Chapter 2

Conceptual Framework

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2.1INTRODUCTION

Customer satisfaction plays a vital role in the success and growth of online banking services. It reflects the degree to which customers' expectations are met or exceeded by the digital banking platforms offered by banks. With the rapid advancement of technology and increasing internet penetration, online banking has become a preferred mode of financial transaction for many customers. However, satisfaction levels may vary based on factors such as service quality, ease of use, security, and responsiveness of the banks. This study focuses on understanding customer satisfaction towards online banking services provided by selected public sector and private sector banks in Gujarat State. Analyzing customer satisfaction helps banks identify areas for improvement, enhance service delivery, and foster long-term customer loyalty in a highly competitive banking environment.

2.2WHAT IS CUSTOMER SATISFACTION?

Customer satisfaction refers to the extent to which a customer's expectations about a product or service are fulfilled or surpassed. In the context of online banking, it measures how well the banking services meet the needs and preferences of customers using digital platforms. Satisfaction is not just about the quality of the service but also involves customers' overall experience, including factors such as ease of access, reliability, security, and promptness in addressing concerns. High customer satisfaction often leads to greater customer loyalty, positive word-of-mouth, and repeated usage of services, making it a critical focus for banks operating in today's competitive digital environment.

- "Customer satisfaction is the feeling of pleasure or disappointment experienced by a customer when comparing the perceived performance of a product or service with their expectations."

  Kotler and Keller (2016)

- "A customer's overall evaluation of a product or service based on their prior expectations and actual experience, reflecting the emotional response to the fulfilment of needs."

  Oliver (1997)

2.3COMPONENTS OF CUSTOMER SATISFACTION

Customer satisfaction is a multi-dimensional concept made up of several key components that collectively shape how customers perceive and evaluate a service. These components include:

- **Expectation:** This is what customers anticipate before using the service. Expectations are formed based on previous experiences, word-of-mouth, marketing communications, and personal needs.
- **Perceived Performance:** This refers to the customer's actual experience with the service, including how well the online banking platform functions, the responsiveness of customer support, and security measures.
- **Disconfirmation:** This occurs when there is a comparison between expectations and perceived performance. If the performance meets or exceeds expectations, positive disconfirmation leads to satisfaction. Conversely, if performance falls short, negative disconfirmation results in dissatisfaction.
- **Emotional Response:** Customers' feelings and attitudes towards the service after interaction also affect satisfaction levels. Positive emotions increase satisfaction and loyalty.
- **Loyalty and Repurchase Intent:** Satisfied customers are more likely to continue using the service and recommend it to others, reinforcing their loyalty to the bank.

2.4WHAT IS ONLINE BANKING?

Online banking, also known as internet banking or e-banking, refers to the use of digital platforms provided by banks to offer financial services and transactions through the internet. It allows customers to access their bank accounts, transfer funds, pay bills, check balances, and perform various other banking activities anytime and anywhere without physically visiting a branch. Online banking has transformed traditional banking by making it more convenient, faster, and accessible, especially in today's digital era. This service requires secure internet connections and authentication measures to protect customer data and transactions.

2.5FACTORS INFLUENCING CUSTOMER SATISFACTION IN ONLINE BANKING

Customer satisfaction in online banking is influenced by multiple factors that collectively determine the quality of the customer experience. These factors include:

- **Service Quality:** The reliability, responsiveness, and efficiency of online banking services play a crucial role. Customers expect fast transaction processing, minimal downtime, and prompt resolution of issues.
- **Security and Privacy:** Given the sensitive nature of financial data, robust security measures such as encryption, two-factor authentication, and secure login protocols are essential to build customer trust and satisfaction.
- **Ease of Use:** User-friendly interfaces, intuitive navigation, and simplified processes make it easier for customers to perform transactions without frustration.
- **Accessibility:** Availability of services across multiple devices, including smartphones, tablets, and computers, enhances convenience for users with different preferences.
- **Customer Support:** Efficient and accessible customer service through chatbots, helplines, or email support is important to address queries and solve problems promptly.
- **Personalization:** Tailoring services and recommendations based on customer behavior and preferences improves engagement and satisfaction.
- **Transaction Speed:** Quick processing of payments, fund transfers, and other banking activities contributes significantly to a positive experience.
- **Technical Stability:** Minimal system errors, crashes, and glitches are critical to maintaining customer confidence.

