

Table 5.2
Customer Satisfaction and Bank Performance (SBI)

	CS	DEPOSIT	ADVANCES	NPA	NET PROFIT	BE
CS	1	0.169**	0.027	0.385**	0.302**	(-)0.131*
DEPOSIT		1	0.921**	0.569**	0.382**	0.721**
ADVANCES			1	0.26	0.063	0.922**
NPA				1	0.813**	(-)0.133*
NET PROFIT					1	(-)0.242**
BE						1

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

The hypothesis that *there exists a relationship between customer satisfaction and bank performance in SBI is accepted* through the correlation results as shown in Table 5.2.

Table 5.3 shows bivariate correlations across all five parameters of bank performance and CS for other PSBs. Almost all correlations are appearing significant at 0.01(2-tailed). The figures indicate that in case of other PSB's, CS has negative relationship with Deposit, Advances and BE, which implies that these variables move in opposite direction, however there seems to be no relationship between CS and NPA and Net profit.

Table 5.3

Customer Satisfaction and Bank Performance (other PSBs)

	CS	DEPOSIT	ADVANCES	NPA	NET PROFIT	BE
CS	1	(-)0.200**	(-)0.191**	-0.021	-0.057	(-)0.106*
DEPOSIT		1	0.997**	(-)0.112*	0.091	0.952**
ADVANCES			1	-0.077	0.124*	0.938**
NPA				1	0.949**	(-)0.144**
NET PROFIT					1	0.045
BE						1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The hypothesis that *there exists a relationship between customer satisfaction and bank performance in other PSBs is accepted* through the correlation results as shown in Table 5.3.

To study the impact of bank performance parameters on CS of the customers of SBI and other PSBs, Regression Analysis is carried out. The proposed five dimensions ('Deposit' (X1), 'advances' (X2), 'NPA' (X3), 'Net Profit' (X4), 'Business per employee' (X5)) are treated as *independent variables (X)* for the regression equation

and overall satisfaction from the service quality and response time for the banking services perceived and rated by customers (CSI) is treated as *dependent variable (Y)*. The value of R^2 indicates the impact of each parameter on CS and relative importance of every parameter for contributing to the satisfaction of the customers.

Table 5.4
Result of Regression Analysis of Bank Performance of SBI

Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.475712	0.05096		68.20425	0.00000
	DEPOSIT	0.005165	0.000976	2.181001	5.293826	0.00000
	ADVANCE	0.162075	0.02416	35.34363	6.708342	0.00000
	NPA	-2.17419	0.326679	-16.3085	-6.65544	0.00000
	NETPROFI	0.003981	0.000673	1.78962	5.912964	0.00000
	BPEREMPL	-0.08685	0.012752	-36.0139	-6.81039	0.00000
a	Dependent Variable: CSI					
R 0.55297			Adj R ² 0.29028			
R ² 0.30577			Std. Error of the Estimate 0.19865			

Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.16251	0.02407		131.41267	0.00000
	DEPOSIT	0.00110	0.00085	0.46482	1.30093	0.19461
	ADVANCE	-0.00223	0.00143	-0.48562	-1.56201	0.11969
	NPA	0.04755	0.01881	0.35664	2.52736	0.01218
	NETPROFI	-0.00030	0.00026	-0.13493	-1.13571	0.25729
a	Dependent Variable: CSI					
R 0.40253 R² 0.16203			Adj R² 0.14714 Std. Error of the Estimate 0.21777			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.16290	0.02408		131.35873	0.00000
	DEPOSIT	0.00071	0.00077	0.30123	0.92068	0.35820
	ADVANCE	-0.00151	0.00128	-0.32848	-1.17910	0.23960
	NPA	0.03988	0.01757	0.29913	2.26962	0.02417
a	Dependent Variable: CSI					
R 0.39652 R² 0.15723			Adj R² 0.14604 Std. Error of the Estimate 0.21791			

Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	3.16290	0.02408		131.35873	0.00000
	DEPOSIT	0.00071	0.00077	0.30123	0.92068	0.35820
	ADVANCE	-0.00151	0.00128	-0.32848	-1.17910	0.23960
	NPA	0.03988	0.01757	0.29913	2.26962	0.02417
a	Dependent Variable: CSI					
R 0.37151			Adj R² 0.13042			
R² 0.13802			Std. Error of the Estimate 0.21989			
Variables	Coefficients				t	
	Unstandardized		Standardized		Value	Significance
	B	Standard error	Beta			
	B	Std. Error	Beta			
1	(Constant)	3.20809	0.02227		144.02858	0.00000
	DEPOSIT	0.00040	0.00015	0.16894	2.58821	0.01027
a	Dependent Variable: CSI					
R 0.16894			Adj R² 0.02428			
R² 0.02854			Std. Error of the Estimate 0.23293			

