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A STUDY OF RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION IN SELECTED PUBLIC SECTOR AND PRIVATE SECTOR BANKS IN CHANDIGARH.

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ABSTRACT

With the advent of privatisation and due to entry of various service providers in the market, the banking customers have ample of brands to select so as to get banking services. The aim of this study was to establish arelationship between the variables-service quality and customer satisfaction in banking industry. Among banking industry equal number of respondents are chosen from both selected public and private sector banks so as to analyse the service quality factors affecting the level of satisfaction in selected private and public sector banks. For the purpose of the present study various tools such as descriptive analyses, correlation analysis, independent t-test, Annova, multiple regression, test of multicollinearity etc. with the extensive use of SPSS software packages have been applied. The research concluded that the key indicator of service quality in both public and private banks is assurance dimension showing that banks are polite and courteous in dealings, customer feel safe with the transactions etc. The overall ratings of service quality of private sector are found to be better by the customer as compared with public sector banks.

Key words: service quality, customer satisfaction

INTRODUCTION

During the past two decades or so, regulatory, structural and technological factors have significantly changed the banking environment throughout the world (Angur et al., 1999). So it is being a high time to realise that the quality of service has become very crucial to both the customer and financial service provider. So in order to survive in the competitive and demanding environment, the banks have to develop services so as to meet the expectations, failing which they will be thrown out of the market. Nowadays, banks so as to gain the attention of customers are providing the services exactly matching to customer's requirement. The efficiency levels of banks are judged in the way how sufficiently do the banks deals with the target customers by providing services. So here lies the importance of understanding the customer requirements so that banking companies can try innovative techniques to get closer to the prospective customers and may hear "the voice of customer."

SERVICE QUALITY:

Service quality is an important issue in this fast developing world. In order to survive in the

competitive environment, the main focus of every organization is towards providing the quality services to the extent as demanded by the customer overtime. An author defines service as "any intangible act or performance that one part offers to another that does not result in the ownership of anything" (kotler&kotler, 2009, p.789). In all services can be defined as providing intangibles goods to the users for the direct satisfaction of their wants. Parasuraman defines service quality as "the difference between customer expectations and perceptions of services" (Parasuraman, 1988). So the concept of service quality is an approach which helps an organization to increase its effectiveness and gaining a competitive edge against competitors. The following are the important areas which determine the customer satisfactions:

- ✓ The behaviour of staff as polite and courteous
- ✓ The physical facilities at bank
- ✓ The operating hours of the bank
- ✓ Guiding customer correctly
- ✓ Offering competitive interest rates
- ✓ Understanding specific needs of customers

One of the most widely used measurements of service quality is the dimensions of SERVQUAL model. While creating this model for the first time, " Parasuraman et al. (1985) identified 97 attributes which were further categorised into ten dimensions; they were found to have an impact on service quality and were regarded as the criteria that were important to access customer's expectations and perceptions on delivered service (Kumar et al.,2009,p.214).

The original study by Parasuraman et al.,(1988) presented the ten dimensions of service quality as follows:

- ✓ Tangibles: the appearance of physical artefacts and staff members connected with the service (accommodation, equipment, staff uniforms, and so on).
- ✓ Reliability: the ability to deliver the promised service
- ✓ Responsiveness: the readiness of staff members to help in a pleasant and effective way.
- ✓ Competence: the capability of staff members in executing the service.
- ✓ Courtesy: the respect, thoughtfulness, and politeness exhibited by staff members who are in contact with customer.
- ✓ Credibility: the trustworthiness and honesty of the service provider.

- ✓ Security: the absence of doubt, economic risk, and physical danger.
- ✓ Access: the accessibility of the service provider.
- ✓ Communication: an understandable manner and use of language by the service provider.
- ✓ Understanding the customer: efforts by the service provider to know and understand the customer.

