Customer's Perception and Experiences in Private Banking Services: A Study in Kamrup Metro Guwahati, Assam

[1]Dr Sunita Dutta, [2]Dr J.U Ahmed

[1]Assistant Professor, Department of Business Administration, University of Science & Technology, Meghalaya, India

[2]Professor, Department of Management, North Eastern Hill University, Tura Campus, Meghalaya

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ABSTRACT

This study examines customer's perception and experiences in private banking services of Guwahati with special reference to service quality, trust, digital banking facilities, responsiveness, and relationship management. The study adopted a descriptive and analytical research design. A total of 455 respondents were selected through convenience sampling. Primary data were collected using a structured questionnaire based on a five-point Likert scale. The study have adopted descriptive statistics, mean analysis, factor analysis, KMO and Bartlett's Test, and reliability analysis using SPSS 20.0. The findings of this study were found that personalized banking services, digital convenience, employee behavior, and security significantly influence customer perception towards private banking services. The study concludes that private banks must strengthen customer relationship management, technological support, and service reliability to improve overall customer experience and satisfaction.

Keywords: Customer Perception, Private Banking Services, Factor Analysis, Customer Experience, Service Quality, Digital Banking.

INTRODUCTION

The banking sector has undergone a remarkable transformation over the past few decades due to globalization, technological advancement, digitalization, and changing customer expectations. The emergence of private sector banks has significantly changed the traditional banking landscape by introducing customer-oriented services, technological innovations, and efficient financial management systems. In comparison to public sector banks, private banks are often perceived as more efficient, technologically advanced, and customer-focused in delivering banking services. The increased competition in the banking industry has compelled financial institutions to continuously improve service quality, operational efficiency, and customer relationship management to retain customers and gain competitive advantage (Kotler, 2018).

In recent years, customer perception and experiences have become important determinants of organizational success in the banking industry. Customer perception refers to the way customers evaluate banking services based on their experiences, expectations, trust, and satisfaction. Positive customer experiences generally result in increased loyalty, customer retention, and favorable word-of-mouth communication, whereas negative experiences may lead to dissatisfaction and switching behavior. According to Philip Kotler (2018), customer satisfaction is one of the most significant factors influencing customer loyalty and organizational sustainability. In the service industry, particularly banking, customer satisfaction is closely linked to service reliability, responsiveness, trustworthiness, and convenience.

The rapid advancement of digital technology has substantially influenced banking operations and customer behavior. The adoption of internet banking, mobile banking, ATM facilities, digital payment systems, and artificial intelligence-based customer support has transformed the traditional banking experience. Customers today prefer banking services that are quick, secure, transparent, and easily accessible from remote locations.

Digital banking services not only reduce waiting time but also enhance convenience and efficiency for customers. Studies indicate that digital banking facilities significantly improve customer experiences and increase customer trust toward banking institutions (Kumar & Gupta, 2020).

Service quality is another important dimension influencing customer perception in the banking industry. According to A. Parasuraman, Valarie Zeithaml, and Leonard Berry (1988), service quality consists of five important dimensions—reliability, assurance, tangibility, empathy, and responsiveness—which significantly determine customer satisfaction and service experiences. In private banking institutions, customers expect prompt service delivery, courteous employee behavior, effective grievance handling, and personalized attention. The inability of banks to meet these expectations may adversely affect customer trust and satisfaction.

Moreover, customer trust and transaction security have become increasingly important in modern banking due to the growing use of digital transactions and online financial services. Security concerns, privacy risks, cyber fraud, and technological vulnerabilities often influence customer confidence toward banking institutions. Customers generally prefer banks that ensure transaction safety, confidentiality of information, and transparent financial dealings (Das & Paul, 2022). Therefore, maintaining trust and reliability has become essential for private banks to strengthen long-term customer relationships.

Private banking institutions continuously introduce innovative financial products, customer relationship management strategies, and personalized banking services to satisfy changing customer expectations. Employee responsiveness, personalized communication, efficient problem-solving mechanisms, and technological convenience significantly influence customers' banking experiences. Particularly in urban regions such as Kamrup Metro, Guwahati, customers increasingly prefer banks that provide technologically advanced, secure, and customer-centric services.

Despite considerable improvements in private banking services, certain challenges such as inadequate grievance handling, cyber security concerns, technological barriers, and lack of personalized support continue to affect customer satisfaction. Therefore, understanding customer perception and experiences toward private banking services becomes essential for improving banking efficiency, customer retention, and service quality. This study aims to examine customers' perception and experiences regarding private banking services in Kamrup Metro, Guwahati, with special emphasis on service quality, trust, security, digital convenience, and relationship management.