Table 5.4 depicts the importance and impact of different variables of bank performance on CS. It is observed in case of SBI when all the variables of performance taken together the CSI is accounted only for 30.58% of the total variation. If we drop the BE then the variation of CSI drops drastically and the variation is almost half of the total variation i.e., 16.20% which implies that BE has got a significant affect on the performance of the bank as compared to the other factors like NPA, Net profit, Advances and Deposits. Further it also seen from the analysis that advances is also has a quite significant impact of the performance of the bank which is the order of nearly 11% of the total variation. In conclusion we can say that the BE and advances affect the bank performance in case of SBI.

Table 5.5 depicts the importance and impact of different variables of bank performance on CS. It is observed in case of other PSBs; when all the variables of performance taken together the CSI is accounted only for 21.18% of the total variation. If we drop the BE then the variation of CSI drops drastically by 6% which reveals that variation is less than half of the total variation which indicates that BE has got a greater impact on the performance of the bank as compare to the other factors like NPA, Net profit, Advances and Deposits. Further it is also seen from the analysis that Advance has got no significant impact on the performance of the bank. In conclusion we can say that the Business per Employee has greater impact on the

performance of the bank as compared to other parameters of measuring bank performance. However, we can say that in other

Table 5.5

Result of Regression Analysis of Bank Performance of others PSBs

Variab	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.26401	0.00365		893.39047	0.00000
	DEPOSIT	-0.00067	0.00009	-6.88601	-7.85035	0.00000
	ADVANCES	0.00156	0.00023	5.22511	6.72001	0.00000
	NPA	-0.00192	0.00076	-0.49659	-2.52240	0.01207
	NETPROFI	0.00078	0.00045	0.33299	1.73330	0.08387
	BPEMLOY	0.00064	0.00008	1.46016	8.45224	0.00000
a	Dependent Variable: CSI					
R 0.46030 R ² 0.21187			Adj R ² 0.20134 Std. Error of the Estimate 0.04741			
Variab	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.27312	0.00380		860.28176	0.00000
	DEPOSIT	-0.00022	0.00007	-2.28997	-3.05271	0.00243
	ADVANCES	0.00061	0.00022	2.06087	2.77468	0.00580
	NPA	-0.00087	0.00082	-0.22438	-1.06001	0.28982
	NETPROFI	0.00026	0.00048	0.11059	0.53320	0.59421

a	Dependent Variable: CSI					
	R 0.24764 R ² 0.06133		Adj R ² 0.05131 Std. Error of the Estimate 0.05167			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.27412	0.00331		989.80234	0.00000
	DEPOSIT	-0.00022	0.00007	-2.23174	-3.00999	0.00279
	ADVANCES	0.00060	0.00022	2.02491	2.74019	0.00643
	NPA	-0.00045	0.00022	-0.11562	-2.04445	0.04160
a	Dependent Variable: CSI					
	R 0.24620 R ² 0.06062		Adj R ² 0.05312 Std. Error of the Estimate 0.05167			
Variables	Coefficients				t	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
		B	Std. Error	Beta		
1	(Constant)	3.27149	0.00306		1068.76626	0.00000
	DEPOSIT	-0.00015	0.00006	-1.53030	-2.31845	0.02096
	ADVANCES	0.00040	0.00020	1.33448	2.02177	0.04391
a	Dependent Variable: CSI					
	R 0.22399 R ² 0.05017		Adj R ² 0.04513 Std. Error of the Estimate 0.05184			

Variables	Coefficients				t'	
	Unstandardized			Standardized	Value	Significance
	B	Standard error		Beta		
	B	Std. Error	Beta			
1	(Constant)	3.27041	0.00303		1080.60093	0.00000
	DEPOSIT	-0.00002	0.00000	-0.19969	-3.96213	0.00009
a	Dependent Variable: CSI					
R 0.19969			Adj R ² 0.03733			
R ² 0.03987			Std. Error of the Estimate 0.05205			

PSBs, BE plays a major role in the bank performance. It further implies that the number of employees play an active role in the bank performance.