CUSTOMER SATISFACTION:

According to Philip kotler "customer satisfaction is a person's feeling of pleasure and disappointment resulting from comparing a product perceived performance in relations to his or her expectations." Nowadays banking companies are trying innovative ways for improving the quality service so as to get close to the customers. The factors which determine the customer satisfaction may include: providing quick service, providing requisite information to customer, provision of more counters in banks so as to save the time of customer.

BANKS'S PROFILE:

The study of relationship between service quality and customer satisfaction has been done in both public sector and private sector banks situated in Chandigarh. Among the public sector banks, the STATE BANK OF INDIA and the, the PUNJAB NATIONAL BANK, the leading banks in this sector has been approached. In the private sector, the AXIS BANK and HOUSING DEVELOPMENT FINANCE CORPORATION (HDFC) has been chosen for the purpose of the study.

PUBLIC SECTOR BANKS:

1. **State Bank of India** is an Indian, Public Sector banking and financial services company. it is the largest banking and financial services company in India by assets(2013). It is a government-owned corporation with headquarter in Mumbai, Maharashtra. It has six subsidiaries banks till date. It was established in 1806 at Calcutta as bank of Calcutta. It is known as the oldest bank of Indian sub-continent. SBI has largest branch network in India with 16000 branches presently.
2. **Punjab national bank:**

   PNB was registered on 19may 1894 under the Indian companies act with its office in anarkali bazar, Lahore. PNB has distinction of being the first bank to have been started s with indian capital solely that has survived to the present date.

PRIVATE SECTOR BANK:

1. **AXIS BANK:** it is the third largest private sector bank in India. incorporated as UTI bank, headquartered Ahmedabad. The bank offers financial services to its customer segments which covers Large and Mid-Sized Corporates, Agriculture and Retail Businesses, MSME. It completed its first year in operation in the year 1995. It has crossed its 12,600 ATM mark in 2011.
2. **HDFC:HDFC Bank Limited** is a banking and financial services company headquartered in Mumbai, Maharashtra. Incorporated in 1994, it is the largest private sector bank in India by market capitalisation. The bank was promoted by the Housing Development Finance Corporation, a premier housing finance company (set up in 1977) of India.

REVIEW OF LITERATURE

Various researchers have conducted their studies on service quality and customer satisfaction. **Bakshi, &Parida,(2012)** The study evolved around the effect of core banking solutions alternatives on the quality perceptions of customers. In today's world, the customers are preferring the electronic and mobile banking channels because of the transparency, instant availability of accurate data, min. time involved etc. **Kalidas and Ravi kumar(2014)** have explained that service quality has a significant impact on the satisfaction level of customer, and also different dimensions of service quality do not have unique impact on customer satisfaction. **Ghost &Gnanadhas** (2011) concluded that service quality perception of customer depends mostly upon the demographic profile of customers- female perceive less degree of influence of quality factors as compared with males. **Lohani&Bhatia(2012)** have explained that the dimensions of service quality such as reliability, responsiveness, and assurance have large impact on the perception of customers satisfaction in both public sector and private sector bank. **Devi &Susithra (2014),** the study was based on analyzing the quality service of hotel industry and its impact on customer satisfaction. Customer prefers those hotels which provide more quality products with reasonable prices. **Mohammad &Alhamadani(2011)** focused upon five dimensions of quality service- tangibles, reliability, responsiveness, assurance and empathy have significant impact on customer satisfaction. **Dawar(2013),** focused his research on identification of factors that affect the customer satisfaction in retail banking and thus identified the factors such as reliability, technology, commitment, empathy and privacy affecting the degree of customers satisfaction. **Debasish(2002),** conducted his study to find

out the level of service quality in commercial banks in delhi and have tried to make a comparative analysis of level of service quality in public private and foreign banks commercial banks in Delhi **Spathis et al(2004)** tried to analyse how service quality perception is found more in males as compared with females in banks.

