

IMPACT OF CUSTOMER EXPERIENCE AND ITS RELATIONSHIP TOWARDS CUSTOMER LOYALTY IN BANKING SECTOR

Madhukumar. K¹ & Deepak. K. V²

¹*Research Scholar, Visvesvaraya Technological University, Belagavi, Karnataka, India*

¹*Assistant Professor, PES University, Bangalore, Karnataka, India*

²*Research Guide, Visvesvaraya Technological University, Belagavi, Karnataka, India*

²*Associate Professor, BIT-MBA, Bangalore, Karnataka, India*

Received: 10 May 2018

Accepted: 25 May 2018

Published: 09 Jun 2018

ABSTRACT

Loyal customers are considered to be the key to survival and success in many service businesses, in particular in the hospitality, insurance, and financial sectors. The assumption is that with customer satisfaction; loyalty, retention, and profitability will automatically follow. The current thinking is that the relationship between satisfaction and loyalty is more complex than was originally proposed, however. As commoditization of many service offerings continues, new sources of competitive differentiation/advantage will come from focusing on the management of customer experiences. Because loyalty is so very important to the survival and profitable growth of a company, measuring it becomes all the more important. Existing approaches to the measurement of loyalty have not proved to be very effective in this task. This study explores and tests the relationship between experience and loyalty. This paper attempts to summarize the results of the literature review on customer experience on towards the services of a bank from various perspectives. Factor analysis, mean and ANOVA was carried out to assess the relationship. The study indicates the strong relationship between customer experience with the overall feeling trust and their satisfaction and in turn, it is helpful in delighting the customer. Some of the suggestions have drawn on the basis of the study.

KEYWORDS: *Customer Experience (CE), Service Quality, Loyalty, Satisfaction, Banking Services*

INTRODUCTION

In the present scenario, successful corporations gain competitive advantage through increased efficiency, high quality of service and improved customer relationship. Customers get information about the organization through customer advocacy. Creating and maintaining customer loyalty have become important in current service markets. In the financial services industry, maintaining superior service quality is considered critical to achieving customer satisfaction, value creation, and growth. The ability to understand the needs of the consumer with respect to the product or service is vital for measuring the level of consumer satisfaction. Every business organization aims to satisfy its customers to a great extent, as the customer satisfaction lays the foundation for the success of the business. The measurement of customer satisfaction has become mandatory in any organization.

Customer Experience (CX) is the sum of all experiences a customer has with a supplier of goods and/or services, over the duration of their relationship with that supplier. This can include awareness, discovery, attraction, interaction, purchase, use, cultivation and advocacy. It can also be used to mean an individual experience over one transaction; the distinction is usually clear in context. Analysts and commentators who write about customer experience and customer relationship management have increasingly recognized the importance of managing the customer's experience.

A new mobile generation of consumers, the rise of direct payments and online financial services, and an increase in banking service fees all contribute to an ongoing shift in how banking organizations service their customers. With an almost endless pool of financial institutions vying to provide a wide range of products to customers, banking organizations must strive to provide the most superior, consistent and effortless customer experience in order to acquire new customers, retain existing customers or win back lost customers. This requires a shift from a transaction mindset to one that is more focused on the relationship with the customer.

West Monroe Partners define "customer experience in the banking industry (commercial and individual consumers who own loans and deposits at an institution) as the sum of the customer's interactions with an institution across all touch-points, and the customer's resulting perceptions of the brand". A positive and effortless customer experience can result in increased customer satisfaction, loyalty, advocacy and greater customer lifetime value.

With the increased competition, global market, growing product portfolio and diminishing margins, banking customers have also changed in recent years. Modern customers require flexibility in hours of operation, greater convenience, customization, transparency, accessibility, and control. Competition and cost to attract the new customers and the expenses spent on it are heavy. Customer defection rates are higher than ever because of increased market competition. With so many different financial institutions to choose from consumers can now demand better quality services and more customized products from their banks. Thus, the study of customer satisfaction towards the quality of service of the banking sector is the need of the hour. This paper attempts to summarize the results of the literature review on customer satisfaction towards the services of a bank from five different perspectives namely, service encounters, waiting time of the customer to get the service, the role of intermediaries, quality of service provided by the bank and customer complaints towards the bank. Hence the purpose of this study is to provide empirical evidence, that if the bank offers better customer experience leads to high level of customer satisfaction, loyalty, and advocacy.

LITERATURE REVIEW

A company's capacity to deliver an experience that sets it apart in the eye so fits customers serves to increase the amount of consumer spending with the company and, optimally, inspire loyalty to its brand. "Loyalty," says Jessica Sebor, "is now driven primarily by a company's interaction with its customers and how well it delivers on their wants and needs." (2008)

With products becoming commodities, price differentiation no longer sustainable, and customers demanding more, companies— particularly communications service providers (landline, wireless, broadband, cable, satellite, etc.) — focus on delivering superior customer experiences. A study in the year of 2009 on 860 corporate executives revealed that companies that have increased their investment in customer experience management over the past three years report higher

customer referral rates and customer satisfaction (Strativity Group, 2009).

The customer experience has emerged as the single most important aspect in achieving success for companies across all industries (Peppers and Rogers 2005). For example, Starbucks spent less than \$10MM on advertising from 1987 to 1998 yet added over 2,000 new stores to accommodate growing sales. Starbucks' popularity is based on the experience that drove its customers to highly recommend their store to friends and family.

