

A STUDY ON CUSTOMER SATISFACTION OF VALUE ADDED SERVICES OFFERED BY SELECTED PUBLIC SECTOR BANKS IN PUNE CITY

Sanjeev Rastogi* & Dr.N.Pasupathi**

*Ph.D Scholar, (Part - Time), Research & Development, Bharathiar University, Coimbatore -641 046, Tamil Nadu, India.

**Director, PG & Research Department of Management Science, PARK'S College (Autonomous), Tirupur - 641 605. Tamil Nadu, India.

Received: February 07, 2019

Accepted: March 17, 2019

ABSTRACT: *Banking industry is the blood vascular system of our economy. It has a positive role to play in the economic development of the country as repositories of people's savings and purveyors of credit, especially as the success of economic development depends on the mobilization of resources and their investment in an appropriate manner. Banking sector is the back bone of any financial system of the economy. Commercial banks play an important role in the development of developing economies by mobilization of resources and their better allocation. The rapid growth of banks, especially since nationalization of major commercial banks in 1969, brought in both quantitative and qualitative changes in their functioning and also approach towards socio-economic development of the country.*

Key Words:

Introduction

In the light of liberalization, privatization and globalization a lot of challenges were faced by the commercial banks. In the post-nationalization period, the proportions of rural areas in total number of bank branches as well as in credit deployment and deposit mobilization have been declined. On the other hand, the metropolitan areas registered a high increase in their percentage share in total expansion, credit deployment and deposit mobilization. Therefore in the post-nationalization era, the performance of the banking system with respect to branch expansion in the rural and hitherto unbanked areas, mobilization of deposits, deployment of credit, population coverage and so on has indeed been creditable and perhaps has no parallel in the annals of banking elsewhere.

The banking sector reflects the financial and economic health of the country. Development of any country mainly depends upon the banking system. Banking system remains the major focal point in the financial set up of any developing country. Banking plays vital role in the economy of the country. The face of the banking is changing rapidly. Public sector banks have a larger customer groups. To deal with the customer, a member of innovative products and services are evolved in this age of LPG (Liberalization, Privatization and Globalization).

At the present juncture, banking in India is largely dependent on technology. Now, banks are using various other channels like, Automatic Teller Machine (ATM), internet, mobile, etc., to provide banking services. Banking in India is changing from traditional branch banking to technology based banking. Currently, it is evident that there are two distinct customer groups - one is who like to have face-to-face interaction and other who does banking using technology. The primary challenge is to give consistent service to customers irrespective of the kind of channel they choose to use. Information technology poses both opportunities and challenges. Even with ATM machines and Internet Banking, many consumers still prefer the personal touch of their neighborhood branch bank. Technology has made it possible to deliver services throughout the branch bank network, providing instant updates to checking accounts and rapid movement of money for stock transfers.

Recently, banking industry in different countries has shown their interest transition in improving service quality from traditional branches to electronic channels. Accordingly, many of them have tended to close or relocate their branches to be sited closely to customers' places for customers' conveniences, and they have relied more on electronic banking services with significant growth in electronic facilities such as Internet, computer, ATMs, telephone and mobile phones. The banking industry of India is now running in a dynamic challenge concerning both customer base and performance. Today banks are wooing existing customers, prospective customers by offering new facilities, products and services in order to retain/increase their base in market. The way the banking has changed, so has the

customer changed. The customer of today is not what he was yesterday. Today the customer is more knowledgeable, demanding, analytical and aware of his rights.

Today, many banks are rushing to become more customer focused. Not long ago, an account holder had to wait for hours at the bank counters for getting a draft or for withdrawing his own money. Customer has a choice. Gone are days when the most efficient bank transferred money from one branch to other in two days. Now it is simple as instant messaging, Money has become the order of the day.

Statement of the Problem

Now a day's banking is not in its traditional way, with new advancement of technology its focusing on more comfort of customer providing services here the focus of problem is to study diverse value added services and its feature to satisfy and retain customer loyal. Now a day's many bank like nationalized and private offer different value added services to customer but the problem is to know that whether customers are satisfied with these services or not. Another problem is to study customers perceived value, quality, and expectation towards the value added services provided by nationalized banks so as to satisfy them. Here the focus of study is to certain the role of value added services to satisfy and retain customer loyal.