5.4. CONCLUSION

In this chapter when we establish a relationship between bank performance parameters and customer satisfaction which reveals that business per employees has higher significant with deposit and advances which implies that when the number of employees increase, deposit and advances also increase in case of SBI. Similarly, in case of other PSBs BE has highly significant with advances as well as deposits. This is due to the calculated value of BE which makes no variation in the significance level of SBI and other PSBs in Meghalaya. Further while we analyze the results of regression analyses it is found that BE has a greater impact on bank performance of SBI and other PSBs in Meghalaya.

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CHAPTER-6

MAJOR FINDINGS, SUGGESTIONS AND

CONCLUSION

6.1. GENERAL

The North Eastern State of Meghalaya came into existence on 21st January 1972. The State was carved out as an independent State from the two hills districts of United Assam namely United Khasi and Jaintia Hills and Garo Hills district. The state is situated in the North East of India between 25.47' and 26.10' North Latitudes and 89.45' and 92.47' east longitudes. The temperature ranges from 2.C to 36.C depending on the altitude, which ranges from 300 metres above Mean Sea Level (MSL) and 2000 metres above MSL. Meghalaya is amongst the highest rainfall areas in the world.

The State has a geographical area of 22429 sq.kms and it constitutes 0.68% of the total geographical area of the country. It is one of the smallest States in India and is strategically located in the North East between 25. 5" and 26. 10" North Latitudes and between 98. 47" and 97. 47" East Longitudes. It is a strip of land spread along northern boundary of Bangladesh and it is bound by that country on the South as well as on the West. The State is surrounded on the other sides by Assam. The length of the International boundary is 423 Kms. The state is characterized by mountains, plains, innumerable hills and waterfalls. The State is categorized as a high rainfall zone of the region with average annual rainfall recorded at 2500mm spread over a period of 128 days. Rainfall is mostly concentrated during May to October. Places like Cherrapunji and Mawsynram experience highest rainfall. There are three hill areas viz. (a) the Khasi Hills area under the Khasi Hills Autonomous District Council constituting East Khasi Hills district, West Khasi Hills

and Ri-Bhoi. (b) the Jaintia Hills Autonomous District Council comprising of Jaintia hills district and (c) the Garo Hills under the Garo Hills Autonomous District Council, comprising of East, West and South Garo Hills. (<http://megcooperation.gov.in/sfp/06-07/SFP%2006-2007%20contents.pdf>.)

The present work is carried on to study the status of customer satisfaction (CS) in State Bank of India (SBI) and other competing public sector banks (PSBs) situated in various parts of Meghalaya. The level of CS in SBI and other PSBs [Punjab National Bank (PNB), UCO Bank, United Bank of India (UBI) and Vijaya Bank (VB)] has been compared across different locations and personal characteristics like gender, age and educational qualification of the customers. The response of the customers ($n=650$, SBI-250, other PSBs-400) in the process of filling up the questionnaire has been quite positive except few erratic experiences.

As explained in different chapters, the role of banking sector in the development of financial sector viz-a-viz the whole economy is praiseworthy and crucial. The most important stakeholder is recognized as customer in these institutions. The choices available to the customers have grown many folds which has made banking a very competitive and challenging venture. The PSBs including SBI have taken up the challenge of responding to the expectations of the customer quite sportingly even after lot of resistance from their employees. The state of Meghalaya has also been part of overall

development of banking sector, however the growth has not been as expected due to its inherent problems.

When the present study was initiated there were only PSBs operating in the state of Meghalaya, however lately the state has witnessed the emergence of private banks like ICICI, HDFC, and AXIS bank etc. The present work is carried out targeting the customers of PSBs only. The PSBs have their operations in almost all parts of the state, though their size is small. SBI is found to be most important and networked bank in the state. However it is facing competition from other PSBs at different locations like, Laitumukhrah, GS Road, Cherapunjee, Mehndipather, Byrnihat, and Jowai. These locations cover 4 districts of Meghalaya (East Khasi Hills, Jaintia Hills, East Garo Hills and RiBhoi). The customers of only those banks have been taken for this study where there are at least two banks facing competition and one of them is SBI. Shillong (East Khasi Hills) being the capital of the state has concentration of banks whereas at other locations many banks are not in operation.