Customer experience management (CEM or CXM) is a strategy that focuses the operations and processes of a business around the needs of the individual customer. Companies are focusing on the importance of the experience. Jeananne Rae says that companies are realizing that "building great consumer experiences is a complex enterprise, involving strategy, integration of technology, orchestrating business models, brand management and CEO commitment." (2006)

- According to Bernd Schmitt, "the term 'Customer Experience Management' represents the discipline, methodology and/ or process used to comprehensively manage a customer's cross-channel exposure, interaction and transaction with a company, product, brand or service.
- According to James Allen of Harvard Business School, 80% of businesses state that they offer a great customer experience. This is in stark contrast to the 8% of customers who feel the same way. Allen exerts that businesses must be able to execute what he refers to as the "Three D's". The first D is about designing the correct incentive for the correctly identified consumer, offered in an enticing environment. The 2nd D is about a company's ability to focus the entire team across various functions to deliver the proposed experience. The third D ultimately determines a company's success with an emphasis on developing consistency in execution (see Allen, James, R., Frederick F, H., & Barney, 2005). A company must constantly teach, train and develop in order to keep up with the constant demands of providing an exceptional customer experience.
- According to Harvard Business Review blogger, Allen Richardson, a company must define and understand all dimensions of the customer experience in order to have long-term success. Some companies segment the customer experience into technical interactions with the customer such as use of the web, smartphone or tablet. Other companies define human interaction, such as over the phone customer service or face to face retail service as the customer experience. In our ever-growing global economy, where technology and bricks-and-mortar business often interacts or even compete for the customer base, it is important to recognize all these aspects as having an impact on the customer experience. Every business offers a customer experience. The more aware a business is about what type of experience they want to offer, the more likely they will create a positive experience.
- However, despite the best-laid plans, there are certain aspects of the experience that cannot be fully controlled. Individual perceptions, emotions and behaviors can alter the customers' experience (Richardson, A. 2010). So, too, will bad experiences with a product. For example, a piece of equipment that consistently fails to function reliably, or that do not meet longevity expectations, will generate complaints that can propagate through word of mouth or online. For these reasons, customer-experience management is no substitute for good product design and proper product engineering. No amount of customer-experience management can compensate for an unreliable

cell phone network, an airline that is unsafe to fly on, a computer that fails to meet expectations, a car that repeatedly fails to start or that needs innumerable repairs, clothing that cannot survive routine laundering, shoes that fall apart while being worn, a wobbly bookshelf that collapses when loaded, a roof that leaks shortly after installation, software that runs slowly and is crash-prone, or home appliances that generate safety hazards or break down too often. The increasingly online nature of the modern marketplace does not alter the fundamentals of sound business practice: in the long term, there is no substitute for providing good products and services at a reasonable price.

- Perception is about how different people interpret the same environmental stimuli in different ways. One way a company can help improve customer perception is through utilizing diversity. Diversity in hiring will offer different insight or perspectives from different genders, ethnicities or cultural backgrounds. Diversity in staffing also helps to attract and retain a diverse customer base. Whether it is, age, race, gender or life experiences, customers are more likely to become a loyal customer if the company offers someone who can understand their journey and guide them through the customer experience. (Williams, C., 2009) Today's banking services are being designed, built and deployed in a context dominated by elements other than the customer. This is particularly the case in the banking sector where the distinction between core bank processes and customer interactions is increasingly becoming blurred leading to a negative customer experience especially as customers are becoming more demanding. Our Customer Experience approach is designed to elevate the management of Customers' Experience to a strategic level, allowing the overall experience that's produced for customers to become a focal point for the organisation. We believe that building a brand reputation based on an excellent Customer Experience will drive sustainable competitive advantage in the future.
- As competition strengthens with the advent of new private banks with technological advantage in the early 1990s the scenario started changing rapidly from the demand side and experience become key input. Technology enabled products, processes, channel, pricing, service and value propositions created a new situation. Banks in the public sector space successfully upgraded their technology platforms to fight competition and keep the market share intact. The private sector players were able to make a dent on the market share by focusing on customer experience in a holistic way, but the penetration levels were always challenged by matching technology up gradation in different dimensions of public sector players. Thus products and services became almost bank neutral and customer experience becomes a differentiating factor. In the view of the aforesaid, it is pertinent to study the customer experience (J Sethuraman, 2012). It was found that customers of public sector banks are more satisfied with the service quality, than those of private sector banks (Pooja Mengi 2009). There seems to be a great amount of variation with respect to the level of service quality offered by the different groups of banks. Identifies the factors that discriminate the three groups of banks. Customers in developing economies now give more importance to "technological factors" of services such as a core service and they appreciate systematization of the service delivery as the yardstick in differentiating good and bad service. While the "human factors" seem to play a lesser role in discriminating the different groups of banks (G.S. Sureshchandar, 2003). Increase in service quality of the banks can satisfy and retain Using the Customer Experience (CX) ecosystem our approach utilises a combination of people, process, and systems to create a culture and philosophy that values customer-centric thinking, speaking and action. Process efficiencies are driven through the lens of customer journeys,

using technology first and foremost in a manner that makes organisations easier to do business with and reducing Customer Effort.

