

Impact of Banking Innovative Service on Customer Satisfaction: A Study on Manipur Rural Bank

Laishram Tarunbala Devi¹ Dr. Ayekpam Victoria Chanu²

Research Scholar Department of Commerce, Dhanamanjuri University

Assistant Professor Department of Commerce, Dhanamanjuri University

1.1. Abstract

Purpose: The purpose of this study is to examine customer response towards the key service attributes like reliability, responsiveness, tangible infrastructure, and assurance and employee empathy of Manipur Rural Bank.

Methodology Approach: Twelve branches of Manipur Rural Bank were selected; seven branches were in Imphal West and five in Imphal East. The total number of customers sampled was 360, out of which 200 were customers of Imphal West and 160 customers from Imphal East. Data were collected by a self-administered questionnaire. The SERVQUAL model was the guiding force for the analysis which has also been used together with exploratory factor analysis, correlation and regression in the evaluation of customer satisfaction.

Findings - The results found that reliability, tangible infrastructure and empathy have a significant and positive effect on customer satisfaction. In comparison, assurance and responsiveness played little role. The study also helps to highlight some customers are remote, illiterate and unaware.

Research limitations/implications - The results obtained are specific to Manipur Rural Bank and may not generalise to other banks.

Originality/value - The research made by considering demographic, topographic and infrastructural factors (roads, transportation and branch locations) of hill districts, bank management should take revised model to know the demand of the customers at the grassroots level and then make supply-specific service and strategy.

Keywords: Customer satisfaction, quality of service, Manipur Rural Bank

1.2. INTRODUCTION

Marketing and behavioural scientists have long realised that customer delight can result in customer loyalty and higher profits (Rust et al, 2002; cited by Oriol Iglesias et al, 2018). Understanding how satisfied your customers really are is therefore important in a competitive environment. Global competition and accelerated technology have transformed many industries including one of the financial sectors-banking. The sector is evolving as a result of products, information technology, market liberalisation, and financial deregulation- all of which have brought change in customer expectations. Financial innovation is nothing new, in fact, it serves to boost economies in the past. Adopting new and innovative solutions is helping

banks remain competitive. The onslaught of private banks like HDFC, ICICI and UTI in 1990s radically change the Indian banking horizon and the customer demands top class services. Banks retaliated with value-added services such as ATMs, internet banking, mobile banking, etc. Until recently, customers in the Northeast had difficulty getting services from banks. Leaf way openings were hard to find due to hilly terrain and low-population levels, with service being available mostly from sub-divisional centres. The introduction of Pradhan Mantri Jan Dhan Yojna (PMJDY) on the 15th of August, 2014 with private players and agencies supported under it, many rural branches aided in availing service alternatives and competitions. With increasing awareness and literacy, customers now have more knowledge on the risks, cost, and returns of financial products. Modern banking is more encompassing than just deposits, loans, and money transfer and includes insurance, brokerage, advisory services, merchant banking, factoring, and other services. For banks to thrive, they need to design marketing strategies that will attract and retain customers. Customer satisfaction and perception have become key performance indicators to banks. Increased Offerings Credit cards, mutual funds, merchant and lease financing are offered to create positive customer perceptions (Zeithaml et al., 2009). Continuous monitoring of customer impressions is necessary as impressions can change over time (Zeithaml & Bitner, 2003). Perceived service quality remains a very important, but occasionally controversial, construct in contemporary marketing literature. It has a direct impact on customer value and customer loyalty (Oliver, 1996). Innovation is a multi-stage process, which transforms ideas into new or improved goods, services or procedures. For the banks, the ability to provide such type of innovative services is very important for survival in today's environment. Academics continually comment on the significance of innovation in addressing the issue of financial exclusion and improved service delivery in the financial sector since the beginning of financial modernisation (Baregheh et al., 2009).

1.3. Profile of Manipur Rural Bank

Manipur Rural Bank (MRB) was established in 1981 as a joint venture of Central Government, Manipur State Government and Punjab National Bank with the capital ratio as 50:15:35 respectively. The bank caters to the facilities of credit and banking in rural development for the entire state. Its basic mission is to link rural areas to the urban centres and one rural community to another. MRB facilitates financial inclusion and literacy through the provision of IT-based financial products like NEFT, RTGS, ATM, POS transactions, and SMS alerts recently launched to facilitate the same.

