CUSTOMER SATISFACTION IN BANKING SECTOR-A CASE STUDY OF H.D.F.C BANK

Manisha Raj [1] & Shruti Bansal[2]
[1]Assistant Professor, Amity School of Economics, Amity University, Noida, Uttar Pradesh.
[2]Student, Amity School of Economics, Amity University, Noida, Uttar Pradesh.

ABSTRACT: *Now a days banking has changed because banking services are no more based on brick and mortar structure. Due to continuous growth of technology there is increasing customer base and evolution of alternate banking channels has changed the way of banking services, so the customer satisfaction. Banking is a customer oriented service industry and customer satisfaction has become the most important aspect of any banking business due to immense competition. The concepts and determinants of customer satisfaction has changed significantly as transition has taken place from traditional to modern banking.Banking industry is the service industry and provides various financial services to its customers. Indian banking industry is rendering their services according to the directions of Reserve Bank of India. As banking industry is service providing industry thus customers' satisfaction is vital in its business. This study tries to get various problems or satisfaction of H.D.F.C Bank customers in regarding physical resources, courteous services, committed services and assurance etc.From the present study, it is expected that SERVQUAL dimensions will have significant relationship with customer satisfaction and mostly customers will be satisfied with the banking services since H.D.F.C Bank provides best quality services and identifies and fulfils the need of its customers.*

Key Words: Customer satisfaction; technology; Traditional and Modern banking; assurance; responsiveness; Reserve Bank of India.
JEL Classification: G21,G40.

INTRODUCTION

In the age of globalization, accomplishing the higher level of customer satisfaction is the challenging task especially in the service sector. In order to face this challenging task, many organizations have started to improve their service quality. Service quality is one of the serious components in any service sector because service quality helps to maintain competitive advantages in the market place. Therefore, service quality is the strategic tool to reinforce competitive advantages and increase profitability in business **(Tam, 2004).** So many service sectors are using this strategic component to attract and retain customers. Hence, service quality is determined through customer satisfaction and customer satisfaction is determined through customer loyalty. Similarly, in order to provide superior services to the clients, at first service providers must understand how clients perceived and evaluated their services. After that, service providers can assume clients are facilitated by various services provided by service sectors **(Zeithaml et al., 2002)**.

Affinity between both service quality and customer satisfaction is highlighted in empirical research **(Bitner et al., 1990).** Therefore, relationship between customer satisfaction and service quality is very critical in service sector like banking. In case of banking sector, clients are attracted by high quality services. Moreover, advancement in technology helps banking sector to upgrade their service quality (example: ATM, Online Banking, Mobile Banking, and Visa card). The point is that clients are loyal to those products which have a greater value as compared to those of competitors'. Thus, banks can earn higher profit if they are one step ahead of their competitors in terms of services provided by them. For this reason, every banking institution should focus on service quality so as to satisfy customer and retain customer loyalty.

SIGNIFICANCE OF THE STUDY

This research will provide a comprehensive framework for service quality dimensions with respect to customer satisfaction and customer loyalty. It also provides innovative ways to improve service quality to customers and revise the current services provided by the banks, if necessary. The agencies and planners can get data and information on customer satisfaction which will help them to improve their services. These findings may help planners, policy makers and researchers to identify the banks activities and to know the existing impact of bank in the study area. This present research also guides future researchers by providing baseline data for huge research which will be more reliable and can be generalized.

SCOPE OF THE STUDY

A study on customer satisfaction level regarding HDFC bank is study of customer satisfaction level regarding various services provided by the HDFC bank. The HDFC bank provides various utility services to their customers. The purpose of this study is to analyze the satisfaction level of the customer towards the services providing by the HDFC bank. The research covers the customer's opinions on banking services which will be helpful for further development and growth of banking venture of HDFC bank. This research focuses on the level of customer satisfaction derived from banking services of HDFC Bank in Meerut district of Uttar Pradesh.

REVIEW OF LITERATURE

D. Srinivas, Prof. N. Hanumantha Rao (2018)-In their research paper titled **'Service Quality In Commercial Banks:A Study Of Public Sector Banks In Warangal District'** the objectives of the study were to determine the perceptions of customers regarding the quality of service delivered by public and private bank, to determine the relevant dimensions of service quality for the banking sector and to identify the dimensions of SERVQUAL that ensure maximum satisfaction for customers in the banking sector. The study explores the service quality of the public sector banks in Warangal district of Telangana.. As a pilot study data collected from 100 respondents from Warangal District , which is based on convenience sampling basis. For measuring service quality, Likert type five point scale was used. Suitable score values was assigned to the responses obtained for each point.The dissatisfied customers find responsiveness and empathy dimension as the twin concept that is lacked by the bank. So far as the satisfied customers are concerned, there exist a long gap between the expected service quality (what type of services the customers expect exactly from the bank) and actual service quality (what type of services the are getting from bank in real sense).

