

# Analysis of Customer satisfaction, Service Quality and Scope of Knowledge Sharing in Retail Branch Banking of Small and Medium Enterprises in India



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*Retail branch banking is one of the key business segment for banking industry. With recent changes like demonetization and digitization banking industry in India has undergone major changes. Rising consumer demands and stiff competition has resulted in product and service quality offerings of banks. There are various factors which determine the customer satisfaction level and service quality in retail branch banking. Small and medium enterprises in India are growing at a substantial rate. They are the potential key customers for the banking industry. The present study consists of the factors which small and medium enterprises consider while choosing the bank. It also analyses the major pain points small and medium enterprises face while dealing with the banks. Further, it gives the scope of knowledge sharing to improve the customer satisfaction, service quality and reduce the service quality gaps.*

**Keywords:** Customer Satisfaction, Service Quality, Knowledge Sharing, Retail Branch Banking, SME, Banking Services, Service Delivery Gaps

## 1. Introduction

Customer satisfaction is the key to the success for any business (Taylor and Baker, 1994). Customer satisfaction is based on customer expectations before purchasing the product and an assessment of product or services after purchase (Oliver, 1997). It is nearly impossible to identify exact level of customer satisfaction because of high population and varied customer experiences. Still, researchers have proposed two aspects of customer satisfaction- First aspect is result or end-product specific aspect (eg. Quality of product) and second aspect is process specific (eg. Ease of handling or ordering, tangibility, customer grievances management) (Parasuraman *et al.*, 1991). Each day customers come across various products, services and offers. With such high number of alternatives, competitors and offers, customers always look for efficient and cost-effective alternative. Companies spend huge chunk of money to inform the customer about their various products, services and offers. This adds to the cost of customer acquisition. Cost of customer acquisition is almost 5 times that of the cost of customer retention (Reich held and Kenny, 1990). Customer satisfaction plays an important role in customer retention (Taylor and Baker, 1994). Customer satisfaction leads to positive word of mouth, competitive advantage to the company, increased brand loyalty and repeat buying behaviour of customers.

Service quality is another such parameter which affect the customers' purchase decision (Spreng and Mackoy, 1996). Although service quality and customer satisfaction are two different concepts, they are closely interrelated (Parasuraman *et al.*, 1994). Service quality is analysed based on comparison between expected service quality and customer perceived experience (Shah *et al.* 2000). It is important for an organization to determine the perceived service quality of their product or services in minds of existing as well as potential customers. Potential customers might have formed preconceived notions based on available information sources like word of mouth or blogs or reviews on websites. Customer perceived experience of the service quality may depend on interaction which customer has with the organization at different service levels (Bitner and Hubert, 1994).

Knowledge management is an effective handling of available data for the betterment of the commercial institution. It mainly consists of three parts: knowledge transfer, knowledge sharing and knowledge barriers (Paulin and Suneson, 2012). Knowledge sharing is an efficient way of sharing the data across the organization for the superior utilization of it. Knowledge sharing will increase the team efficiency and help in understanding the different perspectives & insights of the same data. Knowledge sharing improves the overall company efficiency, helps in identifying the service delivery gaps and helps in determining the possible solutions to the problems (Wang and Noe, 2010).

Banking industry is a customer centric industry where customer service plays a key role. Over the years, banking services have changed drastically subjected to change in the dynamics of banking industry. Technological advancements, market volatilities, rising customer expectations and furious rivalry amongst competitors are few key challenges faced by banking industry (Lovelock, 2001). Retail branch banking has turned out to be an important department of banks as it is the first point of contact of customers. It has been essential these days to improve first impression bank has in the minds of the customer (Chakravarty, 1996).

Banking industry in India has evolved over time significantly to reach total worth of Rs. 83 trillion (IBEF, 2017). Public sector banks are responsible for controlling around 80% of the total Indian banking sector. Technological developments have reduced the operational cost significantly while developing the potential revenue sources for the banks (Forbes, 2017). Cost

of transaction in branch banking is Rs 70-75 while the cost of same transaction in net banking is around Rs 2. Net banking, mobile banking has increased the customer convenience while reduced the human errors substantially.

The paper contains detailed qualitative research about the consumer insights about the customer satisfaction and service quality in retail branch banking of India. This paper mainly focuses on the parameters small and medium enterprises consider while choosing the bank. Also, it has observed some service delivery gaps small and medium enterprises face while dealing with the banks. This work has provided the evidence on the relationship between the service quality and the market share of the banks. It recommends the possible suggestions for the banks to acquire the untapped market and retain the existing customers by increasing the customer satisfaction and quality of services.

This paper systematically describes the background and motivation for carrying out this study by considering the holistic study of Indian market. As a part of background study, structured analysis of Indian banking industry has been carried out. Detailed research methodology, consisting of segmentation, different research approaches and challenges faced during research, is presented in section 3. Section 4 contains research findings and analysis of the data collected during the research. Section 5, 6, 7 covers the detailed discussion, managerial implications and limitations and future scope respectively.