The literature review as discussed in chapter 2 has brought out many facets of measuring CS, however the most popularly known and followed tool has been the one developed by Parasuraman and his associates in the name of SERVQUAL (Service Quality). The present work has used the 5 variables (Tangibility, Responsiveness, Reliability, Assurance and Empathy) as given in this measurement tool. Further response time for different types

of transactions has been also added to Service quality in order to get a final customer satisfaction index (CSI) on the basis of which the comparisons are made.

6.2. MAJOR FINDINGS:

On the basis of the whole work as explained and analysed in the earlier chapters the major findings are summarized as follow:

- 6.2.1. The customers of SBI Laitumkhrach branch have much higher satisfaction level than other branches of SBI as well as other PSBs situated in Laitumkhrach and other locations. However PNB Laitumkhrach has second highest level of CS across all the branches under study. Overall the customers of Laitumkhrach enjoyed highest satisfaction, whether they were customers of SBI, PNB or VB.
- 6.2.2. SBI Cherapunjee and Malki branch customers had lowest of CS across all the branches of SBI and other PSBs. All other branches had more or less similar trend in their level of satisfaction.
- 6.2.3. Overall amongst all the banks under study, PNB customers had better CSI as compared to all other banks including SBI which was second. However UBI customers had lowest CSI.
- 6.2.4. Though less in size (29% of total respondents), females were found to be having relatively higher CS as compared to males.
- 6.2.5. The customers of UBI were found to be least satisfied with the services of the bank as compared to the customers of all other banks.

- 6.2.6. The customers of SBI with graduate qualification were least satisfied (across other educational qualifications like, under matric, pre-university, post graduation or any professional qualification) whereas of other PSBs they were highly satisfied. Overall graduate customers were having highest CSI as compared to the respondents with other educational qualification background.
- 6.2.7. The customers of less than 25 years and above 55 years of age in case of both the types of banks had highest satisfaction as compared to other age groups in between, though their overall size was also small (6%). When clubbed with other groups overall it was observed that the customers between the age group of 36-45 years of age (42%) were having higher level of satisfaction for both SBI and other PSBs in Meghalaya.
- 6.2.8. From the result of the T-test, it is found that all the compared variables are highly significant at 1% level of confidence with varying degree of freedom that means there are lot of differences in the components/variables between two types of banks i.e., SBI and other PSBs.
- 6.2.9. All the customers (SBI as well as other PSBs) derived more satisfaction from service quality as compared to the time taken for various types of transactions.
- 6.2.10. Responsiveness was found to be most important variable for CS for SBI operating in East Khasi Hills and Other PSBs operating in East Garo Hills; however Response time as to providing different services to the customers was found to be more important than other variables for CS in all the banks and branches operating

in Jaintia Hills district and SBI in RiBhoi district. Tangibility was rated at top by other PSBs operating in East Khasi Hills district.

6.2.11. SBI had better bank performance as compared to other PSBs putting all the branches and variables together.

6.2.12. CS was found to be positively correlated with NPA and Net Profit in case of SBI whereas none of the performance parameter had positive relationship with CS in case of other PSBs

6.2.13. Business per employee was found to be having greater impact on the performance of both the types of banks viz., SBI and other PSBs.

6.2.14. There was significant difference in the level of customer satisfaction of SBI and other PSB's customers in Meghalaya.

6.2.15. It was found that the customer satisfaction and bank performance is closely related across all PSBs including SBI in the state of Meghalaya.

The findings of the present work bring out the status of CS in the PSBs operating in the state of Meghalaya and its relationship with the performance of banks. There have been several studies in the area of assessing CS of the customers of banks; however the customers of the banks in Meghalaya have been assessed. Further the importance of service quality and time factor has not been studied together however they have been studied separately. In this light the findings of the present work become important. In some cases the findings are similar to other studies whereas there are variations as well.

Like in the work of Ahmed (2008) time taken for providing service was found to be most important factor for CS, similarly in our work also service time had better score over other variables. But as found by Vanniarajan and Manimaran (2008) where male customers were having better CS, our study shows just the opposite as females were found to be having better satisfaction. As concluded in the study conducted by Gani and Bhat (2003) the service quality of foreign banks operating in India was found to be better than the PSBs, our study presents that time factor played more important role as compared to service quality across all the PSBs including SBI which is quite similar to the study conducted by Varghese and Ganesh (Year); though service quality as such was found to be better delivered in case of SBI than other PSBs in Meghalaya. Amongst different variables of service quality reliability was found as most important factor influencing CS in the banks in the work of Aileni (2006), whereas in our work it was responsiveness. Through the observations it was found that the customers who were appreciative of banks' responsiveness, caring attitude and reliability were referring these banks/branches to other people, an example of customer delight as also found by Lenka et al., (2009).