2.6ROLE OF DEMOGRAPHIC VARIABLES IN CUSTOMER SATISFACTION

Demographic variables such as age, income, education, gender, and location play a significant role in shaping customer satisfaction with online banking services. These variables influence customers' expectations, preferences, and their ability to interact effectively with digital platforms.

- **Age:** Younger customers may be more tech-savvy and comfortable with online banking, often expecting advanced features and seamless digital experiences. In contrast, older customers might prioritize simplicity and security.
- **Income:** Customers with higher income levels may demand premium banking services and personalized attention, which affects their satisfaction levels.
- **Education:** Higher education often correlates with better understanding and use of online banking features, leading to greater satisfaction due to efficient usage.
- **Location:** Urban customers usually have better access to internet infrastructure and banking services, which enhances their satisfaction compared to customers in rural or semi-urban areas facing connectivity challenges.
- **Gender:** Differences in usage patterns and preferences between male and female customers can influence satisfaction levels, with some studies indicating varied expectations regarding security and customer service.

2.7DIFFERENCE BETWEEN CUSTOMER SATISFACTION IN PUBLIC SECTOR AND PRIVATE SECTOR BANKS

Aspect	Public Sector Banks	Private Sector Banks
Technology & Innovation	Often slower in adopting new digital technologies; platforms may be less user-friendly and slower.	Lead in using advanced, user-friendly digital platforms with innovative features and seamless mobile apps.
Customer Service	Large customer base and bureaucratic processes may lead to slower, less personalized service.	Focus on personalized, prompt, and multi-channel customer support, including dedicated relationship managers.
Trust & Security Perception	High trust due to government ownership; perceived as safe and stable by customers.	Generally trusted, but may face concerns from some customers regarding security due to private ownership.
Cost & Charges	Typically offer lower fees or free services, attracting cost-sensitive customers.	Often charge higher fees for premium services, impacting price-sensitive customers.

Customer Demographics	Wider reach in rural and semi-urban areas with diverse customer needs and digital readiness.	Mainly serve urban and affluent customers who expect sophisticated online banking experiences.
Regulatory & Operational Flexibility	Subject to stricter regulations, which may slow down innovation and service improvements.	More agile and able to quickly adapt to market demands and implement new technologies.

(Table 2.1: Customer Satisfaction Between Public Sector and Private Sector Banks)

(Source: Kumar, R., & Sharma, S. (2020). Comparative study of public and private sector banks in India with reference to customer satisfaction and technological adoption. International Journal of Management, 11(6), 42–52.)

2.8THEORIES AND MODELS OF CUSTOMER SATISFACTION

Customer satisfaction in the banking sector is crucial for customer retention, loyalty, and long-term profitability. Various theories and models explain how customers evaluate banking services and form satisfaction judgments. These models guide banks in improving service quality, customizing offerings, and enhancing overall customer experience.

- **Expectancy-Disconfirmation Theory (EDT) in Banking**

In banking, customers enter with specific expectations regarding services such as account management, transaction speed, fees, security, and customer support. According to EDT:

  - Customers compare actual banking service performance (e.g., how fast online transactions process) with their expectations.
  - Positive disconfirmation (better-than-expected service, such as quicker loan approval) leads to higher satisfaction.
  - Negative disconfirmation (delayed services, hidden charges) causes dissatisfaction.
  - Confirmation (service meets expectations exactly) results in moderate satisfaction.

Banks must carefully manage customer expectations through transparent communication and consistent service delivery.

- **SERVQUAL Model Applied to Banking Services**

The SERVQUAL dimensions translate effectively into banking services as follows:

- **Tangibility:** Physical branch environment, ATM availability, website/app design.
- **Reliability:** Accurate and error-free transactions, consistent service availability.
- **Responsiveness:** Prompt handling of queries, quick issue resolution.
- **Assurance:** Trustworthiness of bank staff, security in online banking.
- **Empathy:** Personalized attention, understanding individual customer needs.

Evaluating these dimensions helps banks identify service gaps and improve customer satisfaction, especially as online and mobile banking channels grow.

- **Equity Theory in Banking Context**

Customers evaluate fairness based on the value they receive relative to costs like fees, interest rates, and effort expended (e.g., time waiting in branch queues or navigating apps).

- Perceived unfair charges or opaque fee structures reduce satisfaction.
- Fair pricing and transparent terms enhance customers' perception of equity and satisfaction.
- Banks must maintain fairness both in pricing and service quality to sustain satisfaction.