Table 1.1: Network of Manipur Rural Bank as on March 2022

SL. No	Districts	No. of Branches
1	Imphal East	5
2	Imphal West	7
3	Thoubal	4
4	Kakching	1
5	Bishnupur	4
6	Tengnoupal	1
7	Kangpokpi	1
8	Ukhrul	1
9	Noney	2
10	Churachandpur	1
Total		27

Source: Annual Report of Manipur Rural Bank, 2021-22

1.4.Review of Literature

A review of related literature is aimed to introduce the importance of the study in a thematic way. The study is structured based on 2 major assertions according to the area of research: (a) Customers' Satisfaction and Perception, and (b) Service Quality and Innovative Services. The main dimensions to consider in this regard are the infrastructures of tangible, the responsiveness, reliability, assurance and empathy.

1.4.1. Customers' Satisfaction and Perception

Studies on customer perception and customer satisfaction are becoming more popular and are well recognised in the knowledge about service marketing (Anderson et al., 1994). Recent research in the human service settings has further supported this relationship (Bigne et al., 2003). In regard to the relationship between perception and service quality, much literature has been devoted to how the quality and the quality perception should be measured (Cronin & Taylor, 1992). The Saraiya Committee (1972) suggested seventy-seven improvements regarding customer services whereas the Talwar Committee (1975) focused on the fact that customer service is a dynamic concept and that it should be continuously evaluated to comprehend the perceptions of the customers. Kattara et al. (2008) found that customer satisfaction with the product offerings is one of the main determinants of overall customer satisfaction and the quality of services provided by the various channels (Information Technology enabled call centres and Traditional branches) is essential. This has major implications for how one manages satisfaction in the financial services industry. Suh and Han (2003) showed that the sense of security enhances customer satisfactions When trust and security are regarded as an important factor in e-commerce's acceptance. Bolton (1998) demonstrated that by modelling the length of time spent by the supplier and customer in the relationship, it is possible to calculate the effect of service improvements on revenue, pointing out the importance of changes in levels of satisfaction. Andreaasen and Lindestad (1998) found that corporate image has an effect on customer loyalty, while customer satisfaction does not have the same effect. Bihkongnyuy (2018) contended that it is imperative to maintain high quality, customer satisfaction and customer loyalty to win tough competition. Ahmed (2002) and Jham & Khan (2008) established the relationship between customer's satisfaction of Indian bank and the bank's performance. Quyet, Vinh, & Chang (2015), Kumar & Singh (2006), Pont & McQuilken (2005), Mistry (2013), no significant difference found in terms of satisfaction between loyalty and changes but stated significant impacts across all dimensions of behavioural intentions. Bloemer et al. (1998) identified reliability and market position as being important drivers of loyalty in retail banking. Kaura et al. (2015) and Jamal & Naser (2002) demonstrated that the factors such as service quality, perceived price and fairness, and service convenience influence satisfaction and loyalty positively which act as mediators between antecedents and loyalty. Culiberg and Rojsek (2010) highlight the significance of customer satisfaction in various industries, and that low responses from bank employees may affect customer dissatisfaction, which could be overcome with specialised training.

1.4.2. Quality of Service and Innovative Services

This section involves review of the services of the bank with a focus on quality provided to the customers. SERQUAL conceptualises the quality of services using five variables: tangible infrastructure, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1988; Ahmad et al., 2020; Mohammad et al., 2016; Roberts & Amit, 2008). The research community in turn largely takes for granted that the quality-