- Tamas Jonas and Janos Kovesi (2010) [69] stated that understanding the customers' voice is a key contributor to the success of any organization that provides services. Customer sovereignty is a review of customer satisfaction towards service quality of banking sector the key concept in marketing and it always assumed that the customer satisfaction is the crucial factor in determining the long run prosperity of the business.
- K. Szabó says that by the 1990's the technological development becomes able to meet the users' requirements again. For today it is possible to create standardized (or completely integrated) systems, which are ready to ensure the data processing on a higher level. In the life of the banks it means the centralization of knowledge centres which register customer information.
- Parasuraman suggests that the broadening the scope of marketing is to include the delivery of customer service as an integral component and demonstrates that a judicious blending of conventional marketing and superior customer service is the best recipe for sustained market success.
- T. Allred, H. L. Addams has analyzed service quality from the view of access, courtesy, communication, credibility, security, empathy, tangibles, basic service, fairness, fixing mistakes and guarantees and have concluded that the majority of the respondents have stopped using a financial service provider because of poor service performance.
- V. A. Zeithaml, A. Parasuraman and A. Malhotra, stated that to deliver superior service quality, managers of companies with Web presences must first understand how customers perceive and evaluate online customer service. A. P. Gaudet suggested that technology satisfaction does drive overall customer satisfaction and that, in turn, overall customer satisfaction does drive loyalty
- T. Rungting, says that expectations and perceived service quality strongly influence customers' emotions; emotions have a strong impact on the perception of service experience and customer satisfaction; and service experience mediates the effects of expectations, service quality, and emotions on customer satisfaction.
- Bargal and Sharma analysed the role of service marketing in banking sector. The identified important service factors in the banking sector are diversified services, flexible business transaction hours, accessibility of bank location, installation of the web system, professional training to the employees, customers' complaint system and performance-based appraisal system to enrich their services to their customers. S. D. Young aimed at the establishment of a quantifiable connection linking customer loyalty to financial performance. The loyalty index used is a composite of four factors (use again, recommend to others, exceeding expectations, and satisfaction).

OBJECTIVES AND RESEARCH METHODOLOGY

In the present day of the competitive environment, the banks are challenged by globalization, deregulation, industry consolidation, increasing regulatory requirements, decreasing margins, and heightened customer expectations. Every bank whether private and public are focusing on attracting and retaining customers, increasing sales, and differentiating their organization from competitors while improving the efficiency of their business operations and lowering their overall costs. Customers today can contact and do business with their bank through many different channels—from the traditional bank branch and call center to ATMs, online banking, and mobile financial services. With customers using any combination of the channels available to them, it is essential that banks form a coherent multichannel strategy. Offering a variety of channels may appear in itself to be good customer service. But if those channels remain isolated and disconnected in separate silos, and are not fully integrated, they can actually undermine the customer experience.

The present research work has been taken up with the following objective:

- To analyze the customer experience with the banking services offered through different channels.
- To compare the customer experience toward staff and their services of public, private & foreign sector banks in the Bangalore area;

RESEARCH METHODS

Customers' Experience survey of 386 customers has been carried out in order to assess and compare the experiences of customers from the performance of public and private sector banks in terms of various marketing related aspects. Well-structured Questionnaire has been used to collect primary data from customers about service personnel, service offering, facilitating services, accessibility, image and overall customer satisfaction of public, private & foreign sector banks. Customers have been asked to response for their primary banks which they use the most. Customers have been randomly selected from the selected branches of public, private & foreign sector banks for their responses. Cronbach alpha Test for reliability, one-way Analysis of Variance – F test have been carried out to compare the performance of public private & foreign sector banks for all the aspects.

Table 1: Demographic Profile of the Customers

| Sl.No | Demographics | Frequency | Percent |
|---------------------------|---------------------------|------------|-------------|
| Gender | | | |
| 1 | Male | 257 | 67% |
| 2 | Female | 129 | 33% |
| Total | | 386 | 100% |
| Age | | | |
| 1 | Less than 20 years | 40 | 10% |
| 2 | 21-30 | 146 | 38% |
| 3 | 31-40 | 159 | 41% |
| 4 | More than 41 years | 41 | 11% |
| Total | | 386 | 100% |
| Level of Education | | | |
| 1 | No Formal Education | 25 | 6% |
| 2 | Primary School Level | 41 | 11% |
| 3 | High School level | 66 | 17% |
| 4 | Diploma/ Degree | 189 | 49% |
| 5 | Post-Graduation and above | 65 | 17% |
| Total | | 386 | 100% |
| Occupation | | | |
| 1 | Student | 58 | 15% |
| 2 | Salaried | 198 | 51% |
| 3 | Business | 83 | 22% |
| 4 | Professional | 37 | 10% |
| 5 | Others | 10 | 3% |
| Total | | 386 | 100% |
| Monthly Income | | | |
| 1 | Less than 10,000 | 35 | 9% |
| 2 | 10,001-30,000 | 235 | 61% |
| 3 | 30,001-50,000 | 91 | 24% |
| 4 | 50,001 & above | 25 | 6% |
| Total | | 386 | 100% |

As seen in Table 1 out of the total respondents 67% were males and 33% females which implies that males were more than the females in the gender category of the respondents.

As per the table among the total respondents, 10% are less than 20 years of age, 38% are in the age group of 21-30, 41% are in the age group of 31-40, 11% of the respondents are above 41 years of age, which implies that majority of the respondents are of age 31-40 years and less than 20 years while least no. of respondents are above 41 years of age, which implies that most of the respondents who use banking services fall under the age group of 21-40 years of age. Furthermore out of the total respondents 49% are graduates and 17% out of total respondents possess a professional degree which implies that there is high literacy level among the respondents.

With regard to employment status majority that is 51% of respondents are salaried and 22% represents the business and remaining 15% represents student community. The majority of the respondents 61% have income between 10,001-30,000, 24% earn monthly between 30,000- 50,000, 6% of them have income above 50,000 which implies that majority of respondents are employed lying in the income group of 10,001-30,000.