RESEARCH METHODOLOGY

Need of the study

The main objective of this study is to see the services offered by banks how largely affect the satisfaction level of customers. India, being a developing economy and its banking sector caters to the needs of huge clientele with a wide scope of geographical reach. So here lies an excellent scope for research on the level of service quality provided by the current banks and its impact on customer satisfaction. In this backdrop, the current study makes a purposeful attempt to investigate the various issues related to service quality from perspective of customers in banking sector industry of a developing nation- India. Since the banks occupy a significant role in the interest of customers by providing many services such as depositing, withdrawing, locker facilities, loan facilities, authentication of legal documents etc, so there requires a study to analyse with the advent of time how the quality perception of customers have changed. The study will be focused towards analysing the difference the service quality of public sector and private sector bank. It is hoped that he findings presented in the study will help bank executives with proper insights into the requirements of product and services, which customer prefers the most appropriate while choosing a bank.

OBJECTIVES:

- To explore the key dimension of service quality in the banking sector.
- To study the relationship between service quality and satisfaction of customer in selected banks of Chandigarh.
- To study the relationship between the service quality and its dimensions.
- To examine which dimension of quality have significant impact on customer satisfaction.
- To make a comparison between public and private banks in respect of quality perception of customers.
- To study the relationship between demographic profiles (age, gender, income) of customer and the quality of service.

HYPOTHESIS:

- There is a direct relationship between service quality of banks and customer

satisfaction.

- All the seven quality related dimensions have significant positive influence on overall customer satisfaction
- There is a significant relationship between quality service and its dimension.
- There is no significant relationship between the degree of customer satisfaction and demographic variables.
- The customers are more satisfied with the service quality of private sector bank as compared with public sector bank.

VARIABLES:

The research design of the present study consists of one independent variable-SERVICE QUALITY and one dependent variable CUSTOMER SATISFACTION. Further service quality has six dimensions -

Demographic variables such as age, marital status, gender, income level and duration of dealing with the bank are taken to check the relationship with customer satisfaction.

SAMPLING PROCEDURE:

For the purpose of the present study, limited numbers of 100 respondents, who are the users of banking services in Chandigarh, were approached based on random sampling to collect enough data so as to conduct research and reaching a meaningful conclusion regarding the relationship between the service quality of banks and customer satisfaction. While filling up the questionnaire efforts are made to avoid biasness, by reaching both male and female, married and unmarried and the different persons belonging to different age group and different income level have been approached.

DISTRIBUTION OF RESPONDENTS AMONG TWO GROUPS OF BANKS

TYPE OF BANK		NO. OF CUSTOMER
PUBLIC SECTOR	SBI	25
	PNB	19
PRIVATE SECTOR	AXIS BANK	24
	HDFC	24
	TOTAL	92

METHODS OF DATA COLLECTION:

a) Data collection procedure:

The present study is based on primary as well as secondary data. Secondary research include reviewing of existing literature available on service quality, customer satisfaction and the various behavioural intentions in the banking industry. The objectives of the study have been framed using the secondary data collected. Primary data for the research was collected with the help of the structured questionnaire that was designed to achieve the study objectives as outlined. Data collection was done over a period of 1 month .The 100 structured questionnaire were sent to equal customers(based on random sampling) of both public and private sector banks with the response rate of 92.

In order to eliminate the errors of framing sampling, the various respondent of both public and private sector banks were approached visiting the sampling locations during different time intervals.

a) Data collection tools:

Service quality was operationalised byusing Parasuraman*et al.* (1988) widely known 22 item, five components (i.e. tangibles, reliability, responsiveness, assurance and empathy) SERVQUAL instruments. Researchers and practitioners seem to generally agree that the 22 items of SERVQUAL scale developed by Parasuraman*et al.* (1988) are good predictors of service quality by customers in banking industry, also two more dimensions (product convenience and product availability) on quality have been taken from the thesis of Bedi(2004) who conducted a similar study on the study of relationship between quality and customer satisfaction in selected banks in chanadigarh.