6.3. SUGGESTIONS

On the basis of the major findings of the study the following suggestions are offered for improving the level of satisfaction among customers through provision of better service quality and response time for different types of transactions:

- 6.3.1 The banks should introduce more schemes for the women and communicate those properly using appropriate media so that they are able to maintain better level of satisfaction with their female customers.
- 6.3.2. There is strong need of periodic assessment of customers' expectations from different branches and services so that necessary steps could be taken to provide them satisfaction and compete.
- 6.3.3. The PSBs other than SBI have to invest hugely on developing better infrastructure through using latest technology which is also required for better integration of services provided. Specially UBI and UCO bank in East Khasi Hills were found to be having poor infrastructure facilities as compared to their competing branches and it was found to be one of the important reason for lower satisfaction level of customers of these branches.
- 6.3.4. The banks should conduct regular training programmes in the areas like prompt money transfer, prompt issue of remittance, updating the passbook, credit outstation cheques, cash receipt and payment at the counter, and correction of account balance as time taken to provide these services was found to be very important factor for the CS.

- 6.3.5. SBI and other banks should provide some kind of awareness programmes for their existing as well as prospective customers regarding new and innovative products and services offered time to time among the three districts i.e., Ri-bhoi, Jaintia Hills, and East Garo Hill as the customers were not being found updated with the latest banking products and services.
- 6.3.6. SBI branches in RiBhoi and Jaintia Hills district need to concentrate on response time for different transactions as customers of these branches were found to be having lower satisfaction as compared to other branches.
- 6.3.7. Last but not the least, the management of the bank should put its sincere efforts to match the expected service quality to the offered service quality so that loyalty of the customers can be achieved.

6.4. CONCLUSION

Financial sector in general and Banking sector in particular is growing at a very fast pace even in India. The emergence of different types of banks and financial institutions has raised the expectations of their valued customers both existing and potential. The banks are busy drafting and implementing strategies in order to respond to the expectations of the customers. The public sector banks are no exception to this phenomenon as they relatively wider reach as compared to their counterparts. The studies as reviewed in the chapter 2 have influenced much of the current work however it is one of its kind in the state of Meghalaya where banking sector has experienced growth especially in the last one

decade. The findings of the present work as discussed earlier in this chapter have provided a good insight into the issues related to customer satisfaction and its status in different PSBs as well as at different locations. The importance of different variables in contributing to the level of customer satisfaction has been studied thoroughly through different statistical tools. Some of the findings are following the trend in the literature and the works done at other places; however some of the findings are very different in nature specially as to gender perspective and the importance of response time of banks in responding to the needs of the customer.

The present work is not an absolute authority in the field as it further opens some questions as to the constituents of customer satisfaction and its the perceived quality of service by the customers which is one of the most important determinant for assessing the level of satisfaction of the customers. It is expected that the current work would provide a guideline to the bankers as well as would guide further research in the area of valuing customer satisfaction in banking industry in Meghalaya in particular and in other types of service industry in general. As during the course of this work number of private banks have started their operation in the state of Meghalaya, a comparative work on the level of customer satisfaction from PSBs and private sector banks operating here would go a long way in developing literature as well as guiding decision makers leading different banks in the state.

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Annexure -I

BANKING PROFILE BANK, BRANCHES AND LOCATION LIST OF BANKS

Serial No.	Name of the Banks	Bank Branches	Location
1	State Bank of India	Laitumkhrach	Laitumkhrach
2	Vijaya Bank	Laitumkhrach	Laitumkhrach
3	Punjab National Bank	Laitumkhrach	Laitumkhrach
4	State Bank of India	Jowai	Jowai
5	United Bank of India	Jowai	Jowai
6	State Bank of India	Main Branch	M.G Road
7	United Bank of India	Main Branch	G.S Road
8	Vijaya Bank	Main Branch	G.S Road
9	Punjab National Bank	Main Branch	G.S Road
10	UCO Bank	Main Branch	G.S Road
11	State Bank of India	Byrnihat	Byrnihat
12	United Bank of India	Byrnihat	Byrnihat
13	State Bank of India	Cheerapunjee	Cheerapunjee
14	UCO Bank	Cheerapunjee	Cheerapunjee
15	United Bank of India	Nongthymmai	Nongthymmai
16	State Bank of India	Polo Bazar	Polo Bazar
17	State Bank of India	Malki	Malki
18	State Bank of India	Mendipathar	Mendipathar
19	United Bank of India	Mendipathar	Mendipathar

