



## A case study to examine the level of customer satisfaction with banking services in Pasighat, Arunachal Pradesh

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### Abstract

Customer satisfaction is an essential factor of service quality and organizational performance in the banking sector. The present study examines the level of customer satisfaction with banking services in Pasighat, Arunachal Pradesh. The study is based on primary data collected from 100 Pasighat bank customers through a structured questionnaire. The research evaluates customer perceptions of service reliability, staff behaviour, service speed, waiting time, ATM availability, internet banking, mobile banking, information accuracy, transaction security, and complaint handling. The findings reveal that customer satisfaction in Pasighat is moderate rather than high. Digital banking services, particularly mobile banking, and transaction security emerged as the strongest aspects of banking services. However, ATM availability, waiting time, and service speed were identified as major areas of concern. The large proportion of neutral responses suggests that while customers are not highly dissatisfied, their expectations are not fully met. The study recommends improvements in operational efficiency, ATM infrastructure, customer service, and grievance redressal mechanisms to enhance overall customer satisfaction of Pasighat banks.

**Keywords:** Customer satisfaction, banking services, service quality, mobile banking, digital banking, pasighat, Arunachal Pradesh

### Introduction

The banking sector plays a vital role in the economic development of a country by mobilizing savings, facilitating investments, providing credit, and supporting various financial transactions. In today's highly competitive and technology-driven environment, customer satisfaction has become one of the most important indicators of banking performance and service quality because satisfied customers are more likely to remain loyal, use a wider range of banking products, and recommend banking services to others (Oliver, 1997; Parasuraman *et al.*, 1988) [10, 11]. Over the past decade, the Indian banking industry has experienced remarkable transformation through technological advancements, digital banking innovations, financial inclusion initiatives, and increased competition among public and private sector banks. Services such as mobile banking, internet banking, Automated Teller Machines (ATMs), Unified Payments Interface (UPI), and electronic payment systems have significantly improved the convenience, accessibility, and efficiency of banking services (Ganguli & Roy, 2011; Kumbhar, 2011) [5, 7]. However, customer satisfaction is influenced not only by the availability of these services but also by factors such as reliability, responsiveness, assurance, security, staff behaviour, service speed, complaint handling, and technological efficiency (Malik *et al.*, 2010; Zeithaml *et al.*, 2018) [9, 16]. In Pasighat, the headquarters of East Siang District in Arunachal Pradesh, several public and private sector banks provide a wide range of financial services to individuals, businesses, students, and government employees. As banking services continue to expand and digital banking becomes increasingly common, it is

important to evaluate customers' perceptions regarding the quality of services provided by these banks. Understanding the level of customer satisfaction helps identify strengths and weaknesses in banking operations and enables financial institutions to develop customer-oriented strategies for improving service quality and operational efficiency (Amin & Isa, 2008; Arasli *et al.*, 2005) [1, 3]. Therefore, the present study aims to examine the level of customer satisfaction with banking services in Pasighat, Arunachal Pradesh, and to identify the key factors influencing customers' banking experiences. The findings of the study are expected to provide useful insights for banking institutions, policymakers, and researchers in improving service quality, strengthening customer relationships, and promoting sustainable growth in the banking sector.

### Background of the Study

The Indian banking industry has undergone significant transformation due to technological advancements, digitalization, financial inclusion initiatives, and increasing competition among banks. Banking services have expanded beyond traditional branch-based transactions to include internet banking, mobile banking, online fund transfers, the Unified Payments Interface (UPI), and other electronic payment systems, thereby improving accessibility, convenience, and efficiency for customers (Ganguli & Roy, 2011; Kumbhar, 2011) [5, 7]. In Pasighat, Arunachal Pradesh, several public and private sector banks, including State Bank of India (SBI), Punjab National Bank (PNB), Bank of Baroda (BOB), Arunachal Pradesh Rural Bank (APRB), HDFC Bank, ICICI Bank, and Axis Bank, provide a wide range of financial services such as savings and current

accounts, loans, ATM facilities, internet banking, mobile banking, and digital payment services to individuals and businesses. As banking services continue to expand in the region, customers increasingly depend on these institutions for their day-to-day financial activities. However, the effectiveness of banking services depends not only on the availability of these facilities but also on the quality of service delivery, reliability, responsiveness, security, and overall customer experience (Parasuraman *et al.*, 1988; Amin & Isa, 2008) <sup>[1, 11]</sup>. Despite considerable improvements in banking infrastructure, customers often encounter challenges such as ATM malfunctions, network connectivity issues, transaction delays, long waiting times, and technical problems while using digital banking services, which may negatively affect their overall satisfaction (Chavan & Ahmad, 2013; Sharma & Malviya, 2014; Uppal, 2011) <sup>[4, 12, 15]</sup>. Since customer satisfaction is regarded as an important indicator of service quality and organizational performance, evaluating customers' perceptions of banking services has become essential for identifying strengths and weaknesses in service delivery (Oliver, 1997; Zeithaml *et al.*, 2018) <sup>[10, 16]</sup>. Therefore, the present study seeks to examine the level of customer satisfaction with banking services in Pasighat, Arunachal Pradesh, with the aim of providing useful insights that can help banking institutions improve service quality, strengthen customer relationships, and enhance the overall banking experience in the region.

### Significance of the Study

This study is significant as it provides valuable insights into customers' perceptions and experiences regarding banking services in Pasighat, Arunachal Pradesh. By examining various dimensions of service quality, such as reliability, staff behaviour, service speed, ATM availability, digital banking facilities, and complaint handling, the study helps identify the strengths and weaknesses of banking services in the region. The findings contribute to the existing literature on banking service quality and customer satisfaction, particularly in the context of Arunachal Pradesh, where limited research has been conducted. Furthermore, the study offers useful information for banking institutions to develop customer-oriented strategies, improve service delivery, and enhance overall customer satisfaction. It also serves as a valuable reference for future researchers interested in exploring banking services, customer satisfaction, and service quality in similar geographical and socio-economic settings.

### Literature Review

Customer satisfaction and service quality have been widely recognized as critical determinants of organizational performance, customer loyalty, and long-term sustainability in the banking sector. Parasuraman, A., Zeithaml, V. A., and Berry, L. L. (1988) <sup>[11]</sup> developed the SERVQUAL model, identifying reliability, responsiveness, assurance, empathy, and tangibles as the five key dimensions that influence customers' perceptions of service quality. Oliver, R. L. (1997) <sup>[10]</sup> proposed that customer satisfaction is achieved when the perceived performance of a service meets or exceeds customer expectations. Similarly, Arasli, H., Mehtap-Smadi, and Katircioglu (2005) <sup>[3]</sup> reported that prompt service delivery, employee behaviour, and

responsiveness play significant roles in enhancing customer satisfaction and loyalty in the banking industry. Amin, M. and Isa (2008) <sup>[1]</sup> established a strong positive relationship between service quality and customer satisfaction in Islamic banking, while Kumar, M. and Gulati (2010) <sup>[6]</sup> emphasized that technological advancements and efficient banking operations substantially improve customer experiences and satisfaction. Likewise, Malik, M. E., Danish, and Usman (2010) <sup>[9]</sup> concluded that reliability, responsiveness, and assurance are among the most influential determinants of customer satisfaction in the banking sector. In the context of technology-enabled banking, Al-Hawari, M. and Ward (2006) <sup>[2]</sup> found that the quality of automated banking services, including ATM facilities and electronic banking systems, significantly affects customer perceptions and overall banking experiences. Similarly, Sureshchandar, G. S., Rajendran, and Anantharaman (2002) <sup>[14]</sup> emphasized that technological efficiency and service reliability are essential for maintaining customer trust, while Ganguli, S. and Roy (2011) <sup>[5]</sup> observed that internet banking service quality, security, and ease of use significantly influence customers' attitudes toward digital banking. Furthermore, Singh, S. (2012) <sup>[13]</sup> identified network failures, transaction delays, and technical issues as common challenges affecting banking customers, particularly in developing economies. Chavan, J. and Ahmad (2013) <sup>[4]</sup> also reported that ATM malfunctions, inadequate infrastructure, and poor network connectivity negatively affect customer experiences and reduce confidence in banking services. Supporting these findings, Kumbhar, V. M. (2011) <sup>[7]</sup> identified convenience, accessibility, security, and reliability as major determinants of customer satisfaction with e-banking services, whereas Sharma, G. and Malviya (2014) <sup>[12]</sup> observed that internet connectivity problems and transaction failures frequently create dissatisfaction among customers. Likewise, Uppal, R. K. (2011) <sup>[15]</sup> highlighted that although ATM services have become indispensable in modern banking, frequent machine failures and cash shortages continue to inconvenience customers. Kumari, N. and Khanna (2017) <sup>[8]</sup> further reported that poor network connectivity and technical disruptions remain major obstacles to the effective adoption of digital banking, particularly in semi-urban and rural regions. Finally, Zeithaml, V. A., Bitner, and Gremler (2018) <sup>[16]</sup> emphasized that the consistent delivery of reliable, customer-oriented, and technology-driven services strengthens customer trust, satisfaction, and long-term loyalty. Collectively, these studies demonstrate that service quality, employee performance, technological efficiency, ATM functionality, network connectivity, and digital banking reliability are the principal factors influencing customer satisfaction in the banking sector. However, despite the increasing importance of banking services in Arunachal Pradesh, limited empirical research has specifically examined customer satisfaction with banking services in Pasighat, thereby highlighting the need for the present study.

### Research Gap

A review of the existing literature reveals that numerous studies have examined customer satisfaction and service quality in the banking sector at national and international levels. Previous researchers have examined various factors

influencing customer satisfaction, such as reliability, responsiveness, assurance, empathy, technological advancements, and digital banking services. However, most of these studies have focused on urban areas, metropolitan cities, or large banking markets. Very limited research has been conducted in Arunachal Pradesh, particularly in Pasighat. Furthermore, the growing adoption of digital banking services and changing customer expectations in the region have not been adequately explored. Therefore, a localized study is needed to assess customer satisfaction with banking services in Pasighat, Arunachal Pradesh. The present study seeks to fill this gap by examining customers' perceptions and experiences regarding various dimensions of banking services and identifying areas requiring improvement.

### **Objective of the Study**

The objective of the study is to assess customer satisfaction with banking services in Pasighat, Arunachal Pradesh, by examining customers' perceptions and experiences across various service dimensions and identifying areas that require improvement.

### **Research Methodology**

This study adopts a descriptive research design to examine the level of customer satisfaction with banking services in Pasighat, Arunachal Pradesh. The descriptive approach was considered appropriate as it facilitates the systematic collection, analysis, and interpretation of customers' perceptions, experiences, and opinions regarding various banking services without manipulating any variables. The study was conducted in Pasighat, located in the East Siang District of Arunachal Pradesh, which serves as an important commercial and administrative centre where several public and private sector banks, including State Bank of India, Punjab National Bank, Bank of Baroda, Arunachal Pradesh Rural Bank, HDFC Bank, ICICI Bank, and Axis Bank, provide a wide range of financial services. Both primary and secondary data were utilized for the study. Primary data were collected directly from customers through a structured questionnaire designed to gather information on demographic characteristics and various aspects of banking services, including service reliability, staff behaviour, service speed, waiting time, ATM availability, internet banking, mobile banking, transaction security, information accuracy, complaint handling, and overall customer satisfaction. Secondary data were obtained from books, journals, research articles, annual reports, government publications, websites, and previous studies related to banking services and customer satisfaction. The population of the study comprised all customers using banking services in Pasighat, irrespective of their age, occupation, educational background, or social category. A sample of 100 respondents was selected to obtain meaningful insights into customer satisfaction levels and banking experiences. The study employed convenience sampling, a non-probability sampling technique, wherein respondents were selected based on their accessibility and willingness to participate in the survey. Customers visiting bank branches and utilizing banking services during the period of data

collection were approached to provide their responses. The collected data were subsequently organized, tabulated, and analysed using percentage analysis and descriptive statistical techniques to achieve the objective of the study and draw meaningful conclusions regarding customer satisfaction with banking services in Pasighat, Arunachal Pradesh.

### **Limitations of the Study**

The present study has certain limitations that should be considered while interpreting the findings. First, the study was confined to Pasighat, Arunachal Pradesh; therefore, the results may not be applicable to customers in other regions with different banking environments. Second, the study was based on a sample of only 100 respondents selected through convenience sampling, which may not fully represent the entire population of bank customers in Pasighat. Third, the research relied on self-reported responses collected through questionnaires, and the accuracy of the findings depends on respondents' honesty, understanding, and perceptions. Fourth, the study examined only selected dimensions of banking services such as reliability, staff behavior, service speed, waiting time, ATM availability, internet banking, mobile banking, transaction security, and complaint handling; other factors influencing customer satisfaction were not included. Fifth, time and resource constraints limited the scope of data collection and analysis. Finally, since the banking sector is continuously evolving due to technological advancements and changing customer expectations, the findings reflect customer perceptions only during the study period and may change over time. Despite these limitations, the study provides useful insights into customer satisfaction with banking services in Pasighat and highlights areas requiring improvement.

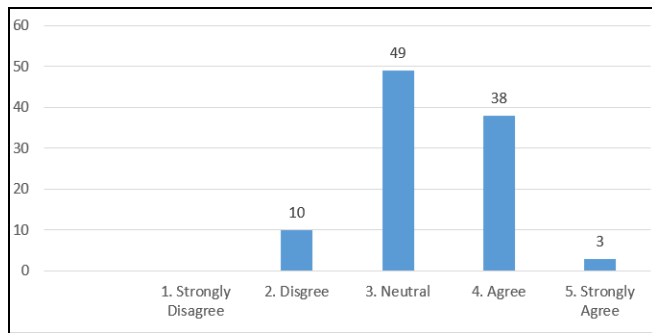
### **Ethical Considerations**

The study was conducted in accordance with basic ethical research principles. Participation in the survey was voluntary, and respondents were informed of the study's purpose before data collection. The confidentiality and anonymity of participants were maintained, and no personal information was disclosed. The data collected were used solely for academic purposes and were reported honestly without any manipulation or misrepresentation. The researcher ensured that all respondents were treated with respect and that their responses were recorded accurately.

### **Data Analysis and Interpretation**

This section presents the analysis and interpretation of data collected from 100 respondents regarding their satisfaction with banking services in Pasighat, Arunachal Pradesh. The analysis is based on responses obtained through a structured questionnaire and is supported by percentage analysis and figure presentation. Various dimensions of banking services, including reliability, staff behavior, service speed, waiting time, ATM availability, internet banking, mobile banking, information accuracy, transaction security, complaint handling, and overall satisfaction, have been examined to understand customers' perceptions and experiences. The findings provide valuable insights into the strengths and weaknesses of banking services and help assess overall customer satisfaction in the study area.

## Reliability of Banking Services According to Customers



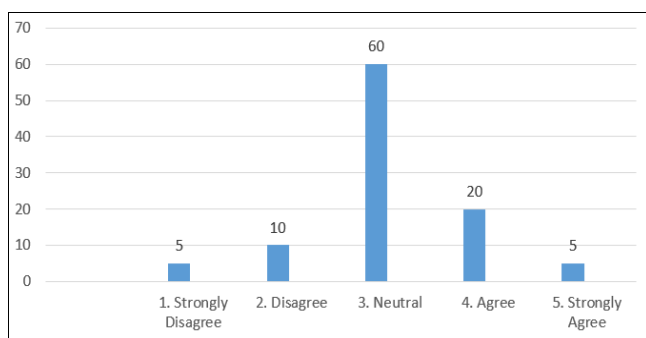
Source: Field Study, 2026

Fig 1: Reliability of Banking Services

Most respondents viewed the bank's services as reliable. A total of 38 respondents agreed and 3 strongly agreed, while 10 disagreed and 49 remained neutral. Although many customers were neutral, positive responses exceeded negative ones, indicating moderate customer confidence in the reliability of the bank's services. However, there is still room to improve service delivery consistency.

**Field Observation:** During the field survey, it was observed that customers generally considered banking services reliable for routine financial activities such as cash deposits, withdrawals, account maintenance, loan repayments, and fund transfers. Most customers expressed confidence that their transactions would be completed accurately and securely. However, several respondents reported experiencing occasional technical interruptions, server downtime, and delays in transaction processing. Customers who frequently used digital banking services noted that transaction failures or temporary service disruptions created uncertainty regarding service dependability. Some respondents also stated that delays in updating account balances after digital transactions occasionally affected their confidence in banking services. Despite these issues, most customers continued to rely on their banks due to the absence of major alternatives and the overall trust developed through long-term banking relationships. The observation indicates that reliability is generally satisfactory, although service consistency can still be strengthened through improved technological infrastructure and operational efficiency.

## Staff Behaviour and Customer Interaction in Banks