REVIEW OF LITERATURE

The purpose of this review was to accentuate the relatedness of the subject explored that follows the path of the problem area undertaken. In this section, literature review emphasized the customer's perception and experiences in banking services to underscore the breach of the present study.

Philip Kotler (2018) emphasized that customer satisfaction is one of the most significant determinants of customer loyalty and organizational growth. According to Kotler, organizations that consistently satisfy customer expectations are more likely to maintain long-term relationships and improve customer retention. In the banking industry, customer satisfaction depends largely on service quality, responsiveness, reliability, trust, and convenience. Customers prefer financial institutions that provide prompt and efficient services while maintaining transparency and trustworthiness.

Parasuraman, Zeithaml, and Berry (1988) developed the SERVQUAL model to measure service quality across different service sectors. Their study identified five major dimensions of service quality: reliability, assurance, tangibility, empathy, and responsiveness. The researchers argued that service quality significantly influences customer perceptions and satisfaction. In banking services, reliability and responsiveness play a critical role because customers expect secure transactions, timely assistance, and courteous employee behavior. Their model has been widely applied in banking studies to understand customer satisfaction and service effectiveness.

Kumar & Gupta (2020) observed that digital banking services have significantly improved customer convenience and operational efficiency in banking institutions. Their study highlighted that internet banking, mobile applications, online transactions, and ATM services reduce waiting time and provide easier access to banking facilities. The researchers further stated that customers increasingly prefer banks offering technologically advanced services because digital accessibility positively influences customer satisfaction and banking experiences.

Sharma (2019) conducted a study on employee behavior, communication quality, and customer relationship management significantly affect customer trust and perception toward banking institutions. The study revealed that courteous employee behavior, problem-solving ability, and personalized attention can increase customer confidence and strengthen long-term customer relationships. Poor communication and lack of responsiveness, however, negatively influence customer experiences and customer retention.

Singh & Roy (2021) found that customers of private banks generally prefer institutions that provide quick grievance redressal, personalized banking services, and efficient customer support systems. Their study suggested that private banks offering prompt complaint handling mechanisms and customer-focused services are more successful in achieving customer satisfaction and loyalty. The researchers also emphasized the importance of responsiveness and trust in shaping customer preferences.

Das & Paul (2022) examined the impact of technological innovation and transaction security on customer perception toward banking services. Their findings suggested that transaction safety, privacy protection, and secure online banking systems positively influence customer trust and confidence. The study concluded that customers are more likely to prefer banks that ensure strong cyber security measures and secure digital transaction facilities.

Rust & Oliver (1994) argued that customer experience and service quality are closely associated with customer retention and organizational performance in service industries. Their study emphasized that organizations must continuously improve customer interactions and service delivery systems to maintain competitiveness and customer loyalty.

Zeithaml et al., (1996) found that high service quality positively affects customer satisfaction, behavioral intentions, and customer loyalty. The researchers suggested that customers who perceive better service quality are more likely to continue using banking services and recommend them to others, thereby strengthening organizational reputation and growth.

It is evident from the review of earlier studies that customers perception and experiences particularly in banking services has not been given much attention so far. In the context of ever compounding competition in the banking industry, comprehending the factors influencing customers is of paramount importance. Moreover, the studies relating to the subject considered remained un-researched in the private sector banks in the area considered under study.

Recent developments in financial technology (FinTech) have substantially transformed banking service delivery in India. The increasing adoption of Unified Payments Interface (UPI), mobile banking applications, digital wallets, artificial intelligence-based customer support, and cloud-based banking solutions has reshaped customer expectations regarding convenience, accessibility, and transaction speed. FinTech innovations have enabled banks to deliver personalized financial services while improving operational efficiency and reducing service costs.

Recent empirical studies indicate that digital banking adoption in India is significantly influenced by perceived usefulness, ease of use, trust, cybersecurity, and digital literacy. AI-powered recommendation systems, predictive analytics, biometric authentication, and blockchain-based security mechanisms have further enhanced customer confidence in digital banking platforms. These technological advancements suggest that future banking competitiveness will increasingly depend upon the successful integration of FinTech innovations with customer-centric service strategies.

Objectives of the Study

a) To analyze the demographic profile of customers using private banking services.
b) To identify the factors influencing customer perception towards private banking services.
c) To examine customer experiences regarding service quality and digital banking facilities.