E. Ashraf and Dr. K. Venugopalan (2018)- In their research paper **'Service Quality And Customer Satisfaction: A Comparison Between Public And Private Sector Banks In Kerala'** the objectives were two fold- to compare the level of service quality dimensions of commercial public sector banks and private sector banks in Kerala and to examine the satisfaction level of customers of commercial public sector banks and private sector banks in Kerala. This study was an analytical nature based on primary. The primary data for the analysis were collected, by the researcher, from the customers of commercial public sector banks and private sector banks in Kerala. It was collected with the help of structured questionnaires. Questionnaire measures service quality by implementing the five dimensions of the "SERVQUAL" instrument. The study result indicates the high level of service quality in all dimensions (more than 5). It also reveals that, there is no significant difference in level of service quality and customer satisfaction between public sector and private sector banks in Kerala.

H.M.G.Y.J. Hennayake (2017)-In his research paper **'Impact of Service Quality on Customer Satisfaction of Public Sector Commercial Banks: A Study on Rural Economic Context'** the objectives were to evaluate the relationship between service quality and perceived customer satisfaction, to identify the impact of Human-Related service quality factors towards the perceived customer satisfaction in commercial banking sector, to identify the impact of Non-Human Related service quality factors towards the perceived customer satisfaction in commercial banking sector to propose recommendations to enhance perceived customer satisfaction in banking industry. Primary data was collected by distributing a detailed questionnaire for 210 respondents who are the customers of state commercial banks in Puttalam district. Findings revealed that the Human Related Factors of perceived service quality have a greater impact on customer satisfaction whereas Reliability and Responsiveness are the most influential factors on customer satisfaction. Managerial implications and the research propositions were suggested for the service marketing sphere at the conclusion.

Dr. Biju John M(2017)- In his research paper titled **'Dynamics Of Service Quality In The Indian Banking Sector'** the objectives were to evaluate the perceived service quality in commercial banks, to ascertain the dimensions of service quality in banks and to offer suggestions to improve the service quality in banks. The paper is based on a descriptive and exploratory study based on primary data. Primary information is collected using survey method. The customers of commercial banks in Thrissur District of Kerala State forms the population of the study. The study used convenient sampling technique and selected 200 customers of commercial banks from different areas of Thrissur district of the state of Kerala. . It is suggested to the banking sector that apart from ensuring the trust of customers, it should improve their operations in providing the customers highly advanced technological services for easy access and instant delivery of services.

SukanyaKundu, Saroj Kumar Datta(2015)- In their research paper titled **'Impact of trust on the relationship of e-service quality and customer satisfaction'** the purpose of this paper is to find the role of trust as a mediating variable between e-service quality and customer satisfaction in internet banking. The paper opted for an exploratory study using closed ended questionnaire. The empirical data are drawn from 367 customers of internet banking. The results confirm trust as a mediating variable between e-service quality while analyzing the same model with gap value and perception value.

OBJECTIVES OF THE STUDY

The general objective of this proposed research is to study the customer satisfaction, quality services and customer loyalty in H.D.F.C Bank in India in Meerut district. Moreover, the specific objectives are:

1. To identify the dimensions of SERVQUAL that ensure maximum satisfaction for customers in the banking sector.
2. To identify the factors affecting customer satisfaction.
3. To know the relationship of SERVQUAL Dimensions and customer satisfaction level regarding HDFC Bank.
4. To access whether customer satisfaction mediates the relationship between service quality dimensions, situational factors and customer loyalty.
5. To identify the degree of satisfaction of service quality via private sector banks comparatively to public sector banks.

RESEARCH QUESTION

It is challenge for the banking sector to provide them with the quality services by identifying their needs, taking continuous feedback. Hence, the major concerns of our study regarding customer satisfaction are:

1. What are the major factors affecting customer satisfaction ?
2. What is the level of customer loyalty in H.D.F.C bank ?
3. What are the factors associated with customer satisfaction in H.D.F.C bank?