The following some of these value added services are:

1. Automated Teller Machines cards (ATM)
2. Credit card
3. Debit card
4. Internet banking
5. Tele banking
6. Corporate cash Management
7. Mobile banking
8. Anywhere Banking
9. Demand Draft
10. Demat Account and so on.

Many value added services are introduced by the banks but some customer's have lack of knowledge they would not use such services. The present study is considered important to identify the problem whether the customer have awareness on the value added services provided by the public sector banks and carried out to examine the problem and offer solutions.

Scope of the Study

Banking services are regarded as one of the important services. Banks provide financial services to the customers. Banks need to create and develop the services which can satisfy the consumer needs. Therefore, the present research work has been carried out to analyze the customer satisfaction with value added services of public sector banks in Pune city. It is limited only to customers of selected public sector banks in Pune city. The data was collected from 500 respondents from 2015 – 2018. The present study mainly highlights the customer satisfaction towards value added services are utilized by the customers provided by the public sector banks.

Significance of the study

In the present world, the customer is a customer of the bank and not of the branch. Consequently, transforming customer demands and explosion of new technologies, such as CBS (Core Banking Solution), Business process Re-engineering (BPR), ATMs, Real Time Gross settlement (RTGS), make it necessary for banks to move from transaction banking to customer-centric solutions.

In order to increase the number of customers using these Value Added Services, it is imperative to understand the customer's awareness and preference for use of Value Added Services, the factors that influence the adoption of these facilities, problems encountered in using Value Added Services and customers' expectations. Information on the above aspects would be useful to formulate programme to motivate more and more customers to utilize the value added facilities.

Most of the value added features have been worked out, based on today's technology empowerments and changes in the life style of the users. Now billions of customers are being handled with care and caution by services without scarifying the concepts of privacy and reasonable care. In future, people have to transact using remote banking and virtual banking facilities.

Objective of the study

The overall objective of the study is to analyze customer satisfaction with value added services offered by the selected public sector banks in Pune city”.

The specific objectives of the study are:

- To examine the expectations and the level of satisfaction of the customers towards the Value Added service rendered by selected public sector bank.
- To express the suggestions given by customers to improve the customer services in selected public sector banks

Research Methodology and Research Design**Sources of data**

The current study is descriptive in nature. The study is focused on customer perception towards customer services with value added services of public sector banks in Pune city. In this study two types of data have been used. There are primary data and secondary data. Primary data is a type of information that is obtained directly from first-hand sources by means of surveys, observation or experimentation. It is data that has not been previously published and is derived from a new or original research study and collected at the source.

The study mainly based on primary data. There are several methods of collecting primary data like interview, observation, case studies and so on. The primary data was collected by the respondents from selected public sector banks in Pune city through a well-designed questionnaire.

Data has been collected secondary sources such as reports, books, journals, documents, magazines, periodicals, newspapers and website and other reference material available from various sources. The researcher approach various institutions like, RBI staff training college, Chennai, Institute for financial management and research (IFMR), Chennai, Madras University Library, Chennai, Bharathiyar University Library, Coimbatore, Bharathidasan University Library, Thiruchirapalli, Periyar University Library, Salem, The Lead Bank, Pune.

Sample selected for the study

The study is to determine the customer perception towards customer services with value added services of Public sector banks in Pune city. The sample Public sector banks have been selected on the basis of size and services provided by the bank, which are utilized by the customers. The primary data collected from the customers of selected Public sector banks, for this purpose to list the operating banks in Pune city records were obtained from Indian Bank, The Lead Bank of Pune.

There are totally 15 Public sector banks in Pune city. Out of 15 banks only 10 banks have been selected for this study. The selected Public sector banks in Pune city such as Indian Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Indian overseas Bank, Punjab National Bank, State Bank of India, Syndicate Bank and Union Bank of India.

From the 10 Public sector banks 500 respondents were selected for the study by adopting the method of convenient random sampling method

Sampling Technique

The Pune city was chosen for the purpose of the study on the basis of convenient sampling. Respondents were chosen at random from the selected public sector banks.

In order to study customer perception towards customer services with value added services of public sector banks in Pune city. A Non random sampling technique of “convenient sampling” procedure is applied to collect various respondents from selected Public Sector Banks in Pune city. Out of 550 respondents only 500 respondents were selected. Hence, due to unfilled questionnaire, 50 respondents have been rejected and 500 respondents have been finally accepted for analysis and interpretation.