- **The Customer Satisfaction Index (CSI) for Banks**

Many banks utilize Customer Satisfaction Indexes tailored to banking-specific parameters such as:

- Ease of opening accounts.
- Speed of loan processing.
- Security of transactions.
- Quality of customer support.
- Mobile and online banking experience.

CSI provides a quantifiable measure for comparing banks and tracking improvements over time.

- **Attribution Theory in Banking Service Failures**

When banking services fail, such as transaction errors or system outages, customers attribute the cause:

  - If failure is perceived as within the bank's control (e.g., staff negligence), dissatisfaction is high.
  - If due to external uncontrollable reasons (e.g., technical failures), customers may be more forgiving.
  - Effective complaint management and transparent communication help banks recover satisfaction after service failures.

- **Kano Model for Banking Products and Services**

In banking, Kano's model helps categorize service attributes:

- Basic Needs: Secure transactions, accurate account statements, availability of funds.
- Performance Needs: Competitive interest rates, fast loan approvals, convenient digital interfaces.
- Excitement Needs: Innovative services like AI-powered financial advice, personalized wealth management tools.

Meeting basic needs prevents dissatisfaction, while performance and excitement factors drive higher satisfaction and differentiation.

Theory/Model	Banking Sector Focus	Customer Satisfaction Implications	Example Application
Expectancy-Disconfirmation	Comparing actual banking services vs. expectations	Managing realistic expectations; exceeding them leads to loyalty	Faster loan approval than promised
SERVQUAL	Quality dimensions of banking services	Identifying service gaps and improving quality	User-friendly mobile app, responsive call center

Equity Theory	Fairness in fees, interest rates, and service	Transparent fees and fair interest increase satisfaction	Clear disclosure of charges
Customer Satisfaction Index	Quantitative satisfaction measure tailored to banking	Benchmarking satisfaction across banking products	Annual satisfaction surveys
Attribution Theory	Causes of service failure and customer reaction	Helps manage service recovery and complaint handling	Apologizing for downtime due to tech issues
Kano Model	Classifying banking features and services	Prioritizing basic, performance, and delight features	Introducing chatbots as an excitement factor

(Table 2.2: Model and its Applications)

(source: Self Constructed)

2.9MODELS OF TECHNOLOGY ACCEPTANCE IN ONLINE BANKING

With the rapid growth of digital technologies, online banking has become a vital service channel for banks globally. Understanding how customers accept and adopt online banking technologies is crucial for banks to design user-friendly platforms, enhance adoption rates, and improve customer satisfaction. Several theoretical models explain the process of technology acceptance, focusing on factors influencing users' intentions and behaviors toward online banking.

- **Technology Acceptance Model (TAM)**

Developed by Davis (1989), the Technology Acceptance Model (TAM) is one of the most widely used frameworks to explain user acceptance of technology.

- **Perceived Usefulness (PU):** The degree to which a person believes that using online banking will enhance their banking efficiency or performance (e.g., faster transactions, 24/7 access).
- **Perceived Ease of Use (PEOU):** The extent to which a person believes that using the online banking system will be free of effort (e.g., simple navigation, easy login).

According to TAM:

- PU and PEOU influence the user's attitude toward using online banking.
- Attitude then affects the behavioral intention to use online banking.
- Behavioral intention leads to actual system use.

In online banking, TAM helps banks focus on improving platform usefulness and ease to boost adoption.

- **Unified Theory of Acceptance and Use of Technology (UTAUT)**

The UTAUT model by Venkatesh et al. (2003) integrates elements from eight prominent technology acceptance models, including TAM. It identifies four key constructs that influence technology use intention and behavior:

- **Performance Expectancy:** Similar to perceived usefulness, it is the belief that online banking will help achieve banking goals.
- **Effort Expectancy:** The perceived ease of using the system.
- **Social Influence:** The degree to which users perceive that important others (family, friends) believe they should use online banking.
- **Facilitating Conditions:** The belief that organizational and technical infrastructure exists to support online banking use (e.g., reliable internet, customer support).

UTAUT also considers moderating variables such as age, gender, experience, and voluntariness of use, which are highly relevant in banking demographics.

- **Diffusion of Innovations Theory (DOI)**

Proposed by Rogers (1962), Diffusion of Innovations Theory explains how, why, and at what rate new technologies spread through populations.