RESEARCH METHODOLOGY*

- ✓ **Data Collection and Empirical Context-** The descriptive research was carried out to assess the service quality, customer satisfaction and customer loyalty in the HDFC Bank of Meerut district in Uttar Pradesh. Therefore, researchers started by searching former knowledge of the area. These past knowledge is used to recognize different dependent and independent variables.
- ✓ **Study Area -**H.D.F.C Bank, Meerut, Uttar Pradesh, India.
- ✓ **Population-**Population refers to specific group of the units such as individuals, households, organization and similar that are targeted for definite study. For this thesis, 300 customers of H.D.F.C Bank of Meerut, India were identified.
- ✓ **Sampling Frame-**After defining the population, the next step is to identify the sample frame. Sampling frame is the process of listing the elements so as to draw actual sample. For this thesis, list of all branches of H.D.F.C banks in Meerut was obtained.
- ✓ **Sampling Procedure-**Non- Probability sampling methods was used for data collection. Under this sampling procedure, convenience sampling procedure is appropriate for this research.
- ✓ **Sampling Size-**Several factors such as money, time, statistical methods, population size and so on depends upon the question of sample size. For this thesis, as per the research convenience, 300 sample were taken.
- ✓ **Nature of Instruments-**Structural questionnaires were developed. The questionnaire consists of four parts. First part consists of demographic factor and situational factor,Second part consists of service quality dimensions,Third part consists of customer loyalty and Final part consists of customer satisfaction.
- ✓ **Measurement of Variables-**After completing the data collection, questionnaires were checked for completeness. By using SPSS software, at first variables were developed and data were entered accordingly. For this research multivariate statistical analysis was used. Likert scale was used for rating responses. Each testimonial is measured by 5- point Likert scale: 1= Strongly disagree; 2=Disagree; 3=Neutral; 4= Agree; 5=Strongly agree. Similarly, dependent and independent variables were measured by focusing on Cronbach's alpha (must be above 60%).
- ✓ **Statistical Methods-**In this research correlation and linear regression, analysis was done with the help of SPSS software in order to analyze the relationship between several variables that influence customer satisfaction and loyalty in H.D.F.C Bank. Here, customer satisfaction acts as a mediating

variables and customer loyalty is considered to be dependent variable.Factor and Reliability Analysis and Hypothesis testing is also used to find out the results.

*The data is collected mostly from the literate and qualified people who are the prime customers of H.D.F.C Bank.
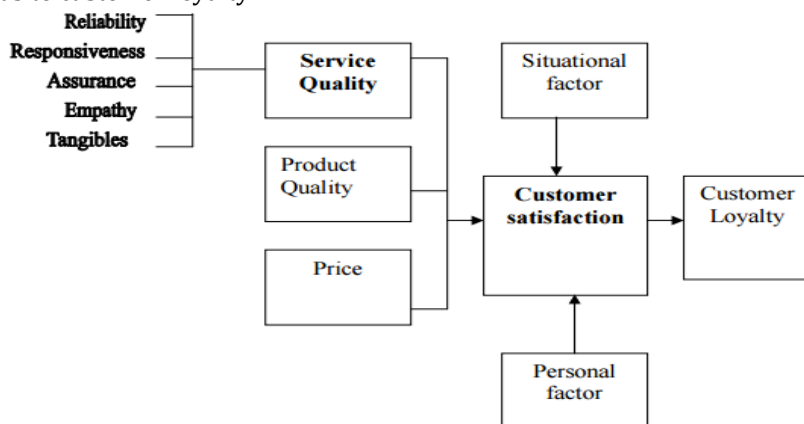
VARIABLES OF THE STUDY

The SERVQUAL model was first introduced in 1985 and it is one of the popular tools used to measure service quality. SERVQUAL Model measures the gap that exists between customer expectation and actual service received from the customer. This model consists of five service quality dimensions and they are:

➢ **TANGIBLES-**Tangibles refer to the factors which represents the physical features of the bank. They are important for banking business as tangibles make the indelible first impression during face to face contact between the customer and the bank. Impressive tangibles fill the customers with confidence that they are dealing with the bank where their financial interests are safe and secure. Examples of tangible factors are the use of cutting –edge technology and equipment, modern amenities and physical facilities for customers within bank premises, appearance and deportment of bank personnel, and above all the physical features of bank building and inner layout which presents an ambience attractive and appealing to customers.

➢ **RELIABILITY-**Reliability refers to the customers' perception with regard to the redemption of commitment by bank to render the service honestly, sincerely, timely, and satisfactorily as envisioned by the customer. Factors included in the reliability dimensions are such as, 'performing what is promised' and doing it 'at the promised time' by the bank. Most importantly, reliability perception aims at inculcating in customers' mind the belief that the financial records and statements as maintained and presented to customers by bank are error free, accurate and dependable.