## 2. Background & Motivation

Service industry contributes to 53.66% of GVA (gross value added) of India (IBEF, 2017). Banking services are one of the key component of service industry in India. Indian banking sector deposits grew at a CAGR of 12.03% from year 2006 to 2017 to reach at the total valuation of US \$1.54 trillion. It is expected to reach at the total valuation of US \$28.5 trillion by year 2025(Statistic Times, 2017).

To counter the problems like black money and fake currency, on 8th November 2016, Indian government implemented demonetization of Rs1000 & Rs500 currency notes (CNBC, 2017). Government of India has taken several initiatives during past few years to strengthen the banking sector of India. Government of India has been promoting cashless economy and digitization of transactions over past couple of years. Internet banking and mobile banking are the add on services provided by all the banks. Use of prepaid payment instruments and mobile wallets has increased to Rs 277 billion and Rs 532 billion respectively (Forbes, 2017). Indian government has recently launched an app “Bharat Interface for money” (BHIM) and has promoted it aggressively on all platforms to provide the unified payment interface to enable convenient fund-transfer from different banks (Hindustan Times, 2017).

Small and medium enterprises (SME) are the key drivers of the Indian economy with 45% of the total Indian industrial output (EISBC, 2017). SME sector is growing at an annual rate of 8% while creating employment for 1.3million people annually (EISBC, 2017). Government of India has implemented various schemes like “Make in India”, “Start-Up India” etc. to promote and create nurturing environment for the SMEs (INC42, 2017). Government has planned to improve manufacturing sector growth by 12-14% while increasing its contribution to GDP to 25% by the year 2025 (Economic Times, 2016).

As SMEs are growing at a significant rate, they are the potential high revenue generating customer for the banking sector. Thus, it is important to interact with current customers to know about their banking services requirements. Identifying their pain points and understanding the factors they consider while choosing the bank will definitely help the Indian banking sector to increase the customer satisfaction, identify the service delivery gaps and improve the service quality.

### 2.1 Indian Bank Industry scenario:

Indian banking industry consists of 6 types of banks- State Bank of India & Associates, Nationalized banks, Private Banks, Foreign Banks, Regional Rural Banks and Payment Banks. Indian banking network has around 53726 branches and 162543 ATMs (IBEF. 2017).

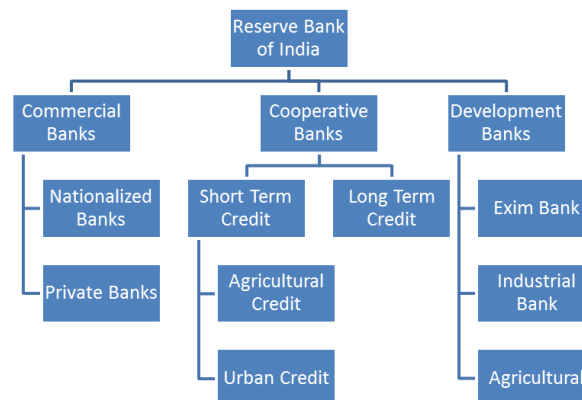


Figure 1 Indian Banking System (Source: Banking Regulation Act, 1949)

#### 2.1.1 HDFC Bank

Founded in 1994, HDFC bank is one of the leading private sector bank in India. It has a headquarter in Mumbai, Maharashtra. By 31<sup>st</sup> March 2017, HDFC bank has around 4715 branches across India with 12260 ATMs in 2657 cities (HDFC, 2017).

Along with India, HDFC bank also has presence in Bahrain, Hongkong and Dubai. Even though HDFC bank is one largest lending bank in India, Non-Performing Asset ratio of the bank is around 0.2% which is lowest in the industry (Money control, 2015). It is the only bank which is showing 18-20% rise in profit Q to Q since last 20 years. According to Finance Asia polls, HDFC Bank was included in the list of “Best managed public Companies in India”. Also, as per Brandz, HDFC bank was ranked 69<sup>th</sup> in top 100 most valuable global brands. In 2016, Global brands magazine awarded HDFC bank with the title of “Best Banking performer India”. (Finance Asia, 2015)

### 2.1.2 ICICI Bank

Industrial Credit and Investment Corporation of India (ICICI) is the second largest bank in India in terms of total asset valuation. It has its headquarter in Mumbai, Maharashtra. ICICI bank has around 4850 branches across India with 14404 ATMs (ICICI, 2017). It operates in 19 countries worldwide. It was listed in NYSE in the year 2000 becoming the first Indian bank to get listed in NYSE. In the year 2016, ICICI bank was awarded with the title of “Best Retail Bank in India” consecutively third year in a row at Asian Banker International Excellence (BSE India, 2016).