Table 2: Type of Bank

| | Type of Bank | | |
|----------------------|--------------|------------|-----------------------|
| | Frequency | Percentage | Cumulative Percentage |
| Public Sector Banks | 157 | 40.67 | 40.67 |
| Private Sector Banks | 171 | 44.30 | 84.97 |
| Foreign Sector Banks | 58 | 15.03 | 100 |
| Total | 386 | 100 | |

As seen in table 2 out of the total 386 respondents 40.67% customers take services from Public sector banks where -as 44.30 % respondents are customers of Private sector banks and 15.03% respondents avail service from foreign sector banks which reveals that customers rely on all three sector banks as the various retail bank services are concerned.

Table 3: Nature of Services Availed

| Services | Responses | | |
|------------------------|-------------|----------------|------------------|
| | Frequency | Percent | Percent of Cases |
| Phone Banking services | 81 | 4.35% | 20.98% |
| Sales desk | 45 | 2.41% | 11.66% |
| ATM's | 360 | 19.31% | 93.26% |
| Branch Banking | 386 | 20.71% | 100.00% |
| Net banking | 259 | 13.89% | 67.10% |
| Mobile Banking | 290 | 15.56% | 75.13% |
| Relationship Manager | 85 | 4.56% | 22.02% |
| SMS alerts | 358 | 19.21% | 92.75% |
| Total | 1864 | 100.00% | 482.90% |

As per the above table out of 386 respondents all that is 100% avail the branch banking services, around 67.10% customers use Net banking, 15.56% use mobile banking and 93.26% are availing ATM services, which infers that a good ratio of customers is using technical facilities provided by banks. Hence the banks have a good scope in technological support services.

Table 4: Results of Factor Analysis

| Components | Initial Eigen values | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|------------|----------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 10.508 | 31.842 | 31.842 | 10.508 | 31.842 | 31.842 | 6.43 | 19.484 | 19.484 |
| 2 | 5.707 | 17.295 | 49.137 | 5.707 | 17.295 | 49.137 | 5.568 | 16.873 | 36.357 |
| 3 | 3.249 | 9.845 | 58.982 | 3.249 | 9.845 | 58.982 | 4.348 | 13.174 | 49.531 |
| 4 | 2.855 | 8.651 | 67.633 | 2.855 | 8.651 | 67.633 | 3.634 | 11.012 | 60.543 |
| 5 | 1.695 | 5.136 | 72.769 | 1.695 | 5.136 | 72.769 | 3.171 | 9.608 | 70.151 |
| 6 | 1.517 | 4.597 | 77.366 | 1.517 | 4.597 | 77.366 | 2.024 | 6.134 | 76.285 |
| 7 | 1.087 | 3.294 | 80.66 | 1.087 | 3.294 | 80.66 | 1.444 | 4.375 | 80.66 |
| 8 | 0.942 | 2.856 | 83.516 | | | | | | |
| 9 | 0.746 | 2.261 | 85.777 | | | | | | |
| 10 | 0.706 | 2.139 | 87.916 | | | | | | |
| 11 | 0.55 | 1.667 | 89.583 | | | | | | |
| 12 | 0.521 | 1.578 | 91.161 | | | | | | |
| 13 | 0.47 | 1.423 | 92.584 | | | | | | |
| 14 | 0.401 | 1.214 | 93.798 | | | | | | |
| 15 | 0.347 | 1.052 | 94.85 | | | | | | |
| 16 | 0.296 | 0.897 | 95.747 | | | | | | |
| 17 | 0.252 | 0.763 | 96.509 | | | | | | |
| 18 | 0.199 | 0.603 | 97.112 | | | | | | |
| 19 | 0.19 | 0.576 | 97.688 | | | | | | |
| 20 | 0.155 | 0.47 | 98.158 | | | | | | |
| 21 | 0.121 | 0.365 | 98.523 | | | | | | |
| 22 | 0.093 | 0.283 | 98.806 | | | | | | |
| 23 | 0.083 | 0.252 | 99.058 | | | | | | |
| 24 | 0.069 | 0.21 | 99.269 | | | | | | |
| 25 | 0.06 | 0.182 | 99.45 | | | | | | |
| 26 | 0.051 | 0.155 | 99.605 | | | | | | |
| 27 | 0.044 | 0.135 | 99.74 | | | | | | |
| 28 | 0.039 | 0.119 | 99.858 | | | | | | |
| 29 | 0.021 | 0.063 | 99.922 | | | | | | |
| 30 | 0.013 | 0.04 | 99.962 | | | | | | |
| 31 | 0.008 | 0.024 | 99.985 | | | | | | |

