Review of Literature:

The major objective of this research was to determine the factors that constitute the base of customer satisfaction in service industry.

**Gronroos (2000, p.46)** defined service as, “A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems”.

**Walfried, et. al. (2000)** defined “service as a set of characteristics that meet the clients' needs, strengthen the links between the organization and them, and enhance the clients' value as well.”

**Edvardsson, B., Johnson, M.D. Gustafsson, A. and Strandvik, T. (2000b)** “Customer satisfaction has greater influence on repurchase intentions and profits for service companies”

**David Osborne and Peter Plastrik, (2001)** “Timely service is an especially strong determinant of quality across different types of public services. Fairness and outcomes are additional factors important to customers”.

**Prabhakaran (2003)** “mentioned that the customer is the king. High customer satisfaction is important in maintaining a loyal customer base. To link the service quality, customer satisfaction and customer loyalty is important.”

**Looy, Gemmel & Dierdonck, (2003)** “Customer behavior characterized by a positive buying pattern during an extended period (measured by means of repeat purchase, frequency of purchase, wallet share or other indicators) and driven by a positive attitude towards the company and its products or services. When the service quality exceeds the expectations, the service provider has won a delighted customer. Dissatisfaction will occur when the perceived overall service quality does not meet expectations”

**(Keiningham et al. 2003)** “Customer satisfaction affects share-of-wallet positively”
*Kotler (2003)*, “Service as 'any behavior or act based on a contact between two parties: the provider and the receiver, and the essence of this reciprocal process in intangible.”

*Beer (2003)* “Service as a set of characteristics and overall properties of the service which aim to satisfy the clients and meet their needs”.

*(Fečiková, 2004)* “Customer satisfaction leads to increased profits”

*Kim and Stoels (2004)* “studied the influences of website quality dimensions on shopper satisfaction. They identified six variables of website quality and empirically examined the direct effects of these dimensions on customer satisfaction. Results confirmed the direct relationship between website quality and customer satisfaction”.

*Wang, Lo, and Yang (2004)* “Quality of services can be the difference between success and failure in both service and manufacturing firms”
Ndubisi (2005) and Pfeifer (2005) pointed out that “the cost of serving a loyal customer is five or six times less than a new customer.”

*Keiningham (2005)* “Customer satisfaction is strongly associated with improved share-of – spending”.

*Huseyin, et. Al. (2005)* “believes that good knowledge of the characteristics and advantages of service quality on the part of banks do contribute for their success and their persistence in the international banking competitive environment”

*Fogli (2006, p.4)* define service quality as “a global judgment or attitude relating to a particular service; the customer’s overall impression of the relative inferiority or superiority of the organization and its services. Service quality is a cognitive judgment”.

*Goran Svensson (2006)* “Argued that most of the research has been done on the service receiver’s perspective rather than service provider’s perspective side. The author felt that an
extended penetration of service encounters, and an extended abstraction of the service quality construct, taken together, provides great potential for future research opportunities in services marketing.”

**Andaleeb, S.S., and Conway, C. (2006)** “Customers are likely to consider specific aspects of the transaction such as product and service features, as well as price to be satisfied with the overall experience”.

**Helgesen (2006)** “Focuses on the relationships between customer satisfaction, customer loyalty and customer profitability at the individual customer level”.

**Beatson et al. (2008)** found that “perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a sizable impact on perceived product quality and on perceived service quality”.

**Heskett et al. (2008)** identify that “relationships between the scores and actual loyalty strongly depend on whether customers were “very satisfied” or simply “satisfied” with the product or service.”


**Raidah ladhari (2008)** “Identified the key conceptual and empirical issues that should be considered in the development of alternative industry-specific measurement scales of service quality. She presented 30 alternative industry specific measurement of service quality other than SERVQUAL”.

**Bai et al. (2008)** “studied the direct effect of website quality on customer satisfaction and purchase intention in China. Results indicated that website quality directly affects customer satisfaction and customer satisfaction directly influences their intention.”
Zeithaml et al (2008) “developed a conceptual model that correlates Service Quality, Customer Satisfaction and Customer Loyalty in one frame. According to the model, service quality is the outcome of reliability, assurance, responsiveness, empathy and tangibles. Customer satisfaction is influenced by the quality of service & product and price as well as the situational and personal factors.”

Kumar et al (2009) stated that “high quality of service will result in high customer satisfaction and increases customer loyalty”.

Mohamed & Shirley (2009) “Emphasized that banks have to care about the quality of their services since this quality is considered the essence or core of strategic competition.”

Ueno (2010) the authors observe that “the service quality gaps model is the conceptualization of service quality as the gap between customer expectations on the services and perceptions of the service performance”.

Pinho et al. (2011) “tried to explore the influence of website quality characteristics on intention of users in applying online services. They discussed factors including research facility, provides detailed information, privacy and security, interaction facilities and contacts, speed and facility of access, availability of relevant downloads, reliable and up-to-date information are the most important qualifications of a website. Results evidenced that several dimensions of online quality characteristics increase intention of the users.”

Kassim and Nor (2011) “tried to study the effects of service quality dimensions on customer satisfaction, trust and loyalty in e-commerce setting in Malaysia and Qatar. Results approved significant effects of e-service quality dimensions on customer satisfaction.”

This is not only the case in the private sector, but it also is increasingly so in the public sector. Public sector firms are trying to make administration more efficient and more citizen-oriented. Though accessing reports, articles access was gained to raw data on the costs and benefits of Customer Satisfaction in selected service industry are Hotels, Restaurants, Tourism, Telecommunications and Banking. In doing this review, it was evident that this research would be important in contributing to studies on this subject.
**Statement of Problem:**

From a firm's perspective it is important to ensure that customers are satisfied with the product they purchase as well as with the way the product is delivered. This is true for companies producing pure goods or pure services, or for companies selling goods and services. Customers have specific needs, expectations, and perceptions, but if a company is not able to exceed or at least meet these expectations, the customer becomes dissatisfied and probably does not consider a repurchase. One prerequisite for customer satisfaction is therefore that the company knows their customer's needs and expectations.

The larger the gap between a company's and customer's perception concerning both service product and service delivery the smaller the probability of satisfying the customers. This indicates that service providing companies and to have a more profound understanding or their crucial question. An investigation of the relationship between service provision and customer satisfaction appears therefore of great interest. Against this background it is worthwhile to study the degree of customer satisfaction in selected sectors of service industry under the title:

“A Study of Customer Satisfaction in Selected Sector of Service Industry”