Limitation of the study

- 1) The research study is limited to Pune City.
- 2) Totally 500 samples were taken under convenient sampling method.
- 3) The results of the study were based upon the information provided by the sample respondents.
- 4) The study is confined to respondents were selected only from ten public sector banks in Pune City.
- 5) The study is not indicated all value added services provided by the Public sector bank, it take only few services familiar by the respondents.

Review of literature

Several researches have been conducted to analyze the different aspects of customer services in banks in India and abroad. But there are very few research and literature available on the subject related to

customer services and technologies used on Indian banks. The available literature related to Customer services in banks, Customer perception and satisfaction, Performances of public sector banks, Service qualities in banks, Technologies in banking sector and Varieties of value – added services in Public sector banks.

AAYUSHI GUPTA AND SANTOSH DEV (2012)¹ the paper finds the factors impacting customer satisfaction in Indian banks and finds out their effects on the level of customer satisfaction through regression. The questionnaire was given to current customers of 13 retail banks in India. In total, 400 accurate questionnaires were taken as sample. Five factors namely “service quality”, “ambience/hygiene”, “client participation/ involvement”, “accessibility” and “financial” that drives customer satisfaction. Subsequent multiple regression analysis revealed that “service quality”, ambience and hygiene”, and “client participation and involvement” in that order are the most important factors impacting client satisfaction.

ANBER ABRAHEEM SHLASH MOHAMMAD AND SHIREEN YASEEN MOHAMMAD ALHAMADANI (2011)² to examine the level of service quality as perceived by customers of commercial bank working in Jordan and its effect customer satisfaction. Service quality measure is based on SERVQUAL proposed by (parasuraman et al., 1988), which involve five dimensions namely reliability, responsiveness, empathy, assurance and tangibles. Customer satisfaction was measured by 9 item adapted from (Walfried et al., 2000). A pilot study was conducted and questionnaire was distributed to 30 willing respondents through convenient distribution. A structured questionnaire contains 30 items and distributed to 260 randomly selected customers of commercial banks. Statistical tools like factor analysis and multiple regression analysis was employed to test the impact of service quality on customer satisfaction and the result indicates that to improve the elements of service quality is an important antecedent of customer satisfaction.

ASHFAQ AHMAD ET AL., (2010)³ reveals to examine the perception of service quality of products offered by Islamic and conventional banks in Pakistan. Service quality like reliability, tangibles, responsiveness, assurance and empathy were taken for the study. A sample of 720 respondents was selected for this study and structured questionnaire was developed by using stratified random sampling. Descriptive statistics are used to a demographic characteristic of the respondent t-test; mean and standard deviation were used to show that policy makers and bankers to make effective and quality oriented arrangements to have satisfied and delighted customers for long term benefits and service quality score offered by Islamic banks are greater as compared to conventional banks.

ALI. ALAWNEH1 AND EZZ HATTAB (2009)⁴ Grounded in the technology organization environment (TOE) framework, we have developed an extended conceptual research model for assessing the value of E-business at the bank level. For the purposes of our research some constructs were added to (TOE) framework such as IT Business strategy alignment, adequacy of IT professionals, and availability of online revenues. Other factors were excluded such as the global scope since our research is at the national level in Jordanian banking sector. Based on our enhanced framework, we have formulated eight hypotheses and identify eight factors (technology readiness or competence, bank size, financial resources commitment, IT Business strategy alignment, adequacy of IT professionals, availability of online revenues, competition intensity or pressure, and regulatory support environment that may affect value creation of carrying out E-business in Jordanian banking sector. Survey data from 140 employees in seven pioneered banks in the Jordanian banking services industry were collected and used to test the theoretical model.

Based on simple and multiple linear regressions, our empirical analysis demonstrates several key findings: (1) technology readiness is found to have the strongest significant influence on the E -business value in banks. (2) Bank size, IT Business strategy alignment, and availability of online revenues are found to have significant influence on the E-business value in banks, while financial resources commitment and adequacy of IT professionals do not contribute significantly to E-business value. (3) Both the competition intensity and regulatory support environment contribute significantly to value creation of E-business in banks. These findings indicate the usefulness of the proposed research model for studying E-business value in banks.