of-service results in customer satisfactions, although the causality of the direction of the relationship is still debated (Anderson & Fornell, 1994; Reidenbach & Sandifer-Smallwood, 1990). Ushantha et al. (2014) found consumers perceive SERVPERF dimensions in a positive manner; namely, reliability, assurance, empathy, tangibles, and responsiveness are positively perceived. Sowmya & Kumar (2017) stated that customer base prefers online banking for its convenience, accuracy, tangibility, reliability, loyalty, and availability. The performance, success, and survival of banks are much dependent on the quality of service. Aktar (2011) and Ananth et al. (2010) believe the same while Hoffman & Batesan (2010) defined the service quality as a long term and global evaluation of a company's performance. Lovelock et al. (2011) believed that perceived service quality in customers is a result of customers making comparisons between their expectations and the outcomes. McDougall & Levesque (2000) and Felix (2017) suggested the most important factors in terms of satisfaction to be perceived value and basic quality of service. The extension of perceived value and service quality into models of satisfaction helps give a complete picture of the drivers of satisfaction. The Goiporia Committee (1991) focused on the creation of an amicable banker - client relationship and therefore took some initiatives such as attractive term deposit schemes and customer service indices. Aldlaigan & Buttle (2002) highlighted that customer measures quality of service at organisational and transactional levels which is beneficial in banking. Dutta and Dutta (2009) described that foreign banks are considered to have better quality services compared to private and public banks, which influenced the performance of the bank. Munusamy, Chelliah, & Mun (2010) and Ozatac, Saner, & Sen (2015) stated that customer satisfaction is dependent on the establishment of strong relationships. Berry (1997) put forward four essential approaches which are transaction surveys, complaints handling, feedback and inquiries, market research, and employee surveys. Franke (1998) said that bank transformation is influenced by innovations on financial products and information technology, which affects product positioning and range. Nath, Schrick, & Parzinger (2001) and Malik (2014) stated that there is a need for banks to retain customers and increase market share, which would make sophisticated and low-cost technology very crucial. McMahan et al. (2014) opined that universal service policies and political promises result in rural communities being unprofitable for providers, where typically regulators are removed from local realities. Shabibir, Rehman, & Shabibir (2016) found both automated and traditionally provided services had direct and significant effect on satisfaction. The findings of Lee & Hwan (2005) and Ennew & Binks (1999) suggested that perceived quality is an antecedent of attitude and they are directly associated with satisfaction, purchasing intention, and profitability. Kolbe & Brenner (2006) stressed the increasing importance of self-services because of growing use of internet. Nyaga 2014 surveyed platforms in EAC member states with recommendations of legislative and regulatory modification in order for mobile money to be adopted. Sanjapan (2017) proposed high switching costs can deter customers from switching despite their dissatisfaction with the product, implying the presence of switching costs as a factor of satisfaction. Zhu, Wymer, & Chen (2002) revealed the role of information technology (IT) based services both directly affecting the dimensions of SERVQUAL and indirectly affecting perceived quality/satisfaction. Jun & Cai (2001) argued that reliability, responsiveness, access and accuracy are major sources of satisfaction or dissatisfaction.

1.4.3. Studies on Rural Banks

The studies related with the focus areas of rural banks. Giardini & Fres (2008) argue that the emotional competence of employees towards the customer is represented by positive affect during encounters and has a direct impact on the customer's evaluation. Ga & Noa (2015) and Adil (2013) identified five dimensions namely price, security, perceived risks, responsiveness and assurance that improve the

satisfaction related to online banking services in Nigeria. Sura (2008) and Soni & Kapre (2012) noted that although the performance of RRBs is improving, issues related to transparency are damaging the banker-to customer relationship in the country; the expansion of branches in backward areas could increase the benefits. Mengi (2009), Toor, Hunain, Hussain, Ali, & Shahid (2016) and Rahman (2013) determined the significant correlations between advanced services, cost & prestige, & consumer satisfaction. A non-significant relationship of basic services to satisfaction was found, although a positive relationship existed on loyalty. Mohammad, Yakubu, Bawuro & Magaji (2016) and Melnic (2016) emphasised that customers believe that banks should do what is best for them and that they should do whatever is required to provide simple and personal information to customers. Rao & Rao (2014) and Biswas (1993) wrote that the growth of the banking sector is rapidly growing in India but still there is some challenges of rural credit societies. Reddy & Prasad (2011) noted on the need to pay attention to RRBs for economic growth, but noted their performance was under-quantified even three decades later. Chiguvu & Guruwo (2017) found positive correlation between customer satisfaction and their loyalty and they recommended that bank should focus on enhancing customer satisfaction in order to build customer loyalty.

This study attempts to serve three objectives: (a). To measure the level of customer satisfaction based on the innovative services provided by Manipur Rural Bank. (b). To evaluate the impact of the factors on customer satisfaction in the study area. (c) To offer constructive suggestions based on the findings of the study. The relationship between customer satisfaction and service quality metrics will be examined using correlation analysis, and the impact of service quality on customer satisfaction will be examined using regression analysis.

1.5. Research Methods

Based on the existing literature, in this study, quantitative research method has used the procedure of structured questionnaire to validate the SERVQUAL model. The tangible factors that were studied were Tangibility, Reliability, Responsiveness, Assurance, Empathy and Satisfaction. To determine a relationship between the quality of service (QS) and customer satisfaction, quantitative methods were applied, such as regression and correlation methods which quantified the relationships between customer satisfaction and the factors that influence the quality of service (QS).