The seven dimensions to conceptualise quality are :

1) *Assurance*: It is defined as employee's knowledge and his courtesy and the ability of the bank so to inspire trust and confidence among customers
2) *Empathy*: It is defined as the individualised caring attention which banks provide to its customers. It also refers to as the approachability, an effort taken to understand the needs of customers.
3) *Responsiveness:* It is the willingness on the part of service provider to help customers through providing prompt services. This dimension focuses on attentiveness and promptness in dealing with varied customers requests, complaints questions and problems.
4) *Tangibles:* This refers to the appearance of physical facilities, equipment, and

communication material in banks.

5) *Reliability*: It is defined as the ability of banks to perform the service as per the promised schedule accurately.

6) *Product Availability*: It explains the "content" of the services of banks i.e. "what" of the service. It refers to as the various products and its features provided by the bank.

7) *Product Convenience*: It is defined as the convenience and ease of using the bank products/services.

In answering the questionnaire, the five point likert scales have been used ranging from 1 to 5. The scale is as follows: - 1-strongly disagree; 2-disagree; 3-neutral; 4-agree; 5- strongly agree.

Further customer satisfaction was operationalized by 6 item measures, Bedi(2004). These items are related to service quality, product quality etc. After defining items, respondents were asked to rate their level of satisfaction according to their level of satisfaction on a five–point scale ranging from extremely dissatisfied (1) to extremely satisfied (5).
A respondent's overall satisfaction score was judged by combining his or her score on 6 items.

STATISTICAL TECHNIQUE USED- TOOLS FOR DATA ANALYSIS:

The following statistical tools have been used for the proper analyses of the data:

1) Descriptive Analysis: Measures of central tendency such as means, standard deviation, etc. were used to study the nature and distribution of scores on various variables.

2) Correlation Analysis: to check the relationship between the independent and the dependent variables using correlation analysis.

3) Independent T- sample test: To see the association between demographic variables (gender, marital status) has been applied.

4) ANOVA test: to see the association between demographic variables(age, income level, duration with bank, type of profession).

5) Multiple Regression: The multiple regression analysis was done to determine and observe the relative contribution of each of seven dimensions of service quality influencing: (a) Overall quality (b) Overall customer satisfaction.

6) Multicollinearity: The multicollinearity (the problem of inter-correlation among independent variables) test is applied to check the intercorrelation between the variables.

Statistical calculations have been done by, making extensive use of SPSS 20 Software Packages on the computer.

DATAANALYSIS

TABLE 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Personal factor		No. of respondents	percentage
Age	21-30	71	77.2
	31-40	14	15.2
	>41	7	7.6
Gender	Male	61	66.3
	Female	31	33.7
Marital status	Married	30	32.6
	Unmarried	62	67.4
Profession	administrative	40	43.5
	academic	17	18.5
	Student	22	23.9
	Own business	11	12
	others	2	2.2
Duration with the bank	< 2 year	27	29.3
	2-3 years	24	26.1
	3-4 years	11	12.0
	4-5 years	9	9.8
	<5 years	21	22.8
Income level	up to rs.5000	4	4.3
	5000-10000	12	13.0
	10001-15000	21	22.8
	15000-20000	11	12.0
	20000-25000	10	10.9
	>25001	19	20.7
	Nil	15	16.3

- **Table 1**: The table shows that 77% of the respondents lies between the age group 21-30. Followed by 14%, 7% in the age group 31-40 and above 41 respectively.
- 66.3% of the respondents are male and 33.7% are female.