BALAKRISHNAN (2007)⁵ it is very important to educate the customers rather than forcing them to use a product/ service technology can take banking to higher standards but the banks have a social obligation to make their customers understand the technology – oriented services. This provides ‘hand – in – hand’ growth of the customers as well as the banks. Apart from this, customers should be given a clear idea about the risks involved in the use of such services and how to overcome them. The customers comprise of various age groups and education levels. Banks should educate the customers on banks/ techo – banking initiatives. The return on technological investment is a major concern, once technological products are leveraged. It is only when proper training is given to the staff, and it is only when they educate their

customers about the new technology, that banks can achieve the desired results. Thus, effective customer education plans and programs will not only block migration to other banks but also attract new customers.

BANUMATHY.S (2007)⁶ made a study on “ATM- A user friendly Mechanism or Not A survey”. The author mainly focuses on the customer satisfaction by using the ATM. Today we are living in a dynamic world. In this world, each and every second is precious; customers do not like to waste their time in waiting. ATMs help customers to get cash without wasting time.

A.ABDUL RAHEEM (2005)⁷ highlighted the areas in which public sector banks need to improve to service in the competition posed by the new entrants in the banking sector. The author pointed out that the existing organizational structure and policies of public sector banks are its equipped to meet the new objectives. He emphasized that public sector banks should commit themselves to provide quality services to service.

BHIDE, M.G. JALAN, BIMAL, (2002)⁸ Technology will bring fundamental shift in the functioning of banks. It would not only help them bring improvements in their internal functioning but also enable them to provide better customer service. Technology will break all boundaries and encourage cross border banking business. Banks would have to undertake extensive Business Process Re- Engineering and tackle issues like a) how best to deliver products and services to customers b) designing an appropriate organizational model to fully capture the benefits of technology and business process changes brought about. c) How to exploit technology for deriving economies of scale and how to create cost efficiencies, and d) how to create a customer - centric operation model.

BHAVE (2001)⁹ found that with better understanding of customers' perceptions, companies can determine the actions required to meet the customers' needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out future path for progress and improvement.

BOON AND YU (2000)¹⁰ E-channels refer to the methods of delivering service product using electronic media such as the Telephone, Internet and Automated Teller Machines (ATMs) and so on.

In all the above review of literature various review of made by various researchers, authors have made evaluation of the customer perception towards customer services with value added services of public sector banks the earlier studies differed from one another in the selection of period, selection of banks, selection of indicators and selection of statistical tools and techniques. However, the proposed research work is different from the earlier works the following aspects such as how long customers have awareness of value – added services in public sector banks and service qualities and utilization of such services by customers in banks.

Result and Discussion

Grouping Banking Customers Based on Satisfaction - Factor Analysis

Factor analysis is a multivariate analysis procedure that attempts to identify any underlying ‘factors’ that are responsible for the co-variation among group independent variables. The goals of a factor analysis are typically to reduce the number of variables used to explain a relationship or to determine which variables show a relationship. The variables must represent indicators of some common underlying dimension or concept such that they can be grouped together theoretically as well as mathematically.

The banking customers’ satisfaction towards services offered by the public sector banks in Pune district is discussed with the factor analysis multivariate technique. However, before applying factor analysis, the data were tested for its appropriateness. For this purpose, twenty nine variables has been selected viz., Var 1 (Fully computerization), Var 2 (Nearness), Var 3 (Convenient location), Var 4 (Convenient timing), Var 5 (Reputation of the Bank), Var 6 (Canvassing by the Bank), Var 7 (Interior Decoration of the Bank), Var 8 (Highly secured), Var 9 (Higher level of privacy), Var 10 (Bank size and Ownership), Var 11 (Positive atmosphere inside the bank), Var 12 (Modern equipments), Var 13 (Neat and clean in appearance), Var 14 (Handling problems in professional manner), Var 15 (Friendly staff), Var 16 (Knowledgeable staff to answer customers questions), Var 17 (Understanding customer needs), Var 18 (Quality of services), Var 19 (Low cost of service), Var 20 (Fast & Accurate service), Var 21 (Reliability and Safety), Var 22 (Easy accessibility), Var 23 (Availability of loan schemes), Var 24 (Variety of Value Added Services), Var 25 (Low Commission charges), Var 26 (Wide range of products), Var 27 (Low Minimum account balance), Var 28 (Overdraft Privileges) and Var 29 (Credit availability). All the 29 factors were selected for factor analysis by using principle component extraction with an orthogonal (Varimax) rotation. The factor matrix is a matrix of loading and correlations between the variables and the factors.