1.5.1 Sampling Design and Sample Size

The study began in a multiple stage random sampling procedure which then used purposive and convenience sampling. A self-administered questionnaire was distributed to 360 respondents randomly from seven branches in Imphal West District and five branches in Imphal East District. Only savings account holders were selected in order to maintain the homogeneity of the sample and the random error that possible would occur due to difference in the sample by the district (Calder, Philips & Tybout, 1981; Assael & Keon, 1982).

1.5.2 Research Scale Instrument

The questionnaire was organised into two parts. Part 1 was used to gather demographic data (age, gender, occupation, annual income, educational qualification, current services provided by the respondent's bank). Part 2 was a measure of customer's perceptions to the quality dimensions of service and their agreement to statements relating to satisfaction. A five-point Likert scale was employed; 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

1.5.3 Data Analysis Method

The analysis of the data has been done using the software programme of Statistics Package for Social

Sciences (SPSS) Version 21. Descriptive statistics (frequency distributions) summarised demographic variables of the respondents. Correlation coefficients were used to study the relationships between the service quality and its five dimensions and customer satisfaction. Finally, results from regression analysis were used to specify the most important dimensions of service quality that could predict satisfaction.

1.5.4 Research, Validity and Reliability

Pretesting was done in order to make sure that the questionnaire was fair and accurate. Guides to Exercise - Experts reviewed its content to ensure that all of the intended constructs were represented. Reliability was measured using Cronbach's alpha resulting in 0.837 for the 12 items assessing quality dimensions of the services and satisfaction - well above the acceptable level and indicating a reliable tool.

1.6. Analysis and Interpretations

The data analysis and interpretation of the gathered data are presented in this part. It demonstrates the application of statistical tools like frequencies, mean, correlations, and regression analysis.

Table 1.2: Profile of the Sample Respondents

Variables		Frequency	Percentage
Age	20-Below	5	1.5
	20-30	78	21.67
	30-40	213	59.17
	40-50	30	8.33
	50-Above	34	9.44
Gender	Male	226	62.78
	Female	134	37.22
Marital Status	Single	77	21.39
	Married	267	74.17
	Divorce	10	2.78
	Widow	6	1.67
Educational Qualification	Primary	2	0.6
	High School	190	52.78
	Secondary	62	17.22
	Graduate	54	15
	Post Graduate	46	12.78
Occupation	Others	6	1.67
	Cultivator	156	43.33
	Services	122	33.89
	Business	24	6.67
	Homemaker	30	8.33
	Others	28	7.78

Source: Computed from the primary data

Table 1.2 shows profile of the sample respondents, most of the respondents (59.17 percent) were aged between 30-40 years. 62.78 percent of them were male. 52.78 percent had only a high school qualification or higher secondary. Majority (74.17 per cent) were married and the main sources of their income according to their reply were from cultivations (43.33 per cent).

1.6.1 Factor Analysis

In order to understand the determining elements and critical dimensions that customers in Manipur take into account when interacting with rural banks, factor analysis was constructed. As demonstrated in the tables below, the five key service quality factors that have the greatest influence on bank clients are tangibility, reliability, responsiveness, assurance, and empathy.

Table 1.3: Agreement level of Service Quality Dimensions on Tangibles Infrastructure

Tangible Infrastructure	M	SD	Interpretation
1. Parking space and seating Lounge	2.90	0.62	Moderately adequate
2. Pleasant and Attractive Décor	3.07	0.71	Adequate
3. Internet Facility	3.70	0.94	Adequate
4. Convenient branch location	3.71	0.82	Adequate
Reliability coefficient (Cronbach's Alpha): 0.799			
Eigenvalue : 1.642			
Variance Explained : 4.393			

Table 1.3 shows that bank services offered by banks are well satisfactory to respondents. The banks have adequate level of tangible assets as illustrated by mean ratings ranging from 2.90 to 3.71. Except for statement, "Parking space and seating lounge" that was given the "moderately adequate" rating of 2.90, the overall perception of the branch location was excellent (mean 3.71), which indicates a pleasant and attractive decor. There is also the presence of a solid internet connexion (mean 3.70). Respondents who rated the parking area to be moderately adequate did not like it, which would seem to indicate that the banks have not addressed this physical need as much as necessary.