Extraction Method: Principal Component Analysis

Table 5: Rotated Component Matrix^a

| | Positive outlook | Convenience | Responsiveness | Technological Support | Ambiance | Marketing Support | Professionalism |
|--|------------------|-------------|----------------|-----------------------|----------|-------------------|-----------------|
| I will not switch to any other bank | 0.914 | | | | | | |
| I say positive things about the bank to other people. | 0.877 | | | | | | |
| Overall the bank is trustworthy | 0.867 | | | | | | |
| I will encourage friends and relatives to use the service offered by the bank. | 0.855 | | | | | | |
| Overall, I am satisfied with the bank services | 0.818 | | | | | | |
| I intend to continue being a customer of the bank for a long time to come. | 0.753 | | | | | | |
| You feel safe in your transactions with the bank. | 0.561 | | | | | | |
| Bank is located at convenient place | | 0.894 | | | | | |
| The employees of the bank understand your specific needs. | | 0.759 | | | | | |
| The bank has multiple branches | | 0.738 | | | | | |
| The bank gives you individual attention. | | 0.704 | | | | | |
| The bank has employees who give you personal attention. | | 0.686 | | | | | |
| Employees in the bank are always willing to help you. | | 0.67 | | | | | |
| The behaviour of employees in the bank instills confidence in you. | | 0.586 | | | | | |
| Employees in the bank tell you exactly when the services will be performed. | | 0.581 | | | | | |
| Employees in the bank are consistently courteous with you. | | 0.565 | | | | | |
| The bank has your best interests at heart. | | 0.45 | | | | | |
| When you have a problem, the bank shows a sincere interest in solving it. | | | 0.873 | | | | |
| The bank provides its service at the time it promises to do so. | | | 0.862 | | | | |
| When the bank promises to do something by a certain time, it does so | | | 0.795 | | | | |
| The bank performs the service right the first time. | | | 0.741 | | | | |
| The bank provides phone account service facilities | | | | 0.789 | | | |
| The bank provides internet bank facilities | | | | 0.747 | | | |
| Employees in the bank are never too busy to respond to your request. | | | | 0.675 | | | |
| The banks image and reputation is good | | | | 0.648 | | | |
| The bank has operating hours convenient to all its customers. | | | | 0.628 | | | |
| Employees in the bank give you prompt service. | | | | 0.539 | | | |
| Bank infrastructure is visually appealing | | | | | 0.762 | | |
| The bank insists on error free records. | | | | | 0.731 | | |
| The environment is neat and tidy | | | | | 0.72 | | |
| There are sufficient ATMs located in the city | | | | | 0.714 | | |
| Materials associated with the service (such as pamphlets) are visually appealing | | | | | | 0.747 | |
| Employees in the bank have the knowledge to answer your questions. | | | | | | | 0.782 |

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Rotation Converged In 13 Iterations

From the above table the loading of the factors can be observed. The loading on factors can be positive or negative. The Higher the loading the more important is the factor. According to the suggestions of statistician, anything above 0.44 could be considered salient; the increased loading becomes more vital in determining factor. All the higher loadings in the table are positive. The exploratory factor analysis extracted 7 factors with Eigenvalues greater than 1, which accounted for 80.66 percent of variance in the data. The results are presented in table. Most of the factor loadings were greater than 0.60, implying a reasonably high correlation between extracted factors and their individual items. The factors derived represent the different elements of customer experiences, which form the underlying factors from the original 33 scale response items given. Referring to the Table, Factor 1 having variance 31.842% represents the elements of the positive outlook of the customers towards the bank and is therefore labelled as 'POSITIVE OUTLOOK'. These elements are the Trust in the bank, Positive perception, loyalty towards the bank, positive word of mouth, customer's willingness towards long term relationship towards the bank. Factor 2 with a variance of 17.295% has all the statements related to the convenient and location and convenient services provided by the employees working in the bank

and therefore has been termed as 'CONVENIENCE'. The elements were the convenient location, multiple branches, individual attention paid by bank as well as its employees, willingness of employees to help the customers, courteous and empathic behaviour of employees and the promptness in making the promises, its clearcut objective is to attract its customers and build a brand(image) of the bank. The statements that load into factor 3, having variance 9.845% all were concerned with the responsible attitude of bank towards the customers in providing timely services and thus was abbreviated as 'RESPONSIVENESS'. The elements were sincere interest shown by bank in solving the problems, providing timely services, making up the promises made by the bank. Factor 4 having variance 8.651% consisted of the Technological functions provided by banks and has been named as 'TECHNOLOGICAL SUPPORT'. The elements factored were, the phone account facilities, internet facilities, speed, good reputation and convenient operating hours. Factor 5 having variance equal to 5.136 % was a summation of the elements that are related to the appealing infrastructure and physical environment and hence was termed 'AMBIENCE. The elements were appealing infrastructure, neat and clean environment, sufficient ATMs in the town. Factor 6 with a variance of 4.597

% consisted marketing initiative taken by banks and was termed as "MARKETING SUPPORT SERVICES" comprising the appealing marketing materials used by the bank. Factor 7 having variance 3.294% was related to the knowledge of bank employees so that they can guide customers correctly hence abbreviated as "PROFESSIONALISM".

An attempt was made to know how far advertising of the product influence customers in paying an extra premium for the product. The study reveals that 15.8% respondent is of the opinion that its influence to a great extent for paying the extra premium. 25.5% respondent is of the opinion that its influence to some extent. 35.7% indicated that it influence to a considerable extent in paying an extra premium for the product. Remaining 23% indicated to a little extent in paying the extra premium for the sake of advertising. However it is significant to note that all the respondent feel that advertising influence the customer in paying an extra premium for the product but with varying extent.

Table 6: Mean of Different Elements of Customer Experience Promoting Customer Satisfaction

| Income Level | Positive Outlook | Convenience | Responsiveness | Technological Support | Ambiance | Marketing Support Services | Professionalism |
|-------------------|------------------|---------------|----------------|-----------------------|---------------|----------------------------|-----------------|
| 10001-300000 PM | 3.6976 | 3.7086 | 3.6619 | 3.6946 | 3.6992 | 3.6904 | 3.5787 |
| Rs30000-Rs50000PM | 2.2741 | 2.6 | 3.4571 | 3.8129 | 3.2959 | 4.4694 | 3.449 |
| Rs50001and Above | 3.7143 | 3.9111 | 3.8222 | 4.1852 | 3.75 | 3.8889 | 3.3333 |
| Total | 3.4246 | 3.5027 | 3.6282 | 3.7346 | 3.6235 | 3.8471 | 3.5451 |

As is evident from the mean ratings of various elements of customer experience promoting customer satisfaction indicates that marketing support services provided by banking organization scored the highest mean among all income group of respondents.