### 2.1.3 Axis Bank

Axis bank is third biggest private bank in India followed by HDFC Bank and ICICI Bank. It has a headquarter in Mumbai, Maharashtra. Axis bank has around 3300 branches with 14003 ATMs distributed in India (Axis Bank, 2017). It has highest ratings on employee satisfaction parameters. They spent US \$420million on employee benefits in year 2013 (Annual Report, 2013). Axis bank employees are young with average age of around 29 years. Axis bank was awarded “Most Promising Bank Award” by Economic Times in year 2015 (Best Media Info, 2015).

### 2.1.4 State Bank of India

State Bank of India (SBI) is one of the biggest public-sector bank in India. In 2017, SBI announced merger with 5 associate banks to for a largest banking entity in India with 24000 bank-branches and 59000 ATMs spread across India. In year 2016, SBI was ranked 232 on Forbes list of top 500 companies in the world (Forbes, 2016). SBI accounts for 20% of total market share of loans and deposits in India (Live Mint, 2009).

### 2.1.5 Kotak Mahindra Bank

Formed in 2003, Kotak Mahindra is one of the private sector bank in India. It has its headquarter in Mumbai, Maharashtra (Kotak, 2017). It has 1368 branches with 2163 ATMs spread across India. Kotak Mahindra Bank has brand rating of AA+ (Smart Investor, 2014). Kotak Mahindra was ranked 245<sup>th</sup> in list of world banks with brand valuation less than half-a-billion in a study carried out by Brand Finance Banking 500 (The Banker, 2014).

## 3. Research and Methodology

Qualitative and quantitative research was carried out to gauge the consumer insights. Qualitative research is generally used to understand the perspective of group of people towards certain things whereas, quantitative research is used to analyse the population opinion and insights in measurable way (Hancock *et al.* 2007). Combination of both qualitative and quantitative research will help us overcome the limitation of one method with the strength of the other (Singh, 2007). As a part of qualitative research, exploratory research was carried out. Exploratory research gives us a way to explore the research problem. It helps us to analyse the different perspectives of the problems. Also, it gives us different insights of different stakeholders in the research problem. It doesn't give us the final solution or conclusion but it gives us a chance to determine the nature and depth of the problem (Saunders and Thorn hill, 2012). As a part of quantitative research, a structured questionnaire was floated among the participants to understand the customer insights and perceptions.

### 3.1 Research Objectives

Objective of the research is to understand market potential of small and medium enterprises (SME) and product or services they majorly avail from the bank. The research was done to get the insights of their pain points and factors they consider while choosing the bank. Also, this study is carried out to analyse experiences of SME customers in retail branch banking. This study also was also carried out to determine the market reach of the top banks in India in SME market. Also, to understand the service quality offered by the banks to the SMEs and to determine the service delivery gaps in SME market.

### 3.2 Data Collection

For the data collection, Western Mumbai, India was chosen as a target area. Mumbai is the financial hub of India. It is ranked 42<sup>nd</sup> in the Global Financial Ranking worldwide (Indian Express 2016). Being financial backbone of India, majority of SMEs are located or headquartered on Mumbai. Diverse range of businesses and SMEs are located in Mumbai. Also, most of the commercial banks have their headquarters in Mumbai. Choosing Mumbai as the target area for the research had given the holistic approach to the research.

#### 3.2.1 Segmentation

Segmentation was the important part while carrying out this research. This research consisted of two main segmentations: Geographic and Demographic.

### 3.2.1.1 Geographic Segmentation

Mumbai western suburbs are spread over the area of around 405 sq. km. This area consists of railway stations namely Andheri, Bandra, Borivali, Dahisar, Goregaon, Jogeshwari, Juhu, Kandivali, Khar, Malad, Santacruz and Vile Parle. Andheri also included areas like Marol, Chakala, Seepz. The density of commercial complexes and industrial estates varies among these areas. It is observed that Andheri, Goregaon, and Kandivali has majority of industrial estates and commercial complexes.

### 3.2.1.2 Demographic Segmentation

In presented research, demographic segmentation was based on company size and total number of employees. Company size was based of the total revenue of the company in the financial year. Also, total number of employees there in the company determines the size of the company. Company avails the services based of its size and requirements. Also, banks have the criteria while providing the services to the customers. For example: To open salary account with HDFC bank total number of employees should be 25 or average salary should be around 25000 (HDFC, 2017).

### 3.2.2 Primary and Secondary Research

Primary and secondary research was carried out to collect the data from the consumers.

#### 3.2.2.1 Secondary Research

It has been observed that majority of the small and medium enterprises (SMEs) have their offices in industrial estates and commercial complexes. To locate the various industrial estates and commercial complexes, secondary research was carried out with the help of various online websites like Just-Dial, Google-Maps, sulekha.com, 99acres.com and also, various databases like SME listings, SME Chambers. A consolidated list of industrial estates, commercial complexes and SME offices from targeted area was prepared.