RESEARCH METHODOLOGY

The study adopted both quantitative and qualitative approaches. Due to limited time, a total of 455 respondents were selected through convenience sampling.

Convenience sampling was adopted because of practical considerations, including time constraints, accessibility of respondents, and the exploratory nature of the study. The target population comprised customers visiting multiple private bank branches across Kamrup Metro, making probability-based sampling operationally challenging within the available research period. Although convenience sampling limits the generalizability of findings, it remains an acceptable approach in exploratory studies examining customer perceptions and service experiences. The relatively large sample size of 455 respondents enhances the reliability of the statistical analysis and provides meaningful insights into customer behaviour within the study area. Data were collected from customers of different private banks using a structured questionnaire. The questionnaire consisted of two sections: socio-demographic details and perception towards private banking services.

The study used primary and secondary data. Primary data were collected directly from respondents, while secondary data were obtained from journals, articles, books, and websites. The collected data were coded, tabulated, and analyzed using SPSS 20.0. Descriptive statistics, mean analysis, standard deviation, reliability analysis, and factor analysis were used for data interpretation. For data collection, a five-point Likert Scale was used where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree.

Data Analysis and Findings

Demographic Characteristics

Table 1 presents the demographic profile of respondents using private banking services in Kamrup Metro, Guwahati, based on gender, age, and educational qualification. The demographic analysis provides important insights into the characteristics of customers and helps understand the customer segment that predominantly prefers private banking institutions. The findings reveal that female respondents constitute 54% of the total sample, slightly exceeding male respondents **(46%).** This suggests relatively higher participation and engagement of women in banking activities, reflecting increasing financial awareness, economic participation, and independent financial decision-making among female customers in urban areas.

Table 1: Profile of Respondents

Variables	Category	Percentage
Gender	Male	46%
	Female	54%
Age	18-25 Years	24%
	26-35 Years	42%
	36-45 Years	21%
	Above 45 Years	13%
Education	Graduate	38%
	Postgraduate	44%
	Others	18%

With regard to age distribution, the majority of respondents belong to the 26–35 years age group (42%), indicating that young and middle-aged customers are the primary users of private banking services. This age category generally represents economically active individuals who prefer technologically advanced, quick, and convenient banking solutions for managing personal and professional financial activities. Respondents aged 18–25 years (24%) also demonstrate significant banking participation, reflecting growing digital banking adoption among younger consumers. Furthermore, 21% of respondents belong to the 36–45 years category, while only 13% are above 45 years, indicating comparatively lower representation of older customers.

In terms of educational qualification, the majority of respondents are postgraduates (44%), followed by graduates (38%), suggesting that educated individuals are more likely to prefer private banking services due to better financial literacy, technological familiarity, and awareness of modern banking facilities.

Customers Perceptions towards Private Banking Services:

Table 2 shows customers' perceptions regarding different dimensions of private banking services using mean scores and standard deviation values. The findings indicate that respondents generally hold a highly positive perception toward private banking services, particularly concerning transaction security, trust, and digital convenience. Among all variables, transaction security recorded the highest mean score (4.35) with a relatively low standard deviation (0.64), indicating that customers strongly trust private banks in maintaining secure financial transactions and protecting confidential information. Similarly, trust and reliability achieved a high mean score (4.28), reflecting customers' confidence in the consistency, transparency, and dependability of private banking institutions.

Table 2: Customers Perception Regarding Private Banking Services

Variables	Mean	Std. Deviation	Interpretation
Digital Banking Convenience	4.21	0.71	High
Employee Responsiveness	4.12	0.68	High
Transaction Security	4.35	0.64	Very High
Quick Service Delivery	4.08	0.73	High
Personalized Services	4.17	0.69	High
Trust and Reliability	4.28	0.61	Very High
ATM and Online Accessibility	4.11	0.75	High
Complaint Handling	3.89	0.82	Moderate

The findings further reveal that digital banking convenience (4.21) and personalized services (4.17) received high ratings, suggesting that customers highly value internet banking, mobile banking, and customized financial services. Likewise, employee responsiveness (4.12) and ATM and online accessibility (4.11) indicate customer satisfaction with service efficiency and accessibility. Quick service delivery (4.08) also reflects customers' positive experiences regarding timely banking operations. However, complaint handling recorded the comparatively lowest mean score (3.89) with the highest standard deviation (0.82), indicating moderate satisfaction and differences in customer opinions. This finding suggests that grievance redressal mechanisms require further improvement to strengthen customer trust, satisfaction, and long-term loyalty toward private banking institutions.