➢ **RESPONSIVENESS** -The 'Responsiveness' dimension of service quality includes factors conditioning the customers' perception with regard to banks' attention and action to issues related to customers. Factors reflecting to responsiveness are rendering instant services, quickness in attending to problems, promptness in taking action, sagaciousness in decision making, disposition of grievance within committed time etc. With the advancement of technology, customers expect that their problems will be responded as soon as possible. Lack of responsiveness would make the customers switch over to the other banks.

➢ **ASSURANCE** -Assurance refers to the service quality dimension that makes the customer sure that the transaction dealings are fair and safe with the bank. Assurance involves factors like trust on the bank employees, keeping privacy of customers' transactions, providing access to information to genuine customers etc. An overall feeling of confidence in customers that bank employees have professional knowledge and experience and render answer to customers queries which are genuine and trustworthy is also an important attribute of assurance.

➢ **EMPATHY-**The service quality represented by Empathy indicates the ability of the bank to understand customers' feelings and the situations they are in for help and assistance. The attribute of empathy demands an inclination in the attitude of bank personnel to give personal consideration and priority attention to customers. It deals with the quality of personal interaction of the employees with their customers as well as sympathetic response to their queries and complaints.

➢ **CUSTOMER SATISFACTION-**Customer satisfaction is defined as "the individual's perception of the performance of the products or services in relation to his or her expectations**"(Schiffman&Kanuk)** Customer Satisfaction helps in measuring whether the products and services supplied by company meet or further exceed the expectations of customers. Customer satisfaction is an indicator which shows whether the customers will make repurchase decision or not along with their loyalty **(Boonlertvanich, 2011).** It also describes that the feeling of happiness which is gained by achieving his or her goals can be considered as satisfaction.

➢ **CUSTOMER LOYALTY-** In early days' loyalty was viewed as brand royalty of tangible goods. But later on, many studies were carried out and the field of loyalty was expanded. However, only few studies covered the area of customer loyalty of services (Oliver Richard, 1997) . Customer loyalty in a general is somewhat that consumer may reveal to a particular brand and service (Uncles et al., 2003) .Simply, customer loyalty can be explained as power of relationship between relative and repeated patronage of an individual. Dick &Basu (1994) highlighted that loyalty is based on customer attitude as well as behavioral phenomenon. Customer loyalty has two dimension and on the basis of these two dimensions four types of loyalty were developed and they are:

- True Loyalty
- Latent Loyalty
- Spurious Loyalty
- No Loyalty

The figure below illustrates the relationship between service quality and customer satisfaction, which leads to customer loyalty. From the above figure, it is crystal clear that service quality is determined on the basis of customer's perception of service quality dimensions such as reliability, assurance, responsiveness, empathy and tangibility. So service quality is based on evaluation of these dimension. Whereas, satisfaction is comprehensive in nature and factors such as product quality, price, service quality and other situational and personal factors have a great impact. Therefore, service quality and satisfaction are correlated to each other, which leads to customer loyalty.

- ➢ **Product and Service Features-**Customer satisfaction is heavily influenced by evaluation of product and services features made by customer. In case of banking sector, customer may evaluate service features on the basis of price level, friendliness of personnel and level of customization of services. Especially in service sector, service is the core product sold by the service provider.
- ➢ **Price-**Quality of service can be determined on the basis of price of the product and services. Usually customers believe that higher the prices of product or services, higher will be the service quality and vice versa. So, customer use price as a basis to judge quality.
- ➢ **Situational Factors-**Situational factors are also known as environmental factors which also affect satisfaction while consuming services. Michael et al. (1999) describes that individual consumption behavior also depends on the situational or environmental factor. Situation factors are one of the general factors that influence customer satisfaction because buying behavior always takes place in certain situational context (Engel et al., 1993).
- ➢ **Personal Factors-**Individual perceptions, values, attitudes and belief also influence in customer level of satisfaction. Moreover, personal factor plays vital role in individual's way of consuming goods and services. So consumer consume those products which they believe can fulfill their own needs. Hence, personal factor such as age, gender, education level, income level also influenceslevel of satisfaction (Boundless, 2015). On the basis of aging, individual buying behavior differs. For instance, demand for services, recreation, clothes, food habits differ with changes in age.