#### 3.2.2.2 Primary Research

After gathering the list of potential participants, these potential participants were approached by the means of cold calling or direct visits. Cold calling was done primarily to set up an appointment with the participants. People from the accounts and HR departments were approached as they were the key personnel dealing with banks. Semi-structured interviews were taken of the available and willing participants.

Participants were asked the questions about their company size, employee numbers, banking activities, key requirements and previous experiences. Sample questionnaire is as follows:

1. What is the size of the company?
2. How many employees are there in the company?
3. Who are the key financial decision makers of the company?
4. What are the current banking services availed by the company?
5. What are the major pain-points while availing the banking services?
6. What is the role of bank relationship manager in service delivery?
7. Which bank is your company dealing with currently?
8. How long is your company dealing with this bank?
9. Why have you decided to choose this bank?
10. Is your company satisfied with the bank they are dealing with?
11. Which bank are dealing with personally?
12. What differences have you noticed in the quality of services offered to you personally and to your company?
13. What are the service quality gaps that you have observed?
14. What areas a bank should focus on to improve the quality of service?

### 3.3 Privacy Policy for Organizations

Before conducting the interviews, participants were assured that the data and the information that they are sharing will be confidential and will be used for the research purposes only. Also, they could skip the questions where they thought the company security and confidentiality is compromised. Participants were given a choice of withdrawing from the interview at any point of time. Also, it was made sure that the identity and designations of the people interviewing for the research would be kept confidential.

### 3.4 Challenges Faced During the Research

Few challenges were faced during the research. First, it was difficult at times to get entry in big commercial complexes. Sometimes they considered me as salesman and prohibited from entering the commercial complexes. Also, the security staffs at big commercial complexes didn't let me enter without any prior appointment. Industrial estates were huge and mainly consisted of the manufacturing units of the companies. Secondly, the secondary research was mainly based on the internet searches. Some of the data that we received was wrong or outdated. Thirdly, few of the offices that we visited had their headquarters in other cities like Gurgaon, Bangalore, Hyderabad etc. They had their sales offices there in Mumbai. As the

decision taking authorities weren't there, it was difficult to do get the exact information about the service delivery. And lastly, in some of the offices, the authors have been told that the concerned person isn't available.

#### 4. Research Findings and Analysis

Over the period of 2months during the research, the authors visited around 1000 offices in Mumbai. The authors managed to get around 600 responses and interviews. Based on the qualitative and quantitative research, the authors observed five major factors SMEs consider while choosing the bank.

**Comfort and Proximity:** Comfort and proximity is one of the prime reason while selecting the bank. Nearer the bank branch, more comfortable it is for the businesses. It was observed that most of Axis and ICICI bank branches were there right below the commercial buildings whereas HDFC bank branches were there in the residential buildings.

**Minimum Balance:** For some of the customers, minimum balance was the important factor. Minimum balance required for the Current Account in HDFC bank was higher as compared to other banks. This was one of key reason why small industrialists refused to maintain CA with HDFC bank. Also, there is a strict penalty for not maintaining average Monthly Balance/average Quarterly Balance requirement.

**Services and Offers:** Types of services offered by the bank is one of the important parameter while selecting the bank. Kotak 811 is giving a stiff competition to HDFC bank net banking software and digital banking platform Chillr.

**Promptness and Behaviour of Relationship manager (RM):** Quality of services offered by RM is one of the reason for choosing the bank. Some businesses maintain the account with the same bank because they have received an exceptional service from their RM.

**Previous Experiences:** Because of the previous bad experiences, few customers had closed their accounts with the bank. It is difficult to convince the customer to opt for the same bank with which they had bad experiences.

##### 4.1 Comparison within the Banking Industry:

Based on these 5 parameters, companies rated the top 5 commercial banks in India. The findings of the consumer insights about these top banks are as follows