The above table enumerates that the communalities of the selected 29 variables have good reliability 0.969, and are keenly checked that no one variable has low loading, ie., less than 0.5. Thus finally,

the 29 variables are selected for the factor analysis. The appropriateness of the data for the factor analysis is discussed in the following KMO and Bartlett's test.

The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy (MSA) and Bartlett's test of Sphericity are applied to verify the adequacy or appropriateness of the data for factor analysis. In this study, the value of KMO for overall matrix is found to be good (0.985) and Bartlett's test of Sphericity is highly significant ($p < 0.001$). The results thus indicate that the samples taken are appropriate to proceed with the factor analysis. Also, the Bartlett's Test of Sphericity, the KMO Measure of Sampling Adequacy and Community values of all the variables are observed.

Further, to define the factors clearly, it was decided to delete any variable that had loading below ± 0.50 . With this criterion, a series of factor analysis was performed on the data. Following each analysis, items which did not meet the criteria were deleted from the analysis. After this preliminary step, factor analysis with principal component analysis as an extraction method was performed on the remaining items.

Total Variance Explained

The following table depicts the total variance explained with rotation. The Eigen values for the factors 1 and 2 are 18.418 and 1.141 respectively. Percentage of variance after the rotation for the factors 1 and 2 are 35.443 and 32.003 respectively. Cumulative percentage for the factors 1 and 2 after the rotation are 35.443 and 67.446 respectively. It indicates that the 2 factors extracted from the total of 29 variables have a cumulative percentage up to 67.446% of the total variance.

Rotated Component Matrix

After obtaining the factor solutions, in which all the variables have a significant loading on a factor, the researcher attempted to assign meanings to the pattern of factor loadings. Variables with higher loadings are considered more important and have a greater influence on the name or the label selected to represent a factor. The researcher has already examined all the underlined variables for a particular factor and placed greater emphasis on those variables with higher loadings to assign a name or a label to a factor that accurately reflects the variables' loading on that factor. The names or labels are not derived or assigned by the factor analysis computer programme, rather, the label is intuitively developed by the factor analyst based on its appropriateness for representing the underlying dimension of a particular factor. All the 2 factors are given appropriate names on the basis of the variables represented in each case.

The above table explains the rotated component matrix, in which the extracted factors are assigned a new name related together. Based on the fixing criteria, it is noted that no one loading variable are having the loading value less than 0.5 and so no variables are removed from this analysis. Further 2 factors have been taken for naming of new variables.

a). Factor 1 is the most important factor which explains 35.443 percent of the variation. The variables interior decoration of the bank (0.748), reputation of the bank (0.734), convenient timing (0.733), modern equipments (0.729), highly secured (0.728), bank size and ownership (0.727), convenient location (0.725), positive atmosphere inside the bank (0.724), higher level of privacy (0.718), canvassing by the bank (0.710), neat and clean in appearance (0.700), fully computerization (0.685) and nearness (0.674) shows highly inter-correlated with together. These statements reflect the satisfaction of the selected customers towards environment & infrastructure facilities offered by the public sector banks in the study area. Hence, the researcher names this segment of the consumers are satisfied with the **tangible value added services of the public sector banks**. The reliability of these thirteen variables is measured by using Cronbach's Alpha and its value is 0.982.

b). Factor 2 explains 32.003 percent of the variation and consist of 16 variables. The variables overdraft privileges (0.790), wide range of products (0.759), availability of loan schemes (0.748), low minimum account balance (0.705), knowledgeable staff to answer customers questions (0.693), credit availability (0.680), low cost of service (0.680), understanding customer needs (0.669), low commission charges (0.662), variety of value added services (0.639), easy accessibility (0.638), quality of services (0.628), handling problems in professional manner (0.589), reliability and safety (0.585), fast & accurate service (0.585) and friendly staff (0.563) shows highly inter-correlated with together. The 16 variables reflect the satisfaction of the customers towards reliable, responsiveness, assurance and empathy services offered by the public sector banks in the study area. Hence the researcher names this segment of the consumers are satisfied through **intangible value added services** offered by the public sector banks in Pune district. The reliability of these sixteen variables is measured by using Cronbach's Alpha and its value is 0.975.

Banking customers' satisfaction towards value added services in the present study composes two factors namely Tangible value added services and intangible value added services. The initial instrument which is having 29 variables was adjusted to account for 2 factors.