- Customers are categorized into adopter groups: innovators, early adopters, early majority, late majority, and laggards.
- Adoption depends on innovation characteristics: relative advantage, compatibility, complexity, trialability, and observability.

In Online Banking:

- Banks must communicate relative advantages (e.g., convenience, time-saving).
- Reduce complexity by designing user-friendly interfaces.
- Allow trial use or demos to encourage adoption.

- **Theory of Planned Behavior (TPB)**

Developed by Ajzen (1991), TPB extends the Theory of Reasoned Action by including perceived behavioral control.

- **Attitude:** Positive or negative evaluation of online banking.
- **Subjective Norms:** Social pressure to use or not use online banking.
- **Perceived Behavioral Control:** The ease or difficulty perceived in using online banking, including self-efficacy and access to resources.

TPB helps understand how these psychological factors shape the intention to adopt online banking services.

- **Model of Personal Computer Utilization (MPCU)**

Developed by Thompson et al. (1991), MPCU focuses on the practical aspects influencing technology use.

Key Determinants:

- **Job-fit:** How well online banking fits a customer's financial management needs.
- **Complexity:** How difficult the online banking system is to use.
- **Long-term consequences:** Benefits or risks perceived over time.
- **Affect towards use:** Emotional response toward online banking.
- **Social factors:** Influence from others.
- **Facilitating conditions:** Support and resources availability.

This model provides insights into users' functional and emotional motivations in online banking adoption.

2.10 MODELS OF CUSTOMER SATISFACTION TOWARDS ONLINE BANKING IN INDIA

Model	Key Constructs	Relevance to Online Banking	Practical Implication
Technology Acceptance Model (TAM)	Perceived Usefulness, Perceived Ease of Use	Focuses on usefulness and ease to boost adoption	Design intuitive, beneficial platforms
Unified Theory of Acceptance and Use of Technology (UTAUT)	Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions	Explains adoption with social and contextual factors	Leverage social proof and improve infrastructure
Diffusion of Innovations (DOI)	Relative Advantage, Compatibility, Complexity	Categorizes adopters; highlights communication strategies	Promote advantages and simplify interfaces
Theory of Planned Behavior (TPB)	Attitude, Subjective Norms, Perceived Behavioral Control	Incorporates social norms and control beliefs	Address social influences and access issues
Model of Personal Computer Utilization (MPCU)	Job-fit, Complexity, Affect, Social Factors	Explains emotional and practical drivers	Enhance emotional engagement and ease of use

(Table 2.3: Models of Customer Satisfaction)

(Source: Self-Constructed)

2.11 COMMON CHALLENGES FACED BY CUSTOMERS IN ONLINE BANKING SERVICES

Online banking has revolutionized the way customers interact with financial institutions, offering convenience, speed, and accessibility. However, despite its many advantages, customers often face several challenges that can affect their overall satisfaction and trust in online banking platforms. These challenges vary across demographic groups and types of banks (public and private sectors) and are important to understand for improving service quality.

- **Security Concerns and Fraud Risks**

One of the most critical challenges customers face is the fear of security breaches. Concerns about data privacy, hacking, phishing attacks, identity theft, and unauthorized transactions significantly affect customer confidence. Many users are wary of using online banking services due to perceived or experienced risks of cybercrime. Banks are continuously improving security protocols like two-factor authentication, encryption, and fraud monitoring to address these issues, but the challenge remains prevalent.

- **Technical Issues and System Downtime**

Customers often encounter technical glitches such as website crashes, slow loading times, app failures, or incomplete transactions. System downtimes—whether scheduled or unexpected—can disrupt customer activities and cause frustration. Especially in rural or less digitally developed areas, poor internet connectivity exacerbates these issues, limiting seamless access to banking services.

- **Lack of Digital Literacy**

A significant proportion of customers, especially older adults or those in rural regions, face difficulties navigating online banking platforms due to limited digital skills. This gap hampers their ability to fully utilize the features of online banking, resulting in errors, delayed transactions, or even complete avoidance of digital services. Banks need to invest in educational initiatives to enhance customer digital literacy.

- **Complex User Interface and Poor User Experience**

Many customers find online banking applications and websites non-intuitive or overly complex. Complicated navigation, unclear instructions, and poor design reduce usability and customer satisfaction. A user-friendly interface tailored to diverse customer segments is crucial to minimizing this barrier.