DATA ANALYSIS AND FINDINGS
- ➢ **OBJECTIVE 1.To identify the dimensions of SERVQUAL that ensure maximum satisfaction for customers in the banking sector** by using the Multiple Regression Analysis and to test the significance of the results CHI-SQUARE TEST is used as it is useful to establish relationship between independent(SERVQUAL) and dependent variables(CUSTOMER SATISFACTION) with the help of contingency table. Test of goodness of fit has been executed with chi-square.
  CUSTOMER SATISFACTION=f(Tangibility, Reliability, Responsiveness, Assurance and Empathy)

I) TANGIBILITY-PHYSICAL FACILITIES AT THE BANK
H_0-There is no significant relationship between tangibility and customer satisfaction.
H_1-There is significant relationship between tangibility and customer satisfaction.

Test Statistics

	a) PHYSICAL FACILITIES AT THE BANK-Well designed counter available.	a) PHYSICAL FACILITIES AT THE BANK-Elegant furniture for seating and writing available	a) PHYSICAL FACILITIES AT THE BANK-Fan and drinking water available.	a) PHYSICAL FACILITIES AT THE BANK-Parking space available.	a) PHYSICAL FACILITIES AT THE BANK-Adequate staff at the bank.	a) PHYSICAL FACILITIES AT THE BANK-Cleanliness and upkeep of branch premises.	a) PHYSICAL FACILITIES AT THE BANK-Proper display boards at all desks.
Chi-Square	495.560	403.947	429.033	216.347	391.933	501.933	269.973
Df	5	3	4	3	4	4	3
Asymp. Sig.	.000	.000	.000	.000	.000	.000	.000

INTERPRETATION-It is found that in all the cases the p-value is 0.000 which is less than the level of significance i.e 0.05.Hence null hypothesis is rejected and alternative hypothesis is accepted and so **there is significant relationship between tangibility and customer satisfaction.**

II) Reliability
H_0-There is no significant relationship between reliability and customer satisfaction.
H_1-There is significant relationship between reliability and customer satisfaction.

Test Statistics

	b)Reliability-Bank performs the service right the first time.	b) Reliability-Bank provides its services at the right time, it promises to do.	b) Reliability-Bank invests on error free records.
Chi-Square	406.567	322.267	286.427
df	4	3	3
Asymp. Sig.	.000	.000	.000

INTERPRETATION- It is found that in all the cases the p-value is 0.000 which is less than the level of significance i.e 0.05.Hence null hypothesis is rejected and alternative hypothesis is accepted and so **there is significant relationship between reliability and customer satisfaction.**

III) **Attitude of staff-Responsiveness**
H_0-There is no significant relationship between responsiveness and customer satisfaction.
H_1-There is significant relationship between responsiveness and customer satisfaction.

	c) Attitude of staff-Responsiveness-Staff behaviour with the customer.	c) Attitude of staff-Responsiveness-Good co-ordination among staff.	c) Attitude of staff-Responsiveness-Prompt service by staff at counters.	c) Attitude of staff-Responsiveness-Personal interest taken by staff in service/ solving problems.
Chi-Square	412.967	358.667	373.767	402.100
df	4	3	4	4
Asymp. Sig.	.000	.000	.000	.000

INTERPRETATION- It is found that in all the cases the p-value is 0.000 which is less than the level of significance i.e 0.05.Hence null hypothesis is rejected and alternative hypothesis is accepted and so **there is significant relationship between responsiveness and customer satisfaction.**

IV) Assurance
H_0-There is no significant relationship between assurance and customer satisfaction.
H_1-There is significant relationship between assurance and customer satisfaction.

Test Statistics

	d) Assurance-Customers will feels safe during the transaction process.	d) Assurance-Bank employees behavior will increase customer's confident and trust in quality services.	d) Assurance-Bank employees will be regularly courteous with customer queries.	d)Assurance-Bank employees have a knowledge to answer your questions.
Chi-Square	378.567	293.733	442.167	296.587
df	4	3	4	3
Asymp. Sig.	.000	.000	.000	.000

INTERPRETATION-It is found that in all the cases the p-value is 0.000 which is less than the level of significance i.e 0.05.Hence null hypothesis is rejected and alternative hypothesis is accepted and so **there is significant relationship between assurance and customer satisfaction.**

V) Empathy
H_0-There is no significant relationship between empathy and customer satisfaction.
H_1-There is significant relationship between empathy and customer satisfaction.