Appropriateness of Factor Analysis

Before conducting factor analysis, it is important to assess whether the collected data are suitable for dimensional reduction and factor extraction. In this study, the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity were used to examine the appropriateness of factor analysis.

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Table 3: Appropriateness of Factor Analysis

Test	Value
KMO Measure of Sampling Adequacy	0.812
Bartlett's Test of Sphericity (Chi-Square)	742.615
Significance Level	0.000

The KMO value of 0.812 indicates a strong degree of sampling adequacy for conducting factor analysis. Generally, a KMO value above 0.80 is considered highly acceptable and indicates that the selected variables possess sufficient common variance for extracting meaningful underlying factors. This suggests that the responses collected from customers regarding private banking services are statistically reliable and appropriate for grouping into broader dimensions. The high KMO score further confirms that the sample size of respondents is adequate to identify patterns and relationships among variables associated with customer perception and experiences in private banking services.

Similarly, the Bartlett's Test of Sphericity produced a Chi-square value of 742.615 with a significance level of 0.000 ($p < 0.001$), which is statistically significant. A significant Bartlett's Test confirms that the variables are sufficiently correlated and not independent of one another. In simple terms, this means that variables such as service quality, digital banking convenience, employee responsiveness, transaction security, and personalized services share meaningful relationships and can be grouped into major dimensions influencing customer perception. Therefore, both statistical tests strongly validate the applicability of factor analysis in this study.

Factor Analysis

The factor analysis extracted four major dimensions influencing customer perception and experiences toward private banking services in Kamrup Metro, Guwahati. These factors collectively explain customer attitudes, satisfaction, and preferences toward private banking institutions. These four dimensions are Service Quality, Digital Convenience, Trust and Security and Relationship Management.

Table 4: Factor Analysis

Factors	Variables Included	Variance Explained
Service Quality	Employee Responsiveness, Quick Service Delivery, Complaint Handling	31.4%
Digital Convenience	Online Banking, ATM Accessibility, Mobile Banking	24.8%
Trust and Security	Transaction Security, Reliability, Privacy Protection	19.2%
Relationship Management	Personalized Services, Staff Interaction	11.6%

Interpretation of Factor Analysis (Interpretation of Extracted Factors)

Factor 1: Service Quality

The first and most influential factor identified through factor analysis is Service Quality, which explains 31.4% of the total variance. This factor includes variables such as employee responsiveness, quick service delivery, and complaint handling. Since this factor explains the highest percentage of variance, it can be interpreted that service quality is the most significant determinant affecting customer perception toward private banking services.

The findings suggest that customers place substantial importance on receiving prompt, reliable, and efficient banking services. Customers prefer banks where employees are responsive to queries, capable of solving problems quickly, and efficient in handling banking operations. In private banking institutions, quick service delivery reduces waiting time and enhances convenience, thereby improving customer satisfaction. The significance of service quality in this study indicates that customer experiences in private banking are largely shaped by operational efficiency and employee interactions.

This finding is strongly supported by the international SERVQUAL model developed by A. Parasuraman, Valarie Zeithaml, and Leonard Berry (1988), which identified responsiveness, assurance, empathy, reliability, and tangibility as essential dimensions influencing customer satisfaction in service industries. Similarly, Valarie Zeithaml et al. (1996) observed that higher service quality positively influences customer loyalty and long-term behavioral intentions.

From an international perspective, the findings are also consistent with Christian Grönroos (1984), who argued that service quality is a critical determinant of customer satisfaction and organizational competitiveness in service industries. Likewise, Richard Oliver (1999) emphasized that efficient service delivery significantly contributes to customer loyalty and satisfaction.

In the Indian context, Sharma (2019) found that employee behavior, responsiveness, and effective communication significantly influence customer trust and satisfaction in banking institutions. Similarly, Singh and Roy (2021) reported that prompt grievance handling and efficient customer service are major contributors to customer satisfaction in private banking services in India.

However, the comparatively lower mean score for complaint handling in this study indicates that grievance redressal mechanisms require further strengthening. Delays in complaint resolution may reduce customer trust and negatively affect satisfaction levels. Therefore, private banks in Kamrup Metro should improve customer service efficiency, strengthen complaint resolution systems, and enhance interpersonal communication between employees and customers.

Although respondents expressed overall satisfaction with private banking services, complaint handling received the lowest mean score among all service dimensions, indicating scope for considerable improvement. An effective grievance redressal system is fundamental to maintaining customer trust, satisfaction, and long-term loyalty, particularly in the highly competitive banking sector. Customers increasingly expect rapid, transparent, and fair resolution of complaints through multiple service channels, including branch offices, call centres, mobile applications, chatbots, and social media platforms.