However technological support was rated highest as compared to all elements in the higher income group respondents.

Table 7: One Way ANOVA with Income Categories Respondents

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----------------------------|----------------|-----------------|------------|-------------|--------|-------|
| Positive Outlook | Between Groups | 80.302 | 2 | 40.151 | 71.916 | 0 |
| | Within Groups | 140.694 | 252 | 0.558 | | |
| Total | | 220.996 | 254 | | | |
| Convenience | Between Groups | 49.784 | 2 | 24.892 | 65.461 | 0 |
| | Within Groups | 95.824 | 252 | 0.38 | | |
| Total | | 145.608 | 254 | | | |
| Responsiveness | Between Groups | 1.997 | 2 | 0.998 | 1.981 | 0.14 |
| | Within Groups | 127 | 252 | 0.504 | | |
| Total | | 128.997 | 254 | | | |
| Technological Support | Between Groups | 2.443 | 2 | 1.222 | 2.291 | 0.103 |
| | Within Groups | 134.379 | 252 | 0.533 | | |
| Total | | 136.822 | 254 | | | |
| Ambiance | Between Groups | 6.532 | 2 | 3.266 | 7.121 | 0.001 |
| | Within Groups | 115.577 | 252 | 0.459 | | |
| Total | | 122.109 | 254 | | | |
| Marketing Support Services | Between Groups | 23.831 | 2 | 11.915 | 14.491 | 0 |
| | Within Groups | 207.205 | 252 | 0.822 | | |
| Total | | 231.035 | 254 | | | |
| Professionalism | Between Groups | 1.078 | 2 | 0.539 | 0.077 | 0.926 |
| | Within Groups | 1756.153 | 252 | 6.969 | | |
| Total | | 1757.231 | 254 | | | |

One way ANOVA was carried out to test the hypothesis that, the mean of different elements of customers experience promoting customer satisfaction does not differ significantly across the different income categories of respondents; the table showing calculated value of F is lesser than the tabulated value of F (3.0) at (p< 0.05) level of significance in the case elements like Responsiveness, Technological Support, and Professionalism thus null hypothesis is accepted indicating that the mean of different elements of customers experience promoting customer satisfaction does not differ significantly across the different income categories of respondents. However null hypothesis is rejected in case of elements like Positive outlook, Convenience Ambiance, and Marketing Support Services and it is inferred that there is a significant difference in the opinion of the respondents related to these elements.

Segmentation of Customers using Cluster Analysis

Cluster analysis is a major technique for classifying a 'mountain' of information into manageable meaningful piles. It is a data reduction tool that creates subgroups that are more manageable than individual datum. Like factor analysis, it examines the full complement of inter-relationships between variables. Using cluster analysis, a customer 'type' can represent a homogeneous segment. Identifying their particular needs allows the organization to adopt specific strategies with greater precision and direct appeal within the segment. Targeting specific segments is cheaper and more accurate than broad-scale marketing. Customers respond better to segment marketing which addresses their specific needs, leading to increased market share and customer satisfaction

Table 8

| | | |
|---------|---------|--------|
| Cluster | 1 | 44.000 |
| | 2 | 40.000 |
| | 3 | 29.000 |
| | 4 | 24.000 |
| | 5 | 60.000 |
| | 6 | 57.000 |
| | 7 | 1.000 |
| Valid | 255.000 | |
| Missing | 0 | |

Table 9: Final Cluster Centres

| | Cluster | | | | | | |
|-----------------------------------|---------|------|------|------|------|------|------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Positive Outlook | 3.36 | 3.04 | 1.7 | 3.3 | 3.61 | 4.46 | 4.43 |
| Convenience | 3.31 | 3.99 | 2.06 | 3.81 | 3.21 | 4.22 | 3.4 |
| Responsiveness | 2.98 | 3.32 | 3.24 | 4.36 | 3.8 | 4.07 | 3 |
| Technological Support | 2.67 | 3.75 | 3.98 | 3.53 | 3.8 | 4.46 | 2.83 |
| Ambiance | 3.98 | 2.49 | 3.1 | 3.9 | 3.65 | 4.27 | 3.25 |
| Marketing Support Services | 4.02 | 3.63 | 4.9 | 5 | 2.5 | 4.28 | 3 |
| Professionalism | 1.95 | 4 | 2 | 4.75 | 3.6 | 4 | 4.2 |

A cluster analysis was run on 7 elements of customer experience shorted out of 33 variable each responding to the different customer experience. A K means cluster analysis method produced seven clusters, between which the variables were significantly different in the main. From the table, it could be seen that cluster 1 has 44 respondents. For them, marketing support services (4.02) is the prime factor followed by ambiance (3.98) and Positive outlook (3.36). In the cluster 2 their 40 respondents, for them the convenience (3.99) is the main followed by technological support. In the cluster 3, there are 29 respondents who indicated marketing support services (4.90) satisfy them most followed by technological support and responsiveness. In the cluster 4, there are 24 respondents whole first choice is marketing support system and followed by professionalism. The fifth cluster is one of 60 respondents whose first choice are technical support and responsiveness. The sixth cluster is of 57 respondents where the customer has got equal satisfaction with a positive outlook and technological support with the mean of 4.46. The seventh cluster is of 1 respondents whose first choice is positive outlook and is followed by professionalism.