Test Statistics

	e)Empathy-Bank employees will provide customized services to their customers.	e)Empathy-Bank employees have the enthusiasm to understand the customer specific needs.	e)Empathy-Bank employees consider customer needs in the first place.	e) Empathy-Bank opening hours is appropriate to the customers.
Chi-Square	396.567	476.800	268.960	284.347
df	4	4	3	3
Asymp. Sig.	.000	.000	.000	.000

INTERPRETATION-It is found that in all the cases the p-value is 0.000 which is less than the level of significance i.e 0.05.Hence null hypothesis is rejected and alternative hypothesis is accepted and so **there is significant relationship between empathy and customer satisfaction.**

➢ **OBJECTIVE-2 To identify the factors affecting customer satisfaction.** Factor Analysis is the statistical tool that has been used for data analysis . KMO (Kaiser-Meyer-Olkin) and Bartlett's test KMO (Kaiser-Meyer-Olkin) and Bartlett's test is used to measure the sampling adequacy, which also decides the need to conduct factor analysis. In analysis part initially KMO (Kaiser-Meyer-Olkin) and Bartlett's Test was applied to the collected data. Kaiser-Meyer Olkin Measure of Sampling Adequacy test shows the value of .905 and has been found significant as shown in Table. And it was found out after the test that Factor Analysis can be applied on the data .

The KMO Test detail are as follows:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.905
Bartlett's Test of Sphericity	Approx. Chi-Square	3824.249
	df	231
	Sig.	.000

FACTOR ANALYSIS

VARIABLES	FACTOR LOADINGS
Tangibility	0.732
Reliability	**0.810**
Responsiveness	0.786
Empathy	0.801
Assurance	0.795
Customer Loyalty	0.800
Customer Satisfaction	0.746

INTERPRETATION-From the analysis, it is found that Reliability is given the highest factor loading which means that it is the most important factor for customer satisfaction.

Below table depicts the Reliability and Factor Analysis of all Independent and Dependent Variables-

CONSTRUCTS	ITEMS	KMO	FACTOR LOADING
INDEPENDENTVA RIABLES			
TANGIBILITY			
(ALPHA-0.812)	**1. Well designed counter available.**		0.570
	2. Elegant furniture for seating and writing available		0.702
	3. Fan and drinking water available.		0.657
	4. Parking space available.	0.678	0.602
	5. Adequate staff at the bank.		0.501
	6. Cleanliness and upkeep of branch premises.		0.732
	7. Proper display boards at all desks.		0.637
RELIABILITY			
(ALPHA-0.592)	**8. Bank performs the service right the first time.**		0.810
	9. Bank provides its services at the right time, it promises to do.	0.615	0.465
	10. Bank invests on error free records.		0.596
RESPONSIVENESS			
(ALPHA-0.709)	**11. Staff behavior with the customer.**		0.786
	12. Good co-ordination among staff.	0.622	0.668
	13. Prompt service by staff at counters.		0.547
	14. Personal interest taken by staff in service/ solving problems.		0.718
ASSURANCE			
(ALPHA-0.682)	**15. Customers will feels safe during the transaction process.**		0.795
	16. Bank employee behavior will increase customer's confident and trust in quality services.	0.635	0.661
	17. Bank employees will be regularly courteous with customer queries.		0.667
	18. Bank employees have a knowledge to answer your questions.		0.616
EMPATHY			
(ALPHA-0.675)	**19. Bank employees will provide customized services to their customers.**		0.801
	20. Bank employees have the enthusiasm to understand the customer specific needs.	0.571	0.617
	21. Bank employees consider customer needs in the first place.		0.516
	22. Bank opening hours is appropriate to the customers.		0.582
DEPENDENT VARIABLES			
CUSTOMER LOYALTY			
(ALPHA-0.688)	**1. I speak Positive things about my bank to other people.**		0.742
	2. I would suggested my bank to those who search for my advice about such matter.	0.615	0.624
	3. I will continue to use this bank services.		0.703
	4. I only pay my attention to this bank.		0.798
CUSTOMER SATISFACTION			
(ALPHA-0.693)	**1. I am very satisfied with the services offered by this bank.**		0.739
	2. Bank comes up to my beliefs of a good bank.	0.628	0.646

          3. Overall, I have a good and positive impression towards this bank.   **0.69**
          4. Employee are highly motivated to solve customer problems.   **0.805**

INTERPRETATION-The above table shows the test result of reliability, KMO and factor loading for independent and dependent variables. The table explains about factor analysis and reliability test for all service quality dimensions as well as customer loyalty and customer satisfaction. For tangible variable, the KMO value is 0.678, reliability KMO is 0.615, responsiveness KMO is 0.622, assurance and empathy KMO is 0.635 and 0.571 respectively whereas customer loyalty KMOis 0.615, and customer satisfaction KMO is 0.628 respectively. Generally, KMO value should be greater than 0.5, higher value than 0.5 is better.