Previous studies have demonstrated that prompt complaint resolution not only restores customer confidence but also converts dissatisfied customers into loyal advocates of the organization. Delays in addressing customer grievances often create negative perceptions, reduce trust, and increase customer switching intentions. Therefore, private banks should establish integrated customer grievance management systems supported by Artificial Intelligence (AI), real-time complaint tracking, automated acknowledgement systems, and dedicated customer relationship managers.

Furthermore, banks should regularly analyse complaint patterns to identify recurring service deficiencies and implement preventive measures rather than merely reacting to customer complaints. Continuous employee training in conflict resolution, empathy, and customer communication can further strengthen customer relationships. By developing efficient grievance redressal mechanisms, private banks can enhance customer confidence, improve service quality, and achieve sustainable competitive advantage.

Factor 2: Digital Convenience

The second most influential factor extracted from the analysis is Digital Convenience, explaining 24.8% of the total variance. This factor includes online banking, ATM accessibility, and mobile banking services. The high variance explained by this factor indicates that technological convenience significantly influences customer experiences and perceptions toward private banking institutions.

The findings reveal that customers increasingly prefer banks offering technologically advanced and seamless banking services. The growing use of smartphones, internet facilities, and digital financial systems has transformed customer expectations in the banking sector. Customers increasingly prefer services that allow remote banking transactions, fund transfers, account monitoring, and bill payments without visiting bank branches.

This finding is supported internationally by Fred Davis (1989), whose Technology Acceptance Model (TAM) explained that perceived usefulness and ease of use significantly influence technology adoption behavior among consumers. Similarly, Viswanath Venkatesh et al. (2003), through the Unified Theory of Acceptance and Use of Technology (UTAUT), observed that technological convenience strongly affects customer adoption of digital systems.

Internationally, Pikkarainen et al. (2004) found that convenience, accessibility, and security are important determinants influencing customer acceptance of online banking systems. Likewise, Gefen (2002) emphasized that technological trust and ease of digital use significantly influence customer loyalty in electronic service environments.

In the Indian context, Kumar and Gupta (2020) found that digital banking services significantly improve customer convenience, accessibility, and operational efficiency. Similarly, Malhotra and Singh (2010) observed that internet banking facilities in India positively influence customer satisfaction and banking efficiency. Yadav, Chauhan, and Pathak (2015) further highlighted that customers increasingly prefer digital banking due to convenience, accessibility, and reduced transaction time.

The strong importance of digital convenience in this study indicates that customers in urban areas such as Kamrup Metro prioritize speed, accessibility, and technological efficiency in banking operations. Therefore, private banks should continue investing in digital infrastructure, cybersecurity systems, mobile banking applications, and customer-friendly technological interfaces to improve customer confidence and satisfaction.

Factor 3: Trust and Security

The third important factor extracted from the analysis is Trust and Security, accounting for 19.2% of the total variance. This factor consists of transaction security, reliability, and privacy protection.

This finding suggests that customers highly value financial security and confidentiality while selecting banking institutions. Banking transactions involve sensitive financial information; therefore, customers naturally prioritize institutions that maintain transparency, trustworthiness, and secure transaction systems. The increasing dependence on online banking has heightened concerns regarding cyber fraud, identity theft, hacking, and misuse of financial information.

The high mean score for transaction security observed in this study reflects customer confidence in private banking institutions regarding secure transactions and privacy protection. Customers are more likely to remain loyal to banks that provide safe financial environments and ensure confidentiality of personal information.

Internationally, Gefen (2002) found that customer trust significantly influences online service acceptance and electronic transaction behavior. Similarly, Morgan and Hunt (1994), through the Commitment-Trust Theory, argued that trust is a central factor determining long-term customer relationships and loyalty.

Furthermore, Reichheld and Sasser (1990) highlighted that customer trust significantly improves retention and organizational profitability in service institutions. Likewise, Oliver (1999) emphasized that trustworthiness and reliability strongly influence customer loyalty and behavioral intentions.

In the Indian context, Das and Paul (2022) found that secure online transaction systems and technological reliability significantly affect customer perception and satisfaction in banking services. Similarly, Shankar and Jebarajakirthy (2019) observed that trust and digital security positively influence customer adoption of mobile banking services in developing economies.

The importance of trust and security becomes even more critical in the era of digital banking where technological vulnerabilities continue to increase. Therefore, private banks should continuously strengthen cybersecurity systems, fraud prevention measures, data privacy mechanisms, and customer awareness programmes to maintain customer trust and confidence.