CONCLUSIONS

In the present consumer economy, attracting and crucially keeping customers for long- term is a key challenge for any organization. The customer is at the center of all business activities and particularly, the banks have organized by positioning the staff to meet the needs of the customers in a highly customized and responsive manner. The ultimate, in customer satisfaction, is giving customers exactly what they want. The customers are the most valuable asset of any organization. To gain greater customer experience and satisfaction, right person should be identified, properly trained, supervised, motivated and providing a conducive work environment with the clear understanding of the rules of the organization. The high levels of internal service quality like positive outlook, Convenience, Responsiveness, Technological support, ambiance, Marketing support services, professionalism, lead to higher levels of employee satisfaction.

The happier employees are, the more likely they are to stay and the better their productivity and five more satisfaction to the customers.

REFERENCES

1. Allred A T, Addams H L, *Service quality at banks and credit unions: What do their customers say?*, *Managing Service Quality* 10 (2000), no. 1, 52–60, DOI 10.1108/09604520010307049. Bandura A, *Social Foundations of Thought and Action; a Social Cognitive Theory*, Prentice Hall, Englewood Cliffs, NJ, 1986.
2. Bargal, Sharma, *Role of Service Marketing in Banking Sector*, *The Icfai Journal of Services Marketing* VI (2008), no. 1, 62.
3. Barnard A M, *Feedback Seeking in Customer Service Relationships*, *The Department of Psychology, Louisiana State University*, 2002.
4. Berry L L, *Relationship Marketing, Emerging Perspectives on Services Marketing* (Berry L L, Shostack G L, Upah G D, eds.), American Marketing Association, Chicago, 1983, pp. 25-28.
5. BoshoffCh, Tait M, *Quality perceptions in the financial services sector: The potential impact of internal marketing*, *International Journal of service industry management* 7 (1996), no. 5, 5-31, DOI 10.1108/09564239610149939.
6. Dimitrios, Belias. "Organizational Culture And Job Satisfaction, In Banking Sector–A Review."
7. Brown S W, Swartz T A, *A gap analysis of professional service quality*, *Journal of Marketing* 53 (1989), no. 4, 92-98, DOI 10.2307/1251416.
8. Byun S., *The value of technology in service encounters: Exploring consumer perceptions of biometric access at automatic teller machines*, *Purdue University, United States*, Nov 2007.
9. Chebat J, *Impact of waiting attribution and consumer's mood on perceived quality*, *Journal of Business Research* 34 (1995), no. 3, 191-196, DOI 10.1016/0148-2963(95)98346-4.
10. Chernow J R, *Measuring the values of Travel Time Savings*, *Journal of Consumer Research* 7 (1981), 360–371, DOI 10.1086/208826.
11. Cowgill M. A, *Drivers of client satisfaction: A study of financial advisors and client service techniques*, *Argosy University/Sarasota, United States – Florida*, 2002.
12. Czepiel J A, Solomon R, Bitner MJ, Surprenant CF, *The Service Encounter: Managing employee/customer interaction in service business*, 1985. Lexington, Mass: Lexington Books.
13. Davis M M, Janelle Heineke, *How disconfirmation, perception and actual waiting times impact customer satisfaction*, *International Journal of Service Industry Management* 9 (1998), no. 1, 64- 73, DOI 10.1108/09564239810199950.
14. Dawes J, Rowley Jennifer, *The waiting experience: towards service quality in the leisure industry*, *International Journal of Contemporary Hospitality Management* 8 (1996), no. 1, 16-21, DOI 10.1108/09596119610108608.

15. Day R L, Ash S B, Consumer response to dissatisfaction with durable products, *Advances in Consumer Research* 6 (1979), 438–444.
16. Arora, D. E. E. P. I. K. A., and A. Saxena. "Inter relationship of service quality aspects, customer satisfaction and customer loyalty in banking sector of india: a study of retail banking sector." *International Journal of Research in Business Management* 1.4 (2013): 1-8.
17. Day R L, Landon E L, *Towards a theory of consumer complaining behavior in consumer and industrial buying behavior*, Arch woodside, Amsterdam, North Holland (AGWoodside J. S., ed.), North Holland Publishing Company Press, 1977, pp. 425–432.
18. Dellaert B G C, Kahn E B, How tolerable is delay? Consumers' evaluations of internet web sites after waiting, *Journal of Interactive Marketing* 13 (1999), 41–54, DOI 10.1002/(SICI)1520- 6653(199924)13:1<41::AIDDIR4>3.0.CO;2-S. Winter.
19. Diaz A B C, Ruiz F J M, *The Consumer's Reaction to Delays in Service*, *International Journal of Service Industry Management* 13 (2002), no. 2, 118– 140, DOI 10.1108/09564230210425331.
20. DilipSoman, Rongrong Zhou, *Waiting for service: Affective responses, satisfaction and decision making of consumers waiting in queues*, *Advances in Consumer Research* 29 (2002), no. 1, 412– 419.
21. Emari H, Iranzadeh S, Bakhshayesh S, *Determining the dimensions of service quality in banking industry: Examining the Gronroos model in Iran*, *Trends Applied Sciences Research* 6 (2011), 57–64, DOI 10.3923/tasr.2011.57.64.
22. Nayak, N. I. T. I. N., V. I. K. A. S. Nath, and N. A. N. C. Y. Goel. "A study of adoption behaviour of mobile banking services by Indian consumers." *International Journal of Research in Engineering & Technology* 2.3 (2014): 2347-4599.
23. Fisk RP, Brown SW, Bitner MJ, *Tracking the Evolution of the Services Marketing Literature*, *Journal of Retailing* 69 (1993), no. 1, 61–104, DOI 10.1016/S0022-4359(05)80004-1.
24. Gabbott M, Hogg G, *An empirical investigation of the impact of non-verbal communication on service evaluation*, *European Journal of Marketing* 34 (2000), no. 3/4, 384–398, DOI 10.1108/03090560010311911.
25. Gail T, Scott L, *Waiting time delays and customer satisfaction in supermarkets*, *Journal of Services Marketing* 9 (1995), no. 5, 20–29, DOI 10.1108/08876049510100281.
26. Gaudet A P, *Customer relationship marketing and effects of demographics and technology on customer satisfaction and loyalty in financial services*, Old Dominion University, United States – Virginia, 2004.
27. Gummesson E, *Total Relationship Marketing: Marketing Management, Relationship Strategy and CRM Approaches for the Network Economy*, Oxford: Butterworth-Heinemann, 2002.
28. Heskett J L, *Beyond customer loyalty*, *Managing Service Quality MCB UP Ltd* 12 (2002), no. 6, 355– 57, DOI 10.1108/09604520210451830. A review of customer satisfaction towards service quality of banking sector 2012 20 2 77