Table shows the total composition of each factor that provides information regarding the items that constituted these two factors with their factor loadings, eigen values and the variance explained by each factor. The two-factor solution accounted for 67.446 per cent of the explained variance. The two-factor solution might be suggested for the customers' satisfaction towards value added services offered by the public sector banks in the study area. All the dimensions are named on the basis of the contents of final items making up each of the two dimensions. The commonly used procedure of Varimax Orthogonal Rotation for the factors whose eigen values are greater than 1.0, is employed in the analysis. The factors so generated have the eigen values between 18.418 and 1.141. All the items are found highly loaded under these two factors, which indicate that the customers are highly satisfied with the value added services offered by the public sector banks in Pune district. The values of communalities (h^2) range from 0.597 to 0.726 for various factors. It means that the factor analysis extracted a good amount of variance in the variables.

Regression Analysis

To assess the overall effect of the instrument on customers' satisfaction towards value added services in Pune district and to determine the relative importance of the individual dimension of the generated scale, Multiple Regression analysis is performed. For regression analysis, the study adopts the use of a single-item direct measures of overall customers satisfaction in the study area is excellent at five-point Likert scale. The regression model considers the 2 dimensions as the independent variables and the overall influencing factors as the dependent variable. The adjusted R^2 of 0.981 ($p=0.000$) indicates that 98.1 per cent of variance in overall customers' satisfaction towards value added services is predicted. Further, the results also indicate that all the two variables tangible value added services and intangible value added services to be the significant predictors ($p<0.001$) of overall customers' satisfaction. Further, VIF values score from 1.168 to 1.197 indicates that multi-collinearity among the independent variables is not a problem.

The resulted equation is Customers' Satisfaction

$$= 3.526 + (2.170 \times \text{Tangible Value Added Services})$$

$$= 3.526 + (3.011 \times \text{Intangible Value Added Services})$$

It is found that, one unit increase of customers' satisfaction is predicted from 2.170 unit increases of Tangible Value Added Services and 3.011 unit increases of Intangible Value Added Services.

Conclusion

It could be found from the factor analysis that the selected 29 factors related to customers' satisfaction towards value added services offered by the public sector banks into two major factors representing Tangible Value Added Services and Intangible Value Added Services and noticed that customers' satisfaction towards value added services is predicted from 2.170 unit increases of Tangible Value Added Services and 3.011 unit increases of Intangible Value Added Services and these two factors are having significant impact on the overall customers satisfaction towards value added services provided by the public sector banks in Pune district. Further, among the two factors, intangible value added services is one of the major satisfaction factor than the tangible value added services among the selected banking customers in Pune city.

References:

1. Aayushi Gupta, Santosh Dev, (2012) "Client Satisfaction in Indian Banks: An empirical study", Management Research Review, Vol 35, Issue 7, pp617-636.
2. Anber Abraheem Shlash Mohammad and Shireen Yaseen Mohammad Alhamadani(2011)," Service quality perspectives and customer satisfaction in commercial banks working in Jordan", Middle Eastern Finance and Economics, Issue 14,pp: 60-72.
3. Ashfaq Ahmad, Kashif-ur-Resman, Iqbal Saif and Nadeem Safwan (2010),"An empirical investigation of Islamic banking in Pakistan based on perception of service quality", African Journal of Business Management, Vol. 4(6), pp: 1185-1193.
4. Ali. Alawneh1 and Ezz Hattab(2009), "An Empirical Study of Sources Affecting E-Business Value Creation in Jordanian Banking Services Sector" International Arab Journal of E-Technology, Philadelphia University, Jordan Banking And Financial Sciences, Vol. 1, No. 2, June 2009.

5. Balakrishnan. T.V, "Aligning to techno – banking", Professional Banker, Vol.VII, issue 12, Dec 2007, pp 49-53.
6. Banumathy S. (2007). ATM – A user Friendly mechanism. Professional Banker. Icfai University Press. July.
7. A.Abdul Raheem- Determinants of banking service quality- An Application of factor analysis- Southern Economics- Feb. 2005, pp17-20.
8. Bhide, M.G. Jalan, Bimal, (2002), NIBM pune. Annual Day on the theme of Corporate Governance in Banks and Financial Institutions, January. Vol.No 1.pp. 61-69.
9. Bhave Ashish. (2001), "Handbook of Customer Satisfaction Measurement -What Do Customers Value?" New Delhi, Prentice Hall of India private Ltd, 35-41.
10. Boon O.H and Yu C.M (2000), Success factors in e-channels: The Malaysian banking scenario. International Journal of Bank Marketing, Vol 21, No 6, pp 369-377.