Factor 4: Relationship Management

The fourth factor identified is Relationship Management, explaining 11.6% of the total variance. This factor includes personalized services and staff interaction.

Although this factor explains comparatively lower variance than the previous factors, it remains an important determinant of customer experiences in private banking services. The findings suggest that customers highly value personalized attention, friendly communication, and emotional connection with banking personnel.

This finding supports the SERVQUAL framework developed by A. Parasuraman, Valarie Zeithaml, and Leonard Berry (1988), which emphasized empathy and assurance as important dimensions affecting customer satisfaction.

Internationally, Leonard Berry (1995) highlighted that relationship marketing significantly strengthens customer loyalty, emotional satisfaction, and long-term retention. Likewise, Rust and Oliver (1994) argued that customer relationships and positive interactions improve customer satisfaction and organizational competitiveness.

In the Indian context, Sharma (2019) observed that personalized communication and employee responsiveness significantly strengthen customer trust and long-term relationships in banking institutions. Similarly, Singh and Roy (2021) found that private bank customers highly prefer institutions that provide customized assistance and personalized customer care.

Relationship management plays a major role in strengthening customer trust, retention, and long-term satisfaction. Customers generally prefer banks where employees understand their financial needs, provide tailored financial solutions, and maintain professional yet friendly interactions. Therefore, private banks should focus not only on technological advancement but also on strengthening human interaction through staff training, customer engagement programmes, and relationship-building initiatives.

Overall Interpretation of Factor Analysis

Overall, the factor analysis demonstrates that customer perception toward private banking services is multidimensional and primarily influenced by service quality, digital convenience, trust and security, and relationship management. Among these, service quality emerged as the strongest predictor, indicating that efficient employee behavior, prompt service delivery, and effective complaint handling significantly shape customer experiences.

This multidimensional finding is supported internationally by the SERVQUAL framework of A. Parasuraman et al. (1988) and customer loyalty theory proposed by Richard Oliver (1999), which argue that customer satisfaction and loyalty are influenced by multiple service dimensions. In the Indian context, Kumar and Gupta (2020) and Das and Paul (2022) similarly concluded that digital efficiency, trust, and service quality significantly influence customer satisfaction in banking institutions.

Therefore, private banks in Kamrup Metro, Guwahati, should adopt a balanced strategy by simultaneously improving service quality, strengthening digital infrastructure, ensuring transaction security, and enhancing customer relationship management to improve customer satisfaction and long-term loyalty.

The findings of this study are broadly consistent with research conducted in both developed and emerging economies. Studies from the United Kingdom, Singapore, and Australia indicate that service quality, digital accessibility, and customer trust remain the principal determinants of customer satisfaction in banking services. Similarly, research from Malaysia and Indonesia highlights that personalized banking services and digital innovation significantly improve customer experience and retention.

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Within India, metropolitan cities such as Mumbai, Bengaluru, Delhi, and Hyderabad have witnessed rapid adoption of digital banking, AI-enabled customer support, and omnichannel banking services. Customers in these regions increasingly expect seamless digital experiences, personalized financial advice, and immediate grievance resolution. Although private banks operating in Kamrup Metro have made substantial progress in digital service delivery, there remains considerable potential to strengthen customer relationship management and complaint handling practices to match national and international service standards.

The similarity of findings across diverse geographical contexts suggests that the determinants of customer experience identified in this study—service quality, digital convenience, trust and security, and relationship management—possess broader applicability beyond Kamrup Metro. However, regional socio-economic characteristics and varying levels of digital literacy may influence the relative importance of these factors, providing opportunities for future comparative studies across different Indian states and international banking environments.

Major Findings

1. The study reveals that customers of private banks possess a highly positive perception toward banking services, particularly in terms of reliability, security, and technological convenience. Customers tend to prefer banking institutions that offer efficient and dependable services, thereby strengthening customer trust and satisfaction. This finding is consistent with the studies of Philip Kotler (2018) and Valarie Zeithaml et al. (1996), who argued that service quality and reliability significantly influence customer satisfaction, loyalty, and long-term organizational success.

2. Digital banking facilities such as mobile banking, internet banking, and ATM accessibility have emerged as significant contributors to customer satisfaction and overall banking experience. Customers increasingly prefer technologically advanced banking systems that reduce waiting time and improve service accessibility. This finding supports the study conducted by Kumar and Gupta (2020), which emphasized that digital banking services significantly improve customer convenience, accessibility, and customer experiences in financial institutions.