- **Customer Support Limitations**

When issues arise, customers often face difficulties in getting prompt and effective support. Delayed response times, lack of personalized assistance, and inadequate problem resolution channels can frustrate users. Efficient customer service through multiple channels (chat, phone, email) remains a critical need in online banking.

- **Transaction Limits and Restrictions**

Certain online banking platforms impose limits on transaction amounts, types, or frequency. These restrictions can inconvenience customers who need to perform large or multiple transactions digitally. Flexibility and clarity around transaction policies influence customer satisfaction.

- **Privacy Concerns Regarding Data Usage**

With growing awareness about data privacy, customers are concerned about how their personal and financial information is collected, stored, and shared by banks. Transparency in data policies and compliance with regulatory standards (such as GDPR or local laws) are essential to build trust.

2.12 HOW CUSTOMER EXPECTATIONS AND EXPERIENCES AFFECT SATISFACTION LEVELS

Customer satisfaction in online banking is a dynamic outcome influenced primarily by the alignment between customers' expectations and their actual experiences. Understanding this relationship is critical for banks aiming to enhance service quality, build loyalty, and sustain competitive advantage.

- **Role of Customer Expectations**

Customer expectations are preconceived notions or beliefs about the level and quality of service they anticipate from an online banking platform. These expectations develop from various sources including prior experiences, word-of-mouth, marketing communications, and cultural or social influences. Expectations typically cover aspects such as security, ease of use, speed of transactions, responsiveness of customer support, and availability of features.

When customers approach online banking services, their satisfaction is highly dependent on how well the service meets or exceeds these expectations. If the service falls short, dissatisfaction arises; if it meets or surpasses expectations, satisfaction and loyalty increase.

- **Impact of Customer Experiences**

Customer experience refers to the actual interaction and engagement customers have with online banking platforms. This includes usability of the website or app, reliability of transactions, responsiveness of support services, and the perceived security and privacy measures.

Positive experiences — such as quick transactions, intuitive interfaces, timely problem resolution, and secure services — reinforce trust and satisfaction. Conversely, negative experiences such as errors, delays, poor customer service, or security concerns lead to frustration and diminished satisfaction.

- **Expectation-Disconfirmation Theory**

A commonly applied framework to understand customer satisfaction is the Expectation-Disconfirmation Theory (EDT). This theory suggests that satisfaction depends on the gap between expected and perceived service performance:

- ✓ **Positive Disconfirmation:** When experience exceeds expectations, leading to delight and high satisfaction.
- ✓ **Confirmation:** When experience matches expectations, resulting in moderate satisfaction.

- ✓ **Negative Disconfirmation:** When experience falls below expectations, causing dissatisfaction.

Banks can use this theory to identify gaps and tailor services to manage expectations realistically while striving to exceed them.

- **Influence on Customer Loyalty and Advocacy**

Satisfied customers, whose experiences meet or surpass expectations, are more likely to remain loyal and advocate for the bank's services through positive word-of-mouth. This contributes to customer retention, acquisition, and overall reputation enhancement. Dissatisfied customers may switch to competitors and share negative feedback, impacting the bank's market position.

- **Managing Expectations for Better Satisfaction**

Effective communication and marketing play a crucial role in setting appropriate expectations. Overpromising can lead to high expectations and subsequent disappointment, while underpromising may limit customer interest. Transparent information about services, limitations, and security measures helps align expectations with reality.

Additionally, continuous improvement based on customer feedback ensures that experiences progressively meet evolving expectations, thus enhancing satisfaction over time.

2.13 SIGNIFICANCE OF MEASURING CUSTOMER SATISFACTION IN ONLINE BANKING SERVICES

- **Enhancing Service Quality**

Measuring customer satisfaction helps banks identify strengths and weaknesses in their online services. This feedback allows them to make improvements that enhance the overall user experience, ensuring smoother and more reliable banking transactions.

- **Increasing Customer Loyalty and Retention**

Satisfied customers are more likely to stay loyal and continue using a bank's online services. By regularly assessing satisfaction, banks can address issues quickly, reducing customer churn and fostering long-term relationships.

- **Gaining Competitive Advantage**

In a competitive market, banks that actively measure and improve customer satisfaction can differentiate themselves as customer-focused. This attracts new customers and helps maintain a strong market position.

- **Supporting Strategic Decision-Making**

Customer satisfaction data provides valuable insights for banks to make informed decisions regarding product development, technology investments, and marketing strategies, leading to more effective resource allocation.