- Among the respondents 32.6% are married and 67.4% are unmarried. Among unmarried respondents are the students.
- Out of the total respondents 43.5% are related to administrative, 18% are related to academics, 18.5% are the students of universities, and 11% are the ones who carry their own business.
- Highest number of respondents(22.8%)have income between rs.10001-15000, followed by 20.7% having income more than Rs.25000

Table 2: TEST OF NORMALITY: SHAPIRO WILK

SHAPIRO WILK	Statistics	Df	Sig.
Service quality	.982	92	.246
Customer satisfaction	.973	92	.052

Since both the variables have sig. value >0.05, the data is normal. Hence all parametric tests concerned with this study will be used.

Table 3: DESCRIPTIVE STATISTICS ANALYSIS

	Mean	Std. deviation
Customer satis faction	4.0362	.51818
Assurance dimension	4.0797	.60395
Empathy dimension	3.7962	.59292
Reliability dimension	3.8304	.58399
Responsiveness dimension	3.9946	.60779
Tangibles dimension	3.9946	.52933
Product availability	3.8514	.61595
Product convenien ce dimension	3.8551	.62956

Among the various service quality dimensions, the mean scores of assurance dimension is high, showing that the banks' employees know very well the products and services offered by the bank, Employees of the bank are polite and courteous, banks provide safe and secure transactions to customers. Assurance is the key dimension followed by tangible dimension showing that customers have significant impact of physical facilities and visually appealing artefacts of banks. The responsiveness dimension is also been rated good by the customer, depicting that the responsible and courteous behaviour of employees of banks also have impact on the level of satisfaction of customers.

CORRELATION ANALYSES:

Hypothesis 1- There is a direct relationship between service quality of banks and customer satisfaction.

Table 4

Correlations		Service quality	Customer satisfaction
Service quality	Pearson Correlation sig.(2-tailed)	1	.631
Customer satisfaction	Pearson Correlation sig.(2-tailed)	.631	1

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

Conclusion: since the value of correlation between service quality and customer satisfaction is .631, nearer to 1 and the value is significant at 0.01 level. So it implies that hypothesis1 is correct, stating that there is positive and significant relationship between them.

Hypothesis 2:All the seven quality related dimensions have significant positive influence on overall customer satisfaction.

Correlation– service Quality and its Dimensions

Table 5

		Empathy	Assurance	Reliability	Responsiveness	Tangibles	Product availabili-ty	Product convcni-ence
Customer satisfaction	Pearson correlation	0.577	0.383	0.557	0.387	0.425	0.419	0.430
	Sig (2tailed)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

1) Pearson Correlation

2) Correlation significant at .05 level

This shows that all the quality related dimensions have positive and significant impact on customer satisfaction. Further the Empathy dimension of service quality has the greatest effect and impact on the customer satisfaction, followed by reliability dimension.

Hypothesis 3: There is a significant relationship between quality service and its dimension.

Table 6 CORRELATION BETWEEN SERVICE QUALITY AND ITS DIMENSIONS:

	Empathy	Assurance	Reliability	Responsive -ness	tangibles	Product Availabili ty	Product convenience
Service quality	0.679	0.750	0.814	0.694	0.721	0.686	0.689
Sign.(2-tailed)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

- Pearson Correlation
- Correlation significant at .05 level
- All the dimensions of service quality have positive and significant relationship between the overall service quality.

SHOWING THE RELATIONSHIP BETWEEN THE SERVICE QUALITY AND ITS DIMENSIONS:

The mathematical representation of research model for the above relationship is displayed as

$$Y=\alpha+\beta1x1+\beta2x2+\beta3x3+\beta4x4+\beta5x5+\beta6x6+\beta7x7+\text{error}$$

where Y = overall service Quality

x1, x2, x3, x4, x5, x6, x7 = dimensions of quality

β1, β2, β3, β4, β5, β6, β7 = coefficient of the dimensions of quality

REGRESSION: Table 7

Model	R	R square	Adjusted R square	Std. error of estimate
1	.676	.457	.412	.39740

R square refers to the coefficient of determination that measures the proportion of the variance in the dependent variable that are explained by the independent variables. In terms of the relationship between the seven quality dimension and overall quality, the R square = 0.457. As shown in, seven dimensions of quality namely Responsiveness, Product Convenience, Assurance, Reliability, Empathy, Product Availability and Tangibles were also statistically significant ($p<0.005$).