- ➢ **OBJECTIVE 3-** To know the relationship of SERVQUAL Dimensions and customer satisfaction level regarding HDFC Bank by using Regression Analysis .

H1: There is a positive relationship between service quality dimensions and customer satisfaction in H.D.F.C bank.-
To investigate the influence of service quality dimensions as independent variables on customer satisfaction as the dependent variable the regression analysis is used to test the hypothesis in table it is illustrated that service quality dimensions (Empathy with β =0.03913731, t=6.5274794& p<0.05, Assurance with β =0.03788344, t=7.86570561& p<0.05, Reliability with β =0.0391554, t=8.20875181& p<0.05, Tangibility with β =0.031302, t=7.566725& p<0.05, Responsiveness with β =0.04137516, t=8.08049968& p<0.05,) is positively significantly associated with customer satisfaction. This means that service quality plays vital role in creating customer satisfaction in service sector. Hence, given hypothesis is supported.

- ➢ **OBJECTIVE 4-**To access whether customer satisfaction mediates the relationship between service quality dimensions, situational factors and customer loyalty. For this test, SOBEL TEST is used to test whether a mediator carries the influence of an Independent Variable to a Dependent Variable.

H2: Customer satisfaction mediates the relationship between service quality dimensions, situational factors and customer loyalty.-In order to examine the effect of mediation in relationship between independent and dependent variable, here raw regression coefficient **a** for Tangibility, Reliability, Responsiveness, Empathy and Assurance, Frequency of visiting bank and Years of relationship are (**a**=0.433, **a**=0.639, **a**=0.666, **a**=0.698, **a**=0.634, **a**=-0.162 and **a**=0.051) and the standard error of **a** is defined as **Sa** with values of 0.046, 0.045, 0.043, 0.040, 0.042, 0.054, 0.041 for Tangibility, for Reliability, for Responsiveness, for Empathy and Assurance, for frequency of visiting banks and for Years of relationship respectively. Similarly, raw coefficient association between mediator and dependent variable **b** are 0.547, 0.503, 0.502, 0.366, 0.470, 0.689, 0.699   and for each variables. likewise, standard error of **b** is defined as **Sb** and the value for each items for **Sb** are 0.043, 0.050, 0.053, 0.052, 0.051, 0.042, 0.041 . We use Sobel's test calculator. On the basis of Sobel's test, it is concluded that P-value of all the variables are statistically significant because their P-values are lesser than 0.05. If p<0.05, then it is a mediator. So it rejects the null hypothesis and supports the given hypothesis-Customer satisfaction mediates the relationship between service quality dimensions, situational factors and customer loyalty.

SOBEL TEST RESULT FOR MEDIATION TEST

	TANGIBILITY	RELIABILITY	RESPONSIVENESS	ASSURANCE	EMPATHY	FREQUENCY OF VISITING BANKS	YEARS OF RELATIONSHIP
TEST STATISTIC	7.566725	8.20875181	8.08049968	7.86570561	6.5274794	-2.95106	1.2406047
STD. ERROR	0.031302	0.0391554	0.04137516	0.03788344	0.03913731	0.037823	0.0287352
P-VALUE	0	0	0	0	0	0.0031669	0.2147518

H3: There is a positive relationship between customer satisfaction and customer loyalty in the H.D.F.C bank.-To examine the relationship between customer satisfaction and customer loyalty, a regression analysis is carried out with customer satisfaction as independent variable whereas customer loyalty as dependent variable. The result of regression between customer satisfaction and loyalty is displayed below which shows the significant positive relationship between the two variables. Here the beta is 0.702, t-value is 17.000 with P<0.01 which is statistically significant of test results. Therefore, above hypothesis was supported.

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	1.257	.177		7.109	.000
C. CUSTOMER SATISFACTION-I am very satisfied with the services offered by this bank.	.700	.041	.702	17.000	.000

a. Dependent Variable: B. CUSTOMER LOYALTY-I speak Positive things about my bank to other people.

H4: Service quality dimensions has a positive effect on customer loyalty.-To examine the relationship between service quality dimensions and customer loyalty, a regression analysis is carried out with service quality dimensions as an independent variable and customer loyalty as a dependent variable. From the table below, service quality dimensions (Empathy with $\beta=0.406$, $t=7.618$ & $p<0.05$, Assurance with $\beta=0.161$, $t=2.717$ & $p<0.05$, Reliability with $\beta=0.063$, $t=1.077$ & $p<0.05$, Tangibility with $\beta=0.219$, $t=5.072$ & $p<0.05$, Responsiveness with $\beta=0.098$, $t=1.749$ & $p<0.05$) are drawn. The results show that all the service quality dimensions have significant positive relationship with customer loyalty and have $P<0.05$. Hence given hypothesis was supported.