- **Monitoring Technology Adoption**

As banks introduce new digital features, measuring satisfaction helps assess how well customers accept and adapt to these innovations. This ensures that technological updates meet user needs and expectations.

- **Risk Management and Compliance**

Regular satisfaction measurement helps banks detect potential problems related to security or service failures early. Proactively resolving these issues reduces risks of regulatory penalties and reputational harm.

- **Enhancing Marketing and Branding**

Happy customers often become brand advocates. Measuring satisfaction provides banks with testimonials and positive feedback, which can be leveraged in marketing campaigns to build trust and attract more users.

2.14 CONCEPTUAL FRAMEWORK TO ANALYSE CUSTOMER SATISFACTION TOWARDS ONLINE BANKING SERVICES

Integrated Customer Satisfaction Model (ICSM) for Online Banking

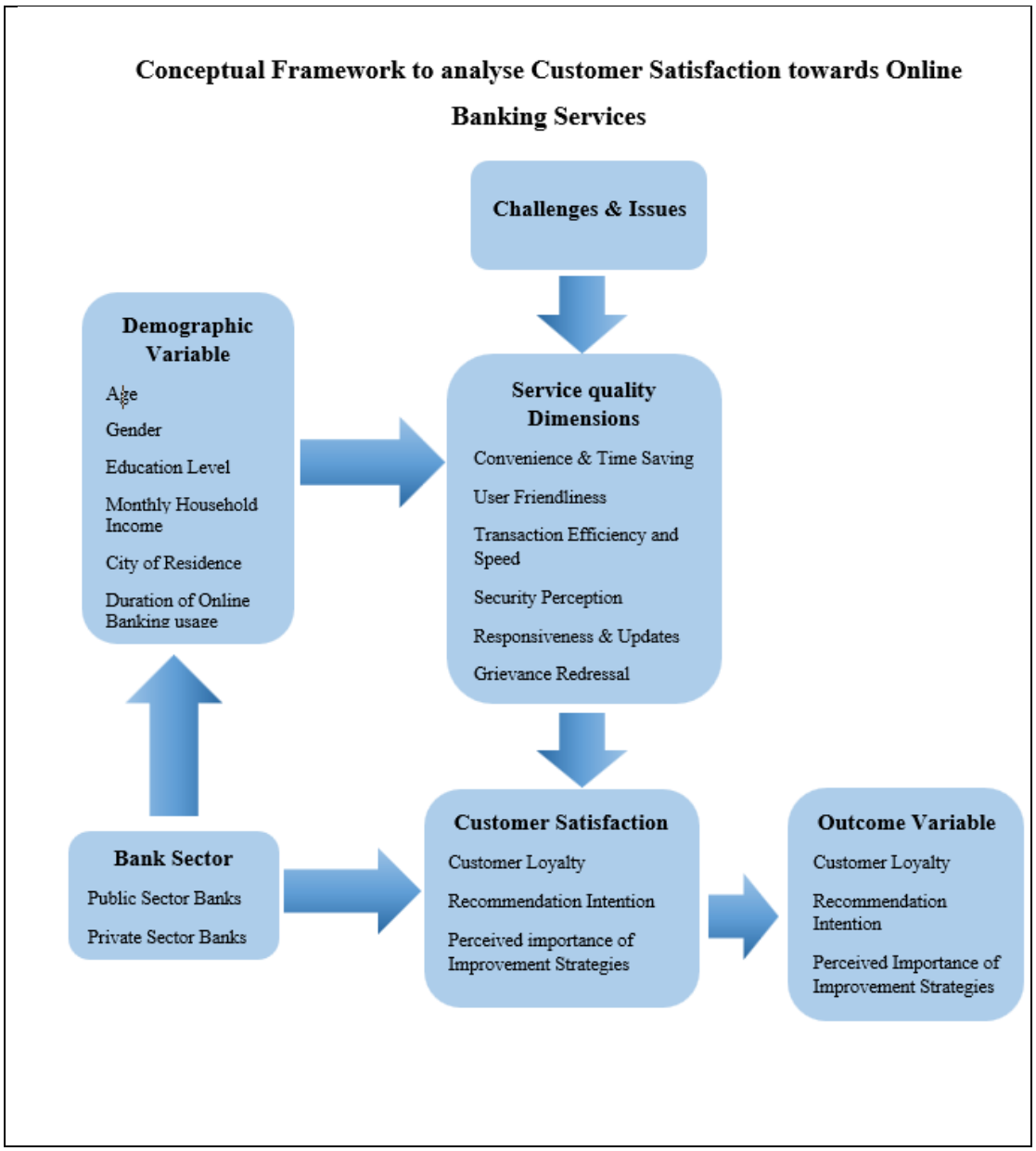
- **Framework Overview**

The conceptual framework in this study provides a holistic approach to evaluating customer satisfaction with online banking services. It integrates demographic variables, bank sector classification, service quality dimensions, and contextual challenges into a unified model. Demographic variables such as age, gender, education, income, city of residence, and duration of online banking usage shape customers' expectations and influence their perceptions of banking services. The inclusion of the bank sector—distinguishing between public and private banks—acknowledges the structural and operational differences that affect customer experience.

- **Relationship Flow**

The model follows a logical sequence of influence:

- ✓ Demographic Variables and Bank Sector form the base, shaping the customer profile and banking context.
- ✓ Challenges and Issues act as external moderating factors influencing service perceptions.
- ✓ Service Quality Dimensions mediate the relationship between the customer profile and satisfaction levels.
- ✓ Customer Satisfaction emerges as the central measure, which in turn leads to Outcome Variables such as customer loyalty, recommendation intention, and the perceived importance of improvement strategies.



(Figure 2.1: Integrated Customer Satisfaction Model (ICSM) for Online Banking)

(Source: Self Constructed)

- **Explanation of Diagram**

The diagram positions demographic variables and bank sector as independent variables, influencing the perception of service quality in the context of challenges and issues. Service quality dimensions—convenience, user friendliness, transaction speed, security perception, responsiveness, and grievance redressal—are mediating variables that determine customer satisfaction. Customer satisfaction is both a dependent variable (affected by service quality) and a predictor of future behaviours

captured as outcome variables. Arrows indicate the direction of influence, showing the sequential flow from inputs to outcomes.

- **Overall Flow of the Model**