Table 1
Communalities – before removal of low loading variables

Variable	Initial	Extraction	Variable	Initial	Extraction
Var 1	1.000	0.684	Var 16	1.000	0.659
Var 2	1.000	0.670	Var 17	1.000	0.640
Var 3	1.000	0.684	Var 18	1.000	0.715
Var 4	1.000	0.684	Var 19	1.000	0.715
Var 5	1.000	0.672	Var 20	1.000	0.671
Var 6	1.000	0.661	Var 21	1.000	0.680
Var 7	1.000	0.663	Var 22	1.000	0.688
Var 8	1.000	0.680	Var 23	1.000	0.669
Var 9	1.000	0.697	Var 24	1.000	0.606
Var 10	1.000	0.698	Var 25	1.000	0.597
Var 11	1.000	0.708	Var 26	1.000	0.677
Var 12	1.000	0.700	Var 27	1.000	0.687
Var 13	1.000	0.683	Var 28	1.000	0.726
Var 14	1.000	0.693	Var 29	1.000	0.634
Var 15	1.000	0.620			
Cronbach's Alpha (α) = 0.969					

Table 2
KMO and bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.985
Bartlett's Test of Sphericity	Approx. Chi-Square	20422.418
	DF	306
	Sig.	0.000

Table 3
Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	18.418	63.511	63.511	18.418	63.511	63.511	10.279	35.443	35.443
2	1.141	3.935	67.446	1.141	3.935	67.446	9.281	32.003	67.446
3	0.970	3.345	70.791						
4	0.804	2.773	73.563						
5	0.686	2.364	75.928						
6	0.639	2.204	78.132						
7	0.507	1.747	79.879						
8	0.479	1.652	81.531						
9	0.436	1.504	83.035						
10	0.422	1.455	84.490						
11	0.404	1.393	85.884						
12	0.375	1.293	87.176						
13	0.345	1.189	88.365						
14	0.332	1.144	89.509						
15	0.293	1.011	90.519						
16	0.288	0.994	91.514						
17	0.257	0.885	92.399						
18	0.252	0.870	93.269						
19	0.242	0.836	94.105						
20	0.229	0.789	94.894						
21	0.210	0.725	95.619						
22	0.193	0.667	96.286						
23	0.192	0.663	96.949						
24	0.173	0.596	97.545						
25	0.163	0.563	98.108						
26	0.146	0.503	98.611						
27	0.141	0.486	99.096						
28	0.136	0.468	99.565						
29	0.126	0.435	100.000						

Extraction Method: Principal Component Analysis.

Table 4
Rotated component matrix

No.	Factors	Component	
		F1	F2
1	Interior Decoration of the Bank	0.748	
2	Reputation of the Bank	0.734	
3	Convenient timing	0.733	
4	Modern equipments	0.729	
5	Highly secured	0.728	
6	Bank size and Ownership	0.727	
7	Convenient location	0.725	
8	Positive atmosphere inside the bank	0.724	
9	Higher level of privacy	0.718	
10	Canvassing by the Bank	0.710	
11	Neat and clean in appearance	0.700	
12	Fully computerization	0.685	
13	Nearness	0.674	

No.	Factors	Component	
		F1	F2
14	Overdraft Privileges		0.790
15	Wide range of products		0.759
16	Availability of loan schemes		0.748
17	Low Minimum account balance		0.705
18	Knowledgeable staff to answer customers questions		0.693
19	Credit availability		0.680
20	Low cost of service		0.680
21	Understanding customer needs		0.669
22	Low Commission charges		0.662
23	Variety of Value Added Services		0.639
24	Easy accessibility		0.638
25	Quality of services		0.628
26	Handling problems in professional manner		0.589
27	Reliability and Safety		0.585
28	Fast & Accurate service		0.585
29	Friendly staff		0.563

Extraction Method : Principal Component Analysis.

Rotation Method : Varimax with Kaiser Normalization.

Rotation converged in 3 iterations.

Table 5
Effect and Relative Importance of the Individual Dimensions of Customers' Satisfaction
- Multiple Regression Analysis

S.No.	Factors	Standardized Coefficient (β)	t Value	'p' Value	VIF
	Constant	3.526			
1	Tangible value added services	2.170	13.758	0.000	1.542
2	Intangible value added services	3.011	12.456	0.000	1.423