Annuxuar-II

PILOT SURVEY SCHEDULE

1. Name	2.Age	3.Sex	4. Marital Status.
5. Educational Qualification		6. Profession/Occupation	
7. Your Bank		8. Branch	
9. Do you have account in any other bank/s?			Y/N
10. If yes, please tell us the name of that bank/s			
10. Type of Account/s:			
11. Since when you are operating your bank account/s (in years)			

12. What would satisfy you most from your bank?

- a. Physical Facilities,
 - b. Responsiveness of bank employees,
 - c. Less time taken on Transactions,
 - d. Security,
 - e. Better communication,
 - f. Trustworthiness,
 - g. Empathy,
 - h. Assurance,
- Or any other..... (Please mention)

13. Are you satisfied with the physical facilities provided by the bank? Y/N
14. Are you satisfied with the way bank staff solve your problems? Y/N
15. Are you satisfied with the banks operating hours/timing? Y/N
16. Are you satisfied with the bank location? Y/N
17. Rank (1-5)
18. Do you feel safe while transacting with your bank? Y/N
19. Rank (1-5)
20. Does your bank have a May I Help You counter? Y/N
21. If yes, how satisfied are you with this service. (Rank 1-5)

22. Does your bank hold any meeting periodically (weekly/monthly) to redress your grievances? Y/N
23. If yes, rate your satisfaction level with this activity of the bank. (Rank 1-5)
24. How would you rank the following in order of importance?

1. Responsiveness (helping attitude & promptness in providing service)
2. Reliability (service performance, dependably & accurately)
3. Tangibility (physical facilities)
4. Empathy (caring & individualized service)
5. Assurance (employees' competence, credibility, courtesy and ability)

Level with: (1 being least and 5 being most)

	Activity	1	2	3	4	5
25	Services provided by the banks.					
26	The time taken by the banks to respond to your demand for cash.					
27	The time taken by the banks to receive cash from you.					
28	The time taken to get money credited to the accounts after depositing a local cheque/s.					
29	The time taken to credit outstation cheque/s.					
30	The time taken to open an account.					
31	The time taken to purchase a bank draft.					
32	The time taken to encash a bank draft.					
33	The time taken by the banks to access the locker facilities for you.					
34	The time taken to obtain a new cheque book.					
35	The time taken for updating the passbook.					
36	The knowledge and courtesy of the bank towards you.					

37. What do you think is most important for bank/s from the following?
1. Service Environment
2. Service Product
3. Service Delivery
38. Assume all the above are important, rank them in order of importance.
39. Do you think that studying customer satisfaction in banks is important? Y/N

If there is any suggestion you want to give for studying customer satisfaction in

Banks please mention.....

Annexure - III

CUSTOMER SATISFACTION QUESTIONNAIRE

Customer Profile

1	Name		2. Contact Phone No.			3. Location		
4	Age		5. Sex	M	F	6 Marital Status		M S
7	Qualification					8. Profession/ Occupation		
9	Your Bank					10. Your Branch		
11	Do your bank/ branch provide you core banking services?					Yes	No	
12.	Do you use internet banking?					Yes	No	
13	Do you have account in any other banks?					Yes	No	
14	If yes, please tell us the name of that bank							
15.	Types of Accounts							
16.	Since when you are operating your bank accounts (in years)							

Satisfaction level

	How satisfied are you with your bank so far as following variables are concerned:	1 being fully satisfied and 7 being fully dissatisfied						
1	Overall how satisfied or dissatisfied are you with your bank	1	2	3	4	5	6	7
2	Delivery of error free services	1	2	3	4	5	6	7
3	Performance of Services	1	2	3	4	5	6	7