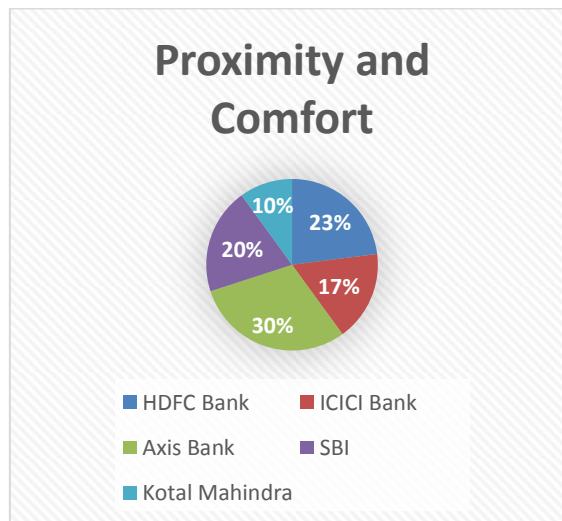


Figure 2 Proximity and Comfort

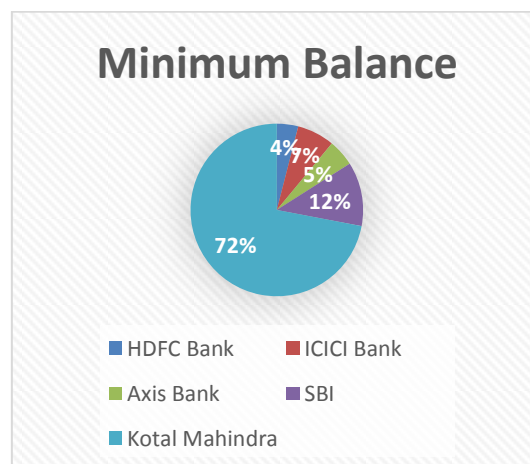


Figure 3 Minimum Balance

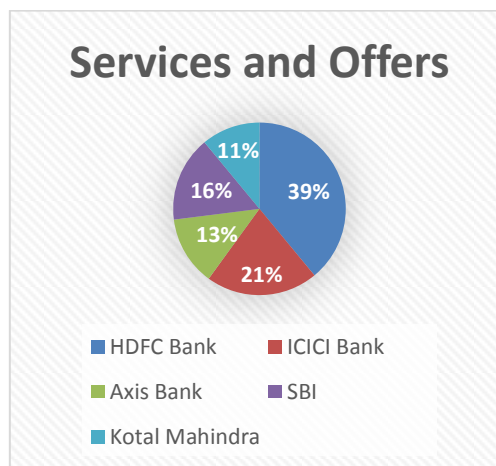


Figure 4 Services and Offers

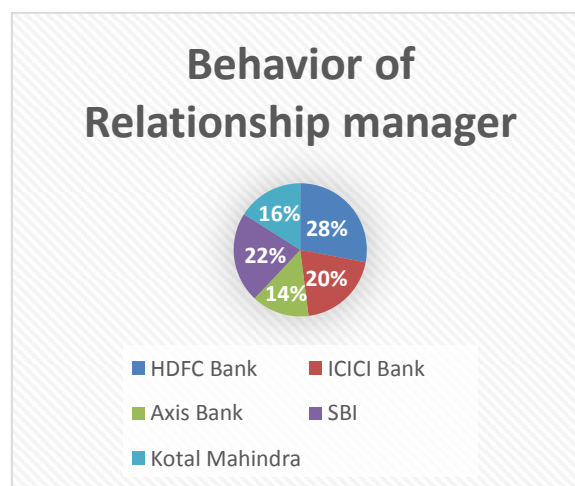


Figure 5 Behaviour of Relationship Manager

Axis bank had highest rank in terms of proximity and comfort as it was observed that Axis bank branches were present right there below the commercial complexes. HDFC bank was ranked 3<sup>rd</sup> behind Axis and ICICI. Small and medium enterprises look for comfort and proximity while making the banking decision. It makes it convenient for the company to make day-to-day transactions and payments.

Kotak Mahindra with their “811” marketing strategy ranked well above its competitors with 72% of the people ranking it 1<sup>st</sup> in terms of minimum balance criteria. Minimum balance criteria is one of the crucial parameter while choosing the bank. Every bank has its own average monthly balance (AMB) or average quarterly balance (AQB) standards. Failing to maintain minimum balance calls for a hefty penalty and hidden charges. These penalties are one of the key reasons for the customer dissatisfaction. Zero monthly balance account is the key solution to this issue. It has helped Kotak Mahindra to increase its customer satisfaction index significantly.

HDFC bank was ranked highest in terms of services and offers followed by ICICI bank and SBI. HDFC bank offers various products like salary accounts, attractive offers on credit cards which are very popular among customers. HDFC bank has numerous partners with the help of which they provide different services and offers. Option to choose always attracts the customers. Also, offers are one of the ways to maintain the customer loyalty. Services include the user-friendly interface and smooth banking activities. Kotak Mahindra bank has developed a convenient banking processes and smooth interface which has given them the competitive advantage.

Relationship manager plays an important role in customer retention and improving customer experience. HDFC bank was rated highly in terms of behaviour and services offered by relationship manager. All the banks spend heavily to recruit best talent for the position of relationship manager. Every relationship manager holds a portfolio of around 100 high net-worth individuals (HNIs).

Knowledge management consists of analysis of existing customer data to understand the customer pain points. Banks must have received a large quantity of structured data like customer locations, customer complaints against penalties, feedback of the relationship managers, ratings of products/ services offered by the banks etc. Systematic analysis of this data will help banks to identify the customer pain points. Knowledge sharing across the departments will give the banks a possible way to find a structured solution to these major customer pain points.