Table 1.4: Agreement level of Service Quality Dimensions on Reliability

Reliability	M	SD	Interpretation
1. Delivery of services on time	4.34	0.58	Highly Reliable
2. Safe and Secure Transactions	4.85	0.69	Highly Reliable
3. Accuracy and Safety of Records	4.21	0.75	Highly Reliable
4. Employees resolve customers' problems swiftly	2.09	0.78	Low Reliability
Reliability coefficient (Cronbach's Alpha): 0.723			
Eigenvalue : 10.765			
Variance Explained : 36.980			

According to the results of Table 1.4, which identify the application of service quality characteristics in the context of dependability, respondents consider the services of the bank in terms of dependability to be moderately reliable with mean scores ranging from 2.09 to 4.85. These findings show that the services of the banks are trustworthy and reputable. The only outlier was statement#4 - "Employees quickly resolve customers 'complaints'" which received a low mean rating.

Table 1.5: Agreement level of Service Quality Dimensions on Responsiveness

Responsiveness	M	SD	Interpretation
1. Employee willingness to help customers	3.80	0.52	Highly Responsive
2. Providing Swift Services to the customers	3.72	0.85	Highly Responsive

3. Providing special care to special customers	3.55	0.81	Highly Responsive
4. Employees' response to customer request	3.76	0.89	Highly Responsive
Reliability coefficient (Cronbach's Alpha) : 0.784			
Eigenvalue : 1.848			
Variance Explained : 6.021			

Table 1.5 determined the extent of responsiveness of the respondent banks to their customers as a service quality dimension. All statements received high amount of respondent. The highest mean rating (3.80) is from "Providing special care to special customers." This is followed by responsiveness of the employees to customer requests (3.72) and providing swift services to customers (3.55). Overall, Bank responsiveness is reliable as evidenced by the high mean ratings. The only exception is "Employee willingness to act for the benefit of customers," which showed a lower impact.

Table 1.6: Agreement in the Application of Service Quality Dimensions— Assurance

Assurance	M	SD	Interpretation
1. Fast and efficient delivery of services to the customers	2.23	0.66	Less Assurance
2. Politeness of the employees	3.32	0.83	Moderate Assurance
3. Customers can trust the employees of the bank	3.96	0.91	Moderate Assurance
4. Employees inform the customer exactly the time required to perform the duty	3.80	0.94	Moderate Assurance
Reliability coefficient (Cronbach's Alpha) : 0.807			
Eigenvalue : 2.371			
Variance Explained : 8.976			

Table 1.6 reveals the assurance of the banks towards the customer services. Trust in employees, which was rated as the highest mean score (3.96), was followed by employees properly informing customers of the time needed to carry out a duty (3.80), and employee politeness (3.32). The service described in statement number 1 was given less assurance. Since of a high number of customers, it took the bank longer than anticipated to settle accounts.

Table 1.7: Agreement in the Application of Service Quality Dimensions— Empathy

Empathy	M	SD	Interpretation
1. Convenient working hours	3.94	0.56	High Empathy
2. Banks understand customers' needs	2.39	0.77	Moderate Empathy
3. Individual attention to customers	3.98	0.81	High Empathy
4. Customer complaints are resolved quickly	2.63	0.97	Moderate Empathy
Reliability coefficient (Cronbach's Alpha) : 0.839			
Eigenvalue : 1.243			
Variance Explained : 4.287			

Table 1.7 assess an agreement with the empathy dimension. Excluding the statements "Bank understands customers requirement" & 4 Customer concerns are resolved quickly, the rest of the respondents indicated a fair amount of empathy in their answer. On a whole, the respondents had a high level of sympathy for the services offered, suggesting that the banks are fairly attuned to the emotional needs of their customers.

1.6.2 Correlation Analysis

In this study, the correlation statistical method was used to investigate the hypothesized relationships between the two variables, service quality and customer happiness. Table 1.8 presented the analysis's findings.