4	Records Keeping	1	2	3	4	5	6	7
5	Right services first time & every time	1	2	3	4	5	6	7
6	Genuineness of Overdraft facility	1	2	3	4	5	6	7
7	Correction of account balance	1	2	3	4	5	6	7
8	Prompt Services	1	2	3	4	5	6	7
9	Availability of Bank Officers	1	2	3	4	5	6	7
10	Calling customer back	1	2	3	4	5	6	7
11	Availability of staffs in the respective counters	1	2	3	4	5	6	7
12	Transaction against tokens	1	2	3	4	5	6	7
13	Grievance Handling	1	2	3	4	5	6	7
14	Knowledge to perform the services	1	2	3	4	5	6	7
15	Knowledge & Skill of contact personnel	1	2	3	4	5	6	7
16	Knowledge & Skill of operational personnel	1	2	3	4	5	6	7
17	Treatment to large as well as small account holders	1	2	3	4	5	6	7
18	ATM Facility	1	2	3	4	5	6	7
19	Debit Card Facility	1	2	3	4	5	6	7
20	Credit card Facility	1	2	3	4	5	6	7
21	Internet Facility	1	2	3	4	5	6	7
22	Service charges	1	2	3	4	5	6	7

23	Cash Credit Facility	1	2	3	4	5	6	7
24	Location of service facility	1	2	3	4	5	6	7
25	Waiting time to receive services	1	2	3	4	5	6	7
26	Operating hours	1	2	3	4	5	6	7
27	Friendliness of Contact Personnel	1	2	3	4	5	6	7
28	Appearance of Contact Personnel	1	2	3	4	5	6	7
29	May I Help You counter/ Grahak Mitra counter	1	2	3	4	5	6	7
30	Assuring you that a problem will be handled	1	2	3	4	5	6	7
31	Explaining how much the service will cost i.e., issue of draft, overdraft and locker charges.	1	2	3	4	5	6	7
32	Language for different customers	1	2	3	4	5	6	7
33	Informed about new services time to time	1	2	3	4	5	6	7
34	Language used for explaining the service to you	1	2	3	4	5	6	7
35	Banks innovativeness in introducing new services	1	2	3	4	5	6	7
36	Overall services provided by the banks	1	2	3	4	5	6	7
37	Bank name	1	2	3	4	5	6	7
38	Bank reputation	1	2	3	4	5	6	7
39	Banks publications regarding services and performance	1	2	3	4	5	6	7
40	Banks advertising regarding services	1	2	3	4	5	6	7

41	Personal characteristics of contact personnel	1	2	3	4	5	6	7
42	Social Banking efforts by the banks	1	2	3	4	5	6	7
43	Physical safety of yourself within the bank premises	1	2	3	4	5	6	7
44	Financial Security	1	2	3	4	5	6	7
45	Confidentiality	1	2	3	4	5	6	7
46	Recognizing the regular customer	1	2	3	4	5	6	7
47	Interest on savings	1	2	3	4	5	6	7
48	Interest on loans	1	2	3	4	5	6	7
49	Learning the customers specific requirements	1	2	3	4	5	6	7
50	Individualized attention	1	2	3	4	5	6	7
51	Bank Appearance - location	1	2	3	4	5	6	7
52	Bank Appearance - interiors	1	2	3	4	5	6	7
53	Bank Appearance - exterior	1	2	3	4	5	6	7
54	Appearance of personnel	1	2	3	4	5	6	7
55	Tools & Equipments used	1	2	3	4	5	6	7
56	Physical representation of the services like plastic credit card, Bank statement & pass book etc.	1	2	3	4	5	6	7
57	Waiting Place/Sitting arrangement	1	2	3	4	5	6	7
58	Display notice board by the banks	1	2	3	4	5	6	7
59	Complaint Box/Drop Box	1	2	3	4	5	6	7

60	Computerization of banks	1	2	3	4	5	6	7
61	Banks parking place	1	2	3	4	5	6	7
62	The time taken by the banks to response to your demand for cash	1	2	3	4	5	6	7
63	The time taken by the banks to receive cash from you	1	2	3	4	5	6	7
64	The time taken to get money credited to the accounts after depositing a local cheque	1	2	3	4	5	6	7
65	The time taken to credit outstation cheques	1	2	3	4	5	6	7
66	The time taken to open an account	1	2	3	4	5	6	7
67	The time taken to purchase a Bank Draft	1	2	3	4	5	6	7
68	The time taken to encash a Bank Draft	1	2	3	4	5	6	7
69	The time taken to get access the locker facilities	1	2	3	4	5	6	7
70	The time taken for updating the passbook	1	2	3	4	5	6	7
71	The time taken to obtain a new cheque book	1	2	3	4	5	6	7
72	The time taken to issue of Remittance	1	2	3	4	5	6	7
73	The time taken to issue of Travelers Cheques	1	2	3	4	5	6	7
74	The time taken to issue of Time Deposit Receipts	1	2	3	4	5	6	7
75	The time taken for payment of Term Deposit Receipts	1	2	3	4	5	6	7
76	The time taken to Retirements of Bills	1	2	3	4	5	6	7
77	The time taken to settlement of Account	1	2	3	4	5	6	7