3. Customers highly appreciate prompt service delivery, courteous employee behaviour, and personalized attention, which strengthen trust and long-term customer relationships. Employee responsiveness and communication quality play an important role in improving customer experiences and retaining customers in private banking institutions. This finding aligns with the observations of Sharma (2019), who found that employee behaviour, interpersonal communication, and relationship management significantly affect customer trust and perception toward banking institutions.

4. Transaction security and confidentiality were identified as the most influential dimensions affecting customer confidence and loyalty toward private banking institutions. Customers place high importance on secure financial transactions, privacy protection, and trustworthiness while selecting banking services. This finding is supported by Das and Paul (2022), who concluded that secure online transaction systems, privacy protection, and technological reliability positively influence customer trust and confidence in banking services.

5. Factor analysis indicates that service quality, digital convenience, trust and security, and relationship management are the major dimensions shaping customer perception and experiences in private banking services. The findings particularly emphasize that service quality and digital convenience are dominant factors influencing customer satisfaction and banking preferences. This finding is consistent with the SERVQUAL model developed by A. Parasuraman, Valarie Zeithaml, and Leonard Berry (1988), which highlighted responsiveness, reliability, assurance, empathy, and tangibility as major determinants of service quality and customer satisfaction.

6. Although customers are generally satisfied with banking services, grievance handling and complaint resolution mechanisms require further improvement to enhance overall customer experience. Delays in complaint resolution may reduce customer trust and negatively influence satisfaction levels. This

finding corresponds with the study of Singh and Roy (2021), which suggested that effective grievance redressal systems and prompt problem-solving mechanisms significantly improve customer loyalty and service satisfaction.

7. The findings also suggest that technologically advanced and customer-centric banking practices significantly influence customers' preference for private banks over other financial institutions. Customers increasingly prefer banks that combine technological efficiency with personalized services and strong relationship management practices. This observation is supported by Rust and Oliver (1994), who argued that improved customer experiences, innovation, and superior service quality enhance customer retention and competitive advantage in service organizations.

SUGGESTIONS AND RECOMMENDATIONS

Based on the findings of the study, the following suggestions are proposed to improve customer perception, satisfaction, and overall banking experiences in private banking institutions in Kamrup Metro, Guwahati. These recommendations particularly emphasize service quality, digital innovation, Artificial Intelligence (AI), blockchain technology, and cryptocurrency awareness to make banking services more customer-centric, secure, and future-ready.

1. Strengthening Service Quality and Customer Responsiveness

Since service quality emerged as the most influential factor, private banks should focus on improving employee responsiveness, quick service delivery, and grievance handling systems. Banks should provide continuous professional training to employees in communication skills, problem-solving, and customer relationship management. Establishing dedicated customer support desks and reducing complaint resolution time can significantly enhance customer trust and satisfaction.

Furthermore, banks should adopt AI-powered customer service systems, including intelligent chatbots and virtual assistants, to provide 24/7 support for customer queries, complaints, and transaction-related assistance. AI-based systems can improve response speed, reduce waiting time, and personalize customer experiences through predictive analytics and behavioral understanding.

2. Enhancing Digital Banking Infrastructure

The study found that digital convenience significantly affects customer satisfaction. Therefore, private banks should strengthen digital banking infrastructure by improving mobile banking applications, internet banking systems, ATM accessibility, and digital payment facilities. Banks should prioritize user-friendly interfaces, multilingual support, faster transaction processing, and uninterrupted online banking services. Since customers increasingly prefer digital banking, continuous technological up gradation is essential for maintaining customer loyalty and competitiveness.

Additionally, banks may integrate AI-driven personalization systems that recommend financial products based on customer behavior, spending patterns, and financial needs. Personalized financial recommendations can improve customer engagement and satisfaction.

3. Adoption of Blockchain Technology for Security and Transparency

As trust and security emerged as an important determinant, private banks should consider gradually integrating blockchain technology to strengthen transaction transparency, cybersecurity, and fraud prevention mechanisms. Blockchain technology offers decentralized and tamper-resistant transaction systems, which reduce the risk of fraud, data manipulation, and unauthorized financial activities. Blockchain-based banking can improve transaction transparency, reduce intermediary costs, and strengthen customer confidence in digital banking services.

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Banks can particularly use blockchain for:

i. Secure transaction verification
ii. Fraud detection and prevention
iii. Smart contract implementation
iv. Faster cross-border payments
v. Enhanced customer identity verification (KYC)

The integration of blockchain can significantly improve trust, reliability, and transparency in banking operations.