Table 8: Stepwise Regression Analysis: service quality

Variable	Beta	t-value	Significance level
Constant		7.340	0.00
Empathy	0.405	4.495	0.00
Reliability	0.366	4.067	0.00

t-statistics help to determine the relative importance of each variable in the model.

Beta co-efficient is the standardised regression co-efficient which allows comparison of the relatives on the dependent variable of each independent variable.

Conclusion: using stepwise regression analysis, it shows that the empathy and reliability dimension have value i.e $p<0.05$, indicating that these two dimensions largely impacts the overall service quality.

Table 9: Multicollinearity Statistics: service Quality

Model	Tolerance	VIF
Assurance	.565	1.770
Empathy	.668	1.498
Reliability	.461	2.170
Responsiveness	.629	1.589
Tangibles	.588	1.701
Product availability	.647	1.546
Product convenience	.644	1.553

The variance inflation factor (VIF) and tolerance value (TV) for the linear stepwise regression model is shown. The values of VIF, which served as an indicator of multicollinearity, ranged from 1.498 to 2.170. These values were far below the cut-off value of 10.

In addition, it has been seen that the tolerance value for each independent variable is closer to one, which indicates that there is no evidence of multicollinearity. In other-words, there is no significant evidence of multicollinearity problem in the regression model as presented.

HYPOTHESIS 4: There is no significant relationship between the degree of customer satisfaction and demographic variables.

ANNOVA Table 10:

Customer satisfaction and age		Sum of squares	Df	Mean square	F	Sig.
	Between groups	.500	2	.250	.930	.398
	Within groups	23.935	89	.269		
Customer satisfaction and profession						
	Between groups	.618	4	.155	.565	.689
	Within groups	23.816	87	.274		

Result: the Annova test between age of banking customers and the satisfaction level shows that the sign. Value is 0.398>0.05, it shows that age of customer has no significant impact on the level of customer satisfaction perceived by them. Further, between profession of customer and satisfaction the sig. value is .689>0.05, indicating that customer satisfaction doesn't depend upon the profession of customers.

TABLE 11: INDEPENDENT T-TEST

Leven test for equality of variances					
Independent t-test - marital status and satisfaction	**F**	**Sig.**	**T**	**Df**	**Sig.(2 tailed)**
	.046	.831	-.037	90	.970
			-.036	54.009	.971
Between marital status and satisfaction	1.187	.279	-.301	90	.764
			-.288	53.821	.775
Between Private and public bank	.102	0.750	-1.595	90	0.114
			-1.593	88.765	0.115

Independent t-test sig. value is .971> 0.05, depicting that marital status doesn't has the impact on the customer satisfaction. Also the sign. Value is .775>0.05, indicating that the gender of population has no impact on the customer satisfaction.

The customers don't perceive same level of satisfaction, from both public and private sector bank as the value of sign. Is 0.115>0.05.

Hypothesis 5: The customers are more satisfied with the service quality of private sector bank as compared with public sector bank.

COMPARISON BETWEEN PUBLIC SECTOR AND PRIVATE SECTOR BANKS:

Table12: Descriptive statistics

	Mean (Public banks)	Std. Deviation	Mean (private banks)	Std. Deviation
ASSURANCE DIMENSION	4.0682	.52128	4.0903	.67631
EMPATHY DIMENSION	3.7159	.56443	3.8698	.61452
RELIABILITY DIMENSION	3.7545	.64536	3.9000	.51859
RESPONSIVENESS DIMENSION	3.8125	.64277	4.0208	.56218
TANGIBLES DIMENSION	3.8523	.50955	4.1250	.51828
PRODUCT AVAILABILITY DIMENSION	3.7652	.66891	3.9306	.55844
PRODUCT CONVENIENCE DIMENSION	3.7955	.63983	3.9097	.62167
CUSTOMER SATISFACTION DIMENSION	3.9470	.52184	4.1181	.50641
SERVICE QUALITY	3.8234		3.9780	.39163

TABLE 12: shows that the mean and standard deviation of the customer satisfaction and various dimensions of service quality of public sector and private sector banks.