78	The time required for money transfer	1	2	3	4	5	6	7
79	Time taken to cancellation of draft	1	2	3	4	5	6	7
80	Time taken to open a Fixed Deposit Account/ Recurring Deposit Account.	1	2	3	4	5	6	7
81	Are you aware of the other products of your Bank?							
	Mutual Funds	Yes	No					
	Credit Card	Yes	No					
	Insurance	Yes	No					
	Brokering services	Yes	No					
	Micro Credit	Yes	No					
82	Do you use any of these products? Name them							
83	Rate your Satisfaction Level	1	2	3	4	5	6	7
84	Overall services provided by the Banks	1	2	3	4	5	6	7
85	Do you think that studying Customer Satisfaction in Banks is important?	Yes			No			

Questionnaires Rating Chart

1. Being fully satisfied.
2. Being highly satisfied.
3. Being satisfied.
4. Neither satisfied nor dissatisfied.
5. Dissatisfied.
6. Highly dissatisfied.
7. Fully dissatisfied.

Annexure - IV

COMPONENTS OF CUSTOMER SATISFACTION

COMPONENT I:-TANGIBILITY

Physical facilities, equipment, appearance of personnel.

Bank Appearance - location
Bank Appearance – interiors
Bank Appearance – exterior
Appearance of personnel
Tools & Equipments used
Physical representation of the services like plastic credit card, Bank statement & pass book etc.
Waiting Place/Sitting arrangement
Display notice board by the banks
Complaint Box/Drop Box
Computerization of banks
Banks parking place

COMPONENT II: - RELIABILITY

Ability to perform the promised service dependably.

Delivery of error free services
Performance of Services
Records Keeping

Right services first time & every time
Genuineness of Overdraft facility
Correction of account balance

COMPONENT III: - RESPONSIVENESS

Willingness to help customers and provide prompt services.

Prompt Services
Availability of Bank Officers
Calling customer back
Availability of staffs in the respective counters
Transaction against tokens

COMPONENT IV:-ASSURANCE

Knowledge and courtesy of employees and their ability to convey trust and confidence.

Grievance Handling
Knowledge to perform the services
Knowledge & Skill of contact personnel
Knowledge & Skill of operational personnel
Treatment to large as well as small account holders
ATM Facility

Debit Card Facility
Credit card Facility
Internet Facility
Service charges
Cash Credit Facility
Friendliness of Contact Personnel
Appearance of Contact Personnel
May I Help You counter/ Grahak Mitra counter
Banks innovativeness in introducing new services
Overall services provided by the banks
Bank name
Bank reputation
Banks publications regarding services and performance
Banks advertising regarding services
Personal characteristics of contact personnel
Social Banking efforts by the banks
Physical safety of yourself within the bank premises
Financial Security
Confidentiality
Recognizing the regular customer
Interest on savings
Interest on loans

COMPONENT V:-EMPATHY

Caring individualized attention the company provides to its customers

Location of service facility
Waiting time to receive services
Operating hours
Recognizing the regular customer
Learning the customers specific requirements
Individualized attention

COMPONENT VI:-WITHDRAWAL

The time taken by the banks to response to your demand for cash

COMPONENT VII:-DEPOSIT

Time taken to open a Fixed Deposit Account/ Recurring Deposit Account.
--

COMPONENT VIII:-MONEY TRANSFER

The time taken to get money credited to the accounts after depositing a local cheque
The time taken to credit outstation cheques
The time taken to encash a Bank Draft
The time required for money transfer

COMPONENT IX:-OPENING ACCOUNTS

The time taken to open an account
Time taken to open a Fixed Deposit Account/ Recurring Deposit Account.

COMPONENT X-SERVICES

The time taken to purchase a Bank Draft
The time taken to get access the locker facilities
The time taken for updating the passbook
The time taken to obtain a new cheque book
The time taken to issue of Remittance
The time taken to issue of Travelers Cheques
The time taken to issue of Time Deposit Receipts
The time taken for payment of Term Deposit Receipt
The time taken to Retirements of Bills
The time taken to settlement of Account
Time taken to cancellation of draft

MEMU LIBRARY 103982
Acc No.....
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