29. Hossain M, Leo S, *Customer perception on service quality in retail banking in Middle East: the case of Qatar*, *International Journal of Islamic and Middle Eastern Finance and Management* 2 (2009), no. 4, 338–350, DOI 10.1108/17538390911006386.
30. Huang C.-Y., *The effect of service performance on service quality: An investigation of the banking industry in Taiwan*, Nova Southeastern University, United States, June 2004.
31. Hui M K, Mrugank V Thakor, Ravi Gill, *The effect of delay type and service stage on consumers' reactions to waiting*, *Journal of Consumer Research* 24 (1998), no. 4, 469–480, DOI 10.1086/209522.
32. Jamal A, Adelowore A, *Customer-employee relationship: The role of selfemployee congruence*, *European Journal of Marketing* 42 (2008), no. 11/12, 1316-1345, DOI 10.1108/03090560810903691. Jones T., *Personal, professional and service company commitments in service relationships*, Queen's University at Kingston, Canada, 2003.
33. Kelley S W, *Managing Service Quality: The Organizational Socialization of the Service Employee and Customer*, University of Kentucky, United States – Kentucky, 1987. Kelly SW, Skinner S J, *Organisational socialization of service customers*, *Journal of Business Research* 25 (1982), 197–214, DOI 10.1016/0148- 2963(92)90029-B.
34. Liang C.-J, Wang W-H, *The behavioural sequence of the financial services industry in Taiwan: Service quality, relationship quality and behavioural loyalty*, *Service Industries Journal* 26 (2006), no. 2, 119-145, DOI 10.1080/02642060500369131.
35. Makdessian L., *Consumers' reactions to service failures: The intervening roles of anger and gender*, Concordia University, Canada, Dec 2004.
36. Mary Jo Bitner, Hubbert AR, *Encounter Satisfaction Versus Overall Satisfaction Versus Quality* (1994), 72–94. Rust RT, Oliver RL. (Ed.) *Service Quality: New Directions in Theory and Practice*, Thousand Oaks, CA, Sage Publications.
37. Mary Jo Bitner, *Servicescapes: The Impact of Physical Surroundings on Customers and Employees*, *Journal of Marketing* 56 (1992), 57-71.
38. Morgan R M, Hunt S D, *The Commitment-Trust Theory of Relationship Marketing*, *Journal of Marketing* 58 (1994), 20–38, DOI 10.2307/1252308. 53 Salifu Justice R, *The nexus of service performance and service quality: A study of the Ghanaian retail banking industry*, Capella University, United States, Nov 2010.
39. Parasuraman A, Zeithaml V A, Berry L L, *Delivering Service Quality: Balancing Customer Perceptions and Expectations*, The Free Press, New York, NY, 1990.
40. Pruyn A, Smidts A, *Effects of waiting on the satisfaction with the service: Beyond objective time measures*, Rotterdam School of Management. Erasmus University, Rotterdam, Netherlands, 1998. Rafaeli A, Barron G, Haber K, *The effects of Queue Structure on Attitudes*, *Journal of Service Research* 5 (2002), 125–39, DOI 10.1177/109467002237492.
41. Richards M D, Dee Dee Hicks, *The HASSLE Scale: Measuring Consumer Satisfaction/Dissatisfaction with the Complaint Resolution Process*, *Journal of Customer Service in Marketing and Management* (1997), no. 4, 61-73.

42. Shankar V, Smith A K, Rangaswamy A, *Customer Satisfaction and Loyalty in Online and Offline Environments*, eBusiness Research Center Working Paper Penn State University, October, 2000.
43. Singh J, *Consumer Complaint Intentions and Behavior: Definitional and Taxonomical Issues*, *Journal of Marketing* 52 (1988), 93–107, DOI 10.2307/1251688. 66 Soteriou A. C, *Searching for the Value of Quality in Financial Services*, service quality, 2000. Working Papers – Financial Institutions Center at The Wharton School.
44. Szabó K, *Customer authentication, as a matter of risk in financial services*, *Social and Management Sciences, Periodicapolitechnica* 11 (2003), no. 1, 13–26.
45. Tu R., *Service quality and expectation: The critical impact of emotions and service experience on customer satisfaction*, The University of North Carolina at Chapel Hill, United States – North Carolina, 2004. 78 *Per. Pol. Soc. and Man. Sci.* Amudha Ramachandran / Vijayabanu Chidambaram
46. Zeithaml V A, Parasuraman A, Malhotra A, *Service quality delivery through Web sites: A critical review of extant knowledge*, *Academy of Marketing Science* 30 (2002), no. 4, 362–375, DOI 10.1177/009207002236911.