The model begins with who the customer is (demographics) and the type of bank they use (public or private). These characteristics shape how they perceive the service in light of existing challenges such as infrastructure issues, digital literacy gaps, and security concerns. The perceived service quality then determines customer satisfaction levels. Finally, satisfaction leads to tangible behavioural outcomes such as loyalty, recommendations, and receptiveness to improvement strategies.

- **Justification of the Framework**

This framework is theoretically grounded and empirically relevant. Demographic variables are included based on extensive evidence that customer characteristics significantly impact technology adoption and satisfaction in online banking. The bank sector distinction is justified by observed differences in service delivery between public and private banks in India. Challenges and issues are incorporated as contextual moderators, reflecting real-world constraints that influence service perceptions. The service quality dimensions align with established models like SERVQUAL, which link service features to satisfaction outcomes. Positioning customer satisfaction as both a dependent and predictive variable ensures the model captures not only what drives satisfaction but also how it shapes long-term customer behaviour.

- **Uniqueness of this framework:**

✓ Integrates both demographic variables and service quality factors in one model with a focus on the bank sector type as a moderator, highlighting differences in public vs private sector online banking experiences in Gujarat.

✓ Incorporates customer challenges and issues as negative influencers, addressing the dual role of technical and non-technical barriers on satisfaction.

✓ Extends beyond satisfaction to outcome variables such as loyalty and recommendation intentions linked with strategic improvement perceptions, enabling practical actionable insights.

- ✓ Custom-tailored for a regional context (Gujarat state) emphasizing sectoral differences and demographic diversity, which is often missing in generalized models.

2.15 CONCLUSION

The conceptual framework developed in this chapter provides a structured understanding of the various factors influencing customer satisfaction in online banking services. It outlines how demographic variables, technological adoption, service quality, and customer expectations collectively shape satisfaction levels. The framework also distinguishes between public and private sector banks, highlighting sector-specific strengths and challenges. Additionally, it emphasizes the role of customers' perceptions and experiences in determining their loyalty, usage patterns, and trust in digital banking platforms. External factors such as infrastructure quality, cybersecurity, and regulatory policies also play a significant role in shaping customer satisfaction outcomes. Overall, this conceptual framework serves as a guiding model for analyzing and interpreting the complex interplay between customer characteristics, service attributes, and satisfaction levels in the context of online banking services.

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