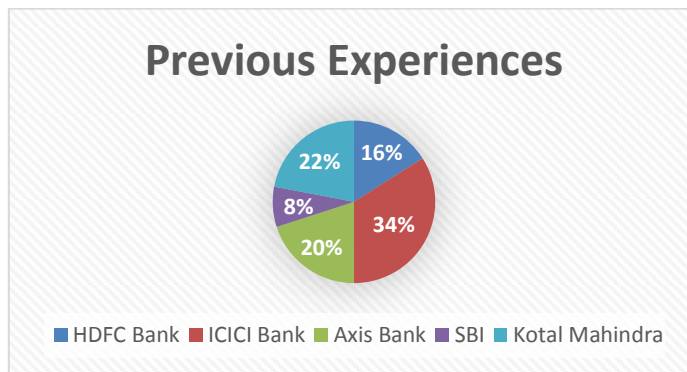


Figure 6 Previous Experiences

Previous experiences last in the minds of the customer for a long time. Customers who have received bad experiences refuse to work with same bank again. ICICI bank hold the highest rating in terms of good previous experiences. With its instant account opening solutions, door-to-door services and technologically developed platforms, ICICI bank has created a strong image in the mind of the customers which definitely helps them in maintaining loyal customer base. ICICI bank has implemented knowledge management strategies since the year 2000. Continuous up gradation based on the available data to provide customer-centric services has given them a competitive advantage over other banks. HDFC bank has lost some of its key customers because of the bad experiences customers have received. Public sector banks always lack in terms of quality of services as compared to private sector banks. SBI has the lowest rating in terms of previous experiences. Because of the nature of work process which public sector banks follow, customers have had bad experiences.

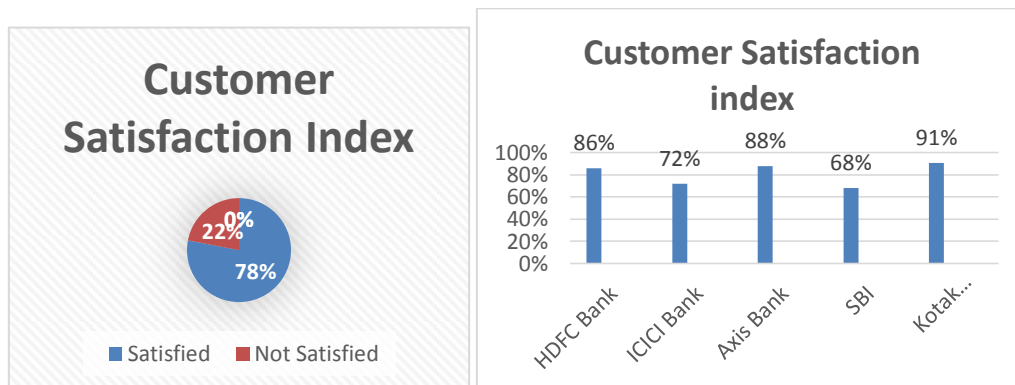


Figure 7 Customer Satisfaction Index

Customer satisfaction index was mainly based on quality of services offered by the bank and the level of satisfaction companies feel about their current bank. It was observed that overall 78% of the customer were satisfied with the bank and banking services that they have availed. Kotak Mahindra bank had the highest customer satisfaction index but their customer base was low as compared to other banks. Axis bank and HDFC bank had comparable satisfaction index. SBI had recorded the lowest customer satisfaction index. Public sector banks are often regarded as slow working and time-consuming banks. Majority of the private sector banks have the knowledge sharing tools to study the customer data. Based on the customer experiences and feedbacks private banks continuously improves their services and offerings.