Table 1.8: Correlation Analysis of the Variables: Service Quality and Customer Satisfaction

Variables	Mean	St. Dev	Cor	1 Service Quality	2 Customer Satisfaction
1 Service Quality	4.146	.49052	Cor	1	.669
2 Customer Satisfaction	1.600	1.2334	Cor	.669	1

Control Variables: Age, Gender, Occupation, Education Qualification, and district

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

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

Table 1.8 indicates the correlation analysis between the two variables. From the result, it is clearly shown that there is a positive relationship between the variables namely service quality and customer satisfaction at $p < .01$ level of significance. Specifically, there is a strong positive relationship between service quality and customer satisfaction reliability with $r = .669$ at $p < .01$. The findings reject the null hypothesis that there is no relationship between these variables. This suggests that these two factors, which are important for the potential expansion of rural banks in the state, should be continually stressed by the responding banks in their operations. Additionally, these findings were in line with other research that supported the link between satisfactory customer service and service quality (Jalagat, et al, 2017). Moreover, it also supports the conclusion of a study conducted by Hamzah et al. (2015) in Malaysia that customer satisfaction and service quality are directly related.

1.6.3 Multiple Regression Analysis

The research hypotheses were put to the test using multiple regression analysis. Since the sample size for this investigation was not very large, it was deemed sufficient to employ multiple regression analysis. Table 7 shows that the analysis is statistically significant (P 0.01) and that the five factors that determine service quality account for around 65% ($R^2 = 0.65$) of total customer satisfaction.

Table 1.9: Service Quality Dimensions Regression Analysis

Model	Unstandardized Coefficient		Standardize d Coefficient	Hypotheses	t	Sig.
	B	Std. Error	Beta			
(Constant)	2.192	.4384			7.235	.000
Reliability (RL)	.141	.060	-.122	H1	.2.2338	.030
Assurance (AS)	.061	.055	.060	H2	1.119	.164
Responsiveness (RP)	.098	.056	.092	H3	1.699	.090
Tangible Infrastructure (TI)	.123	.102	.101	H4	2.975	.002
Empathy (EP)	.162	.057	.143	H5	2.830	.004

Adjusted $R^2 = 0.650$

F = 47.310

Sig. = 0.000

a. Dependent Variable: Satisfaction

The coefficient values demonstrate that Empathy (H5) with a 0.004 significance level and reliability (H1) with a 0.030 level are better predictors of customer satisfaction. Thus, higher support is provided for Hypothesis 4 ($P < 0.01$) suggesting that the tangible infrastructure of responding banks has enough tangibles as evidenced by the results reflecting a better predictor of customer satisfaction. Low support has been found, however for Hypotheses 2 and 3 that focus on the assurance aspect of a bank, their approachable and receptive aspect, and awareness or responsiveness provided. Therefore, based on these theories, the following equation can be formed:

$$Y = b_0 + b_1x_1 + b_2x_2 + b_3x_3$$

$$\text{Overall satisfaction} = 2.192 + 0.030 (\text{RL}) + 0.002(\text{TI}) + 0.004 (\text{EP})$$

Where OR = Overall Reliability and RL = Reliability TI = Tangible Infrastructure and EP = Empathy.

The formula indicates that for each one unit increase in overall reliability, the customers satisfaction is increased by 0.040. Each one unit increase in tangible infrastructure increases satisfaction by .003. Empathy gives 0.005 to the satisfaction. Thus, bank care and connexions with their customers is the most reliable predictor of satisfaction.

1.7. Conclusion and Recommendation

The study measured the quality of services in relation to customer satisfaction of the Manipur rural bank by applying SERVQUAL model. Results show that there is a significant correlation between the quality of service and customer satisfaction. Consistent with previous research (Gillani & Awan, 2014), the higher the service quality, the greater the satisfaction. The mean scores show that the services offered by the banks were rated by respondents to be in the moderate to high-range suggesting an overall satisfaction. Regression analysis showed that the areas of reliability, tangible infrastructure, and empathy are areas that the banks should give the most attention and may be those areas where assurance and responsiveness are less of a priority. Although these latter variables were not statistically significant, other research has pointed to the importance of these variables so they should not be ignored. Recommendations: improve the services to achieve a very satisfactory level, especially in the grass roots where the level of satisfaction is moderate. By strengthening the most significant driving forces - reliability, physical infrastructure and empathy - more constructive response will ensue. In addition, retain emphasis on assurance and responsiveness, because mean ratings indicate moderate satisfaction in these areas. The problems identified in the study included willingness of employees to help, quick problem resolution, and quick, efficient provision of services. Banks have to tackle these immediately because they play a role in the quality of their service. Continuously improve online and mobile banking as to be more user-friendlier and accessible. As Manipur Rural Bank is new, not a lot of branches are in place, thus in the future research can use the SEQUAL approach and benchmarking with other service providers where applicable.

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