H5a: Situational factor (Years of relationship) has a positive impact on customer satisfaction. The regression analysis is used to test the relation between situational factor with two variables: frequency of year visits and years of relationship and customer satisfaction respectively. We conclude that the situational factor frequency of visit has negative relation with customer satisfaction with $\beta= -0.170$, $t= -2.984$ & $p<0.05$. Hence, H5a is accepted.

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	4.674	.149		31.372	.000
Frequency of visiting the bank	-.162	.054	-.170	-2.984	.003

a. Dependent Variable: C. CUSTOMER SATISFACTION-I am very satisfied with the services offered by this bank.

H5b: Situational factor (Frequency of visiting) has a positive impact on customer satisfaction.
Similarly, in table below, it is shown that situational factor years of relationship has significantly positively relationship with customer satisfaction. In the meantime its P value is 0.211 which is statistically not significant of test results as well as $\beta=0.072$ $t=1.253$. Therefore, the given hypothesis H5b is not supported.

➢ **OBJECTIVE 5-** To identify the degree of satisfaction of service quality via private sector banks comparatively to public sector banks.

H$_0$-There is no significant relationship in the degree of satisfaction between public and private banks.

H$_1$-There is significant relationship in the degree of satisfaction between public and private banks.

One-Sample Test

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Degree of satisfaction of service quality via private sector banks comparatively to public sector banks.	160.076	299	.000	4.063	4.01	4.11

INTERPRETATION- It is found that in all the cases the Sig. value is 0.000 which is less than the level of significance i.e 0.05.Hence null hypothesis is rejected and alternative hypothesis is accepted and so **there is significant relationship in the degree of satisfaction between public and private banks.**

Rank (1 2 3 4 5 6) according to the level of satisfaction.
Test Statistics

	N	Mean	Std. Deviation	Std. Error Mean
The convenience of obtaining a debit card or credit card.	300	2.34	1.215	.070
The quality of given information that was provided when you opened the account.	300	2.95	.800	.046
The loan conditions that were offered by bank.	300	1.58	1.135	.066
Net banking web pages are easily opened.	300	3.93	.403	.023
Updating customers regarding changes in their products and services.	300	4.78	.846	.049
Digital banking is safe and secure while making transactions.	300	5.61	1.313	.076

INTERPRETATION-Scores are significantly different on The Friedman two-way Anova test since Sig. value is less than level of significance 0.05.**The loan conditions that were offered by bank was ranked 1** that is the most important reason while digital banking is safe and secure while making transactions was given the last rank that is 6.It can be concluded that the majority of the respondents regarded that **the most important reason for which they are not satisfied is not getting good loan conditions.**

RECOMMENDATIONS AND SUGGESTIONS
1. Empower Your Employees-Your customer service employees are your frontline. As such, they need to have the right resources to provide exceptional customer service.
2. Improve the Local Branch Experience-In a post so heavily focused on customer-centered banking technology, it seems strange to start with the in-person experience. But here we are, and we'll tell you why: This is your chance to shine.
3. By understanding their customers' needs better, the bank can perform more effectively and efficiently.
4. By identifying the needs of customers and fulfilling them.

CONCLUSION
The main purpose of conducting this research was to identify the important factors of customer satisfaction and customer loyalty in the context of H.D.F.C Bank. Many similar researches have been conducted in different setting like European, America, African countries and in few Asian countries, but only few data are available for India. Furthermore, banking sector in India is emerging. It plays vital role in the economic development of the country. It has been found that-
- ❖ SERVQUAL Dimensions plays a vital role to ensure customer satisfaction in banking sector.
- ❖ Reliability is the main factor that affects customer satisfaction.
- ❖ There is positive relationship between SERVQUAL Dimensions and customer satisfaction in H.D.F.C Bank.
- ❖ There is positive relationship between customer satisfaction and customer loyalty in H.D.F.C Bank.
- ❖ Situational factors does not have positive impact on customer satisfaction.
- ❖ The majority of the respondents regarded that the most important reason for which they are not satisfied is not getting good loan conditions.

So the study throws light on the fact that government should strive to get population educated enough so that they can also use various banking services provided by the bank like net banking services so that true and ideal results are depicted which will help banking services to develop more according to the needs of people.

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