It can be compared by a glance at table, showing that the customers of private sector banks have rated high to all the dimensions of service quality as compared with ratings of customers of public sector banks. So it can be concluded through the present study that customers are more satisfied with the level of service of private banks as compared with the public banks.

Hypothesis Testing

From the above results, it can be concluded that all the framed hypothesis hypotheses H1, H2, H3, H4, H5 are supported. It is also concluded that the dimension of assurance is the best predictor of service quality in banking sector and it is followed by dimensions of tangibles and responsiveness.

(B) CONCLUSION AND RECOMMENDATION

From the analysis done in the previous part, the following findings have been collected:

1. The key indicator of service quality is seen as assurance dimension in among both public and private sector banks. But the other dimensions are equally important for customer satisfaction are responsible behaviour, reliability and the empathy dimension.

2. The empathy dimension is low rated by the customers in banking industry, so effort should be made to avoid discomfort due to lack of parking space, banks should have convenient operating hours, banks should provide individual attention to every customer.
3. It has been observed that the customer assume the service quality of private sector banks much better as compared with public sector banks, so it is a high time for public sector banks to realise its areas of weaknesses in terms of dealing with customers and should provide a tough competition to private sector banks by improving its quality measures.
4. The lowest rated dimension in public sector banks are empathy dimension, reliability dimension and product availability dimension, indicating that public banks needs to understand the specific banking needs of their customers, employees should show sincere interest in solving the problems faced by customers and the various product variety and features of savings, banking cards, and personal finance need to be adequate.
5. The lowest rated dimension in private sector banks includes empathy, reliability, product convenience dimensions, indicating that banks should aim at providing ample parking space, convenient operating hours, providing hassle free services, providing services as per the promised schedule.
6. The overall ratings of banks on the basis of customer satisfaction is good, but still customer expects more and better services on behalf of both public and private sector banks, so more efforts should be there to provide the appropriate and desired level of service so as to suit the different banking requirements of the customers.
7. If banks want to retain its customer for a long period of time, the employees of banks should work efficiently towards 100% customer satisfaction that will result in achieving long term goals of banks itself.

LIMITATION OF THE STUDY

All the researches have its limitation and this study is no exception. In designing the current study, the following limitations have been seen:

1. The Respondents have been confined to the customers of banks in Chandigarh. So the thinking and perception of people living in Chandigarh may vary from those of the rest of India.
2. There were only two public sector banks and two private sector banks were chosen for

the purpose of this study, so as to have easy accessibility.

3.Due to time constraints, the study was limited to 100 respondents only.so results are confined to the responses of 100 respondents only.

4.Only a limited of 7 dimensions of service quality and 6 components of customer satisfaction have been used, although many more dimensions exists, if those could be used, the more comprehensive would be the results.

5.There exists the possibility of missing various other key dimensions such as customers complaints and scope for suggestions, which could provide much information about the level of satisfaction and dissatisfaction among customer.

SCOPE FOR FUTURE STUDY:

It has been realised that there exists a great scope for future study to study the relationship between service quality and customer satisfaction in a more comprehensive way. Banking industry has shown tremendous increase in number of customers overtime, due to the impacts of privatisation and many efforts of government such as scheme of financial inclusion, Jan Dhan Yojna etc. so in future efforts should be made to reach wide number of customers. Since the number of respondents were limited to one geographical area, in future research can be conducted including more areas under study, so that generalisations of results can be based on more number of respondents.

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