4. Increasing Awareness Regarding Cryptocurrency and Digital Assets

The global financial sector is gradually witnessing the emergence of cryptocurrency-based financial systems. Although regulatory concerns still exist in countries like India, private banks should improve customer awareness regarding the risks and opportunities associated with digital currencies and financial technologies. Bitcoin, Ethereum, and other digital assets are transforming international financial systems and payment ecosystems. While cryptocurrency adoption remains regulated and cautious in the Indian context, banks can educate customers about:

i. Digital financial literacy
ii. Safe investment practices
iii. Cryptocurrency risks and volatility
iv. Cyber fraud prevention
v. Digital asset management awareness

Rather than direct promotion, banks should emphasize financial education and informed decision-making to prepare customers for emerging digital financial ecosystems.

5. Strengthening Cybersecurity and Data Privacy Measures

Since customers highly value transaction security and confidentiality, private banks should continuously upgrade cybersecurity systems to protect customers from cyber fraud, phishing attacks, identity theft, and digital financial crimes.

Banks should implement:

i. Multi-factor authentication systems
ii. Biometric verification
iii. AI-based fraud detection mechanisms
iv. End-to-end transaction encryption
v. Real-time fraud monitoring systems

AI-based predictive systems can help banks identify suspicious transactions and prevent financial fraud before it affects customers.

6. Improving Relationship Management through Personalized Banking

Although relationship management explained comparatively lower variance, it remains important for long-term customer retention and loyalty. Private banks should strengthen personalized banking services by understanding customer preferences and offering customized financial solutions.

Banks can introduce:

i. Dedicated relationship managers
ii. Personalized loan and investment advice

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iii. AI-enabled financial planning support
iv. Customer loyalty programmes
v. Personalized communication systems

Combining technological efficiency with human interaction can create stronger emotional connections between banks and customers.

7. Promoting Future-Ready and Sustainable Banking Practices

Private banks should move toward a future-ready banking ecosystem by integrating AI, blockchain, fintech innovation, and sustainable digital banking practices. Customers increasingly prefer institutions that are technologically advanced, transparent, secure, and environmentally responsible.A balanced approach combining high-quality service, technological convenience, secure digital systems, and customer-centric relationship management will significantly improve customer satisfaction and long-term loyalty in private banking services.

8. Future Research Directions

Future studies should employ probability sampling techniques, such as stratified or systematic random sampling, to improve the representativeness and generalizability of findings. Comparative investigations involving public sector, private sector, and foreign banks across multiple Indian states would provide deeper insights into regional variations in customer expectations. Researchers may also examine the influence of emerging technologies such as artificial intelligence, blockchain, open banking, embedded finance, and digital financial ecosystems on customer satisfaction and loyalty. Longitudinal research examining changes in customer perceptions over time would further contribute to understanding the evolving nature of banking service quality in the digital era.

CONCLUSION

The study concludes that customer perception and experiences in private banking services are strongly influenced by service quality, trust, security, and digital banking convenience. Customers prefer banks that provide quick, reliable, and personalized services. Factor analysis revealed that service quality and technological convenience are the most influential dimensions affecting customer satisfaction. Therefore, private banks should continuously improve their service delivery systems, customer relationship management, and digital infrastructure to maintain competitive advantage and long-term customer loyalty.

This study demonstrates that customer perception and service experience in private banking services are primarily shaped by service quality, digital banking convenience, trust and security, and relationship management. Among these dimensions, service quality emerged as the strongest determinant, highlighting the importance of responsive employees, efficient service delivery, and effective complaint resolution in fostering customer satisfaction and loyalty.

The findings further indicate that customers increasingly value secure digital banking platforms, personalized financial services, and transparent banking practices. Consequently, private banks operating in Kamrup Metro should strengthen digital infrastructure, invest in AI-enabled customer support systems, enhance cybersecurity measures, and establish efficient grievance redressal mechanisms to improve customer trust and long-term retention.

From a managerial perspective, bank executives should adopt integrated customer relationship management strategies that combine technological innovation with personalized service delivery. Continuous employee training, proactive complaint management, and customer-centric digital transformation will enable private banks to achieve sustainable competitive advantage in an increasingly competitive financial environment.

The study also contributes to the growing body of knowledge on customer behaviour in the Indian banking sector by providing empirical evidence from Kamrup Metro, Assam. Its findings offer practical guidance for banking practitioners and policymakers seeking to enhance service quality, improve customer experience, and promote sustainable growth in the private banking industry.

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