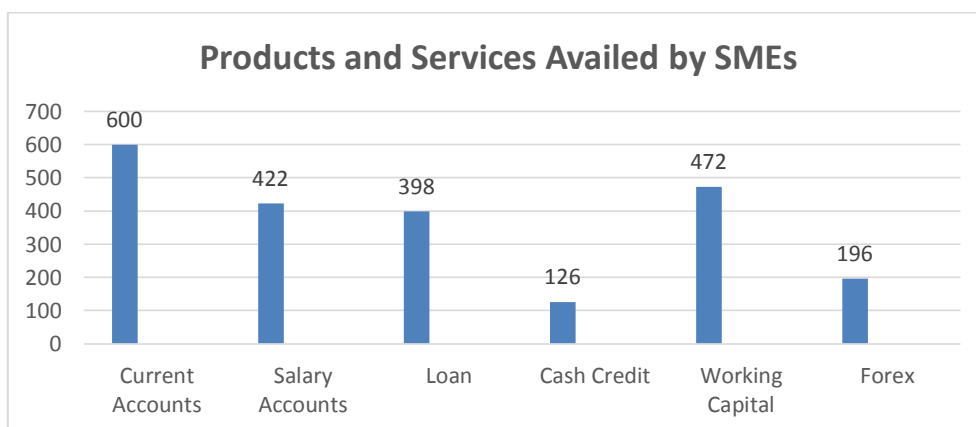


Figure 8 Products and Services Availed by SMEs

It was observed that all the SMEs had current account while around 422 companies had salary accounts. 472 companies have availed the working capital benefits while 398 companies have taken long term loans. Only 196 companies opted for forex services as they were mainly into import and export business. As we can observe, there is still a huge scope for the banks to grow their business. Banks should focus on providing and explaining the benefits of different services like cash credit and forex to the customers. HDFC bank has a rule of minimum 25 employees or average income of 25000 to offer the salary account benefits. Some SMEs might not be able to fulfil these criteria but are willing to opt for salary account benefits. Banks should consider offering such services to deserving SMEs to improve and build the strong relations. Bank loans are one of such products a bank should promote as majority of the customers prefer availing loans from the public-sector banks because of the lower interest rates. Also, it is easier to get a loan from a public-sector bank as compared to private sector bank because of the lenient rules. Private banks could capitalize on this service delivery gap to gain the competitive advantage.

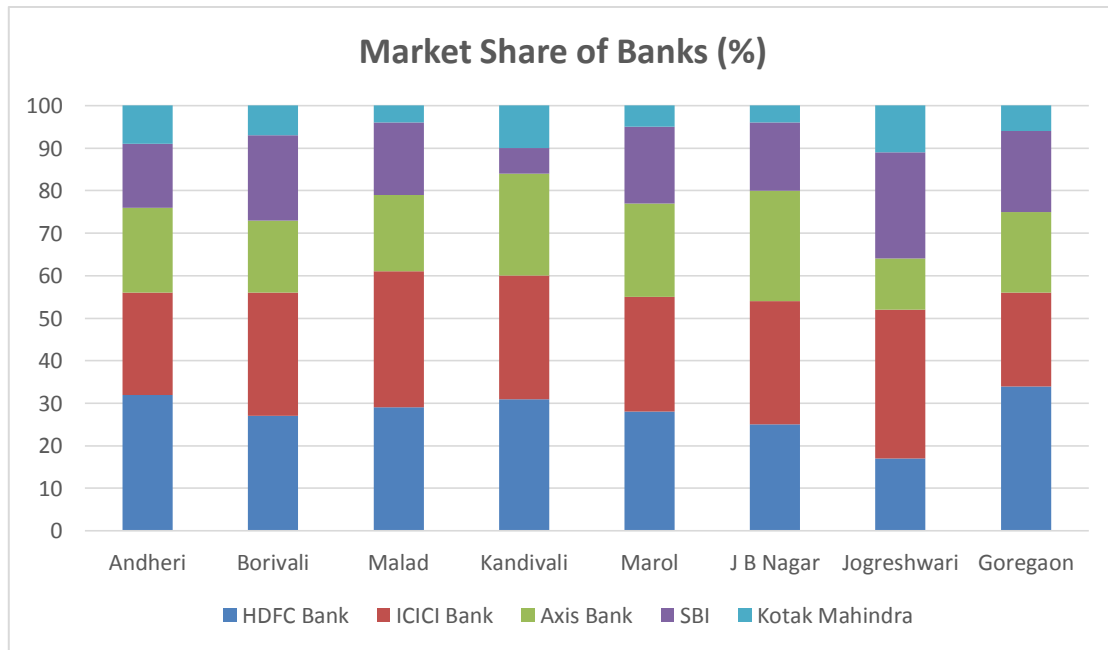


Figure 9 Market Share of Banks

Market share of the banks was calculated on the basis of percentage of bank customers in particular area. HDFC bank was a market leader in most of the areas of western Mumbai followed by ICICI bank and Axis bank. HDFC bank has acquired market based on the superior quality of service and strong CASA (current account/savings account) base. Kotak Mahindra bank is slowly catching up with its competitors because of strong marketing campaigns and innovative service offerings. Public sector bank SBI is still one of the strong market player despite of low customer satisfaction index. Customers feel secure while dealing with public sector bank as compared to private sector bank. This is one of the key reasons for the strong market share of SBI bank. Andheri, Goregaon and Kandivali are the places with higher number of industrial estates and commercial complexes. HDFC bank has acquired majority of the market share in this area followed by ICICI bank.

Based on the market share analysis and service quality ratings, we can definitely say that the quality of services offered by the banks matter the most to the SMEs. HDFC bank which has the highest rating in service quality has the majority of the market share.

### 5. Discussion

Comfort and proximity is one of the key parameters customers consider while choosing the bank. Commercial banks should consider opening a branch in the nearby vicinities of the commercial complexes and industrial estates. Strategic positioning of the branches based on the potential customer mapping should be done.

Kotak Mahindra bank has started offering new service of zero minimum balance to increase their CASA base. Zero minimum balance is one of the key feature customers look for. This facility has helped Kotak Mahindra bank to increase their customer base substantially.

Customers always need more options while choosing the product. Offering varied products and services would definitely attract more customers. HDFC bank has been offering various offers with the help of its numerous partners. Kotak Mahindra has improved the customer ease of handling services by launching a new service “811”. User-friendly interface and easily accessible services will be appealing to the larger customer base.

Relationship managers (RM) are the single point of contact of customers to the bank. The quality of services offered by RMs determines the customer satisfaction level. Maintaining strong relationship with customer should be a primary focus of the relationship manager. RM should notify the customers about the new offerings and services. Banks should consider taking



timely feedback from the customers about the quality of the service offered by the RM. Hidden charges and penalties one of the customer pain points that have been observed in this study. Customers should be made full aware about the potential penalties and banks should avoid keeping hidden charges as customers feel betrayed once they come to know about such hidden charges. An automated service should be started in order to make customer aware about the upcoming penalties.

Cost of acquiring a new customer is always high. Every customer lost is a waste of money spend to acquire that customer. Banks should consider contacting such customers to hear their grievances and should try to solve their problem to get them on board again. Some small enterprises feel ignored by the top private banks as they are low revenue generating customer for the banks. Such small enterprises always have potential to grow exponentially and could turn out to be a key customer for the bank. Thus, banks shouldn't ignore such customers.

Knowledge sharing using business intelligence is one of the solution to improve the service quality and customer satisfaction. It will also help in reducing the service delivery gaps. Analysis of customer locations will help banks to identify the cluster of existing customers as well as cluster of potential customers. Based on this analysis banks can consider opening a suitable location to increase the proximity and convenience for the customers. Also, monitoring the existing customers' banking activities will give the banks idea about the possible product/services and offer requirements of the customers. This knowledge could be shared with the sales team to generate more customers and also, it will help in strengthening the relationships with the customer. This will also increase the efficiency of the relationship managers. Business intelligence will also help in analysing the prospective penalties levied on the customers. Automated notifications could be sent to the customers and the respective relationship managers could be informed through knowledge sharing about these penalties so that they can keep their customers updated about it. This will help in reducing the customer churn rate and help in building loyal customer base.

## 6. Managerial Implications

It is a tough task for the managers to quantify the customer satisfaction and quality of services offered in the retail branch banking. Managers should focus on retaining the customers as customers with the previous bad experiences don't want to avail the services of the same bank again. It is important for the managers to build a strong relationship with the customers by providing the exceptional service as this strong relationship would lead to a loyal customer. Providing customers with exceptional products/services and offers is one of the key parameter of maintaining the existing customers and acquiring the new customers. Managers should make the customers aware about the penalties and hidden charges as this is one of the prime reason of customer dissatisfaction. Private commercial banks are leading in terms of satisfaction and service quality as compared to public sector banks. Public sector banks should improve the product/service offerings and service quality to increase the customer satisfaction and customer retention. Knowledge sharing is an effective tool which can help managers to do the cross functional collaborations within the organization. It is important for the managers to learn the data analysis techniques to utilize this data better.

## 7. Limitations and Future Directions

There are few limitations of this study which could be taken care of in future researches. This study had geographical limitations as it was limited to Mumbai area only. Research findings and insights may change with the geography changes. Also, for the research purposes only five major players were considered. There might be other banks which have superior service quality and products. Study was limited to small and medium enterprises only. Decision making parameters might change based on the size of the organizations. Quality of secondary data was one of the limitations that have been observed. Also, some of the interviewees had limited time to answer the research questions which might have affected the resulted data. In future studies, customers other than SMEs could be targeted. Customer satisfaction index and service quality gaps in Hospitals, Hotels, Entertainment Industry could be a potential future way of research. Also, effect of demonetization and digitization on the service quality of the banks could be analysed in future researches. Technology is getting updated day-by-day and these technological advancements will improve the knowledge sharing. It will be interesting to analyse the effect of such knowledge management systems on the customer satisfaction and service quality of retail branch banking.

## 8. Conclusion

Indian banking industry is going through major changes because of demonetization and digitization. Customer expectations are increasing while competition is getting stiff. In such a tough situation, Banks should focus on increasing customer satisfaction and improving service quality to retain the existing customers and create a loyal customer base. The present study has made some contribution towards understanding the customer pain points in the banking sector. Knowledge sharing has a huge scope to overcome these pain points. Systematic and structured knowledge sharing initiatives will increase the bank efficiencies while handling the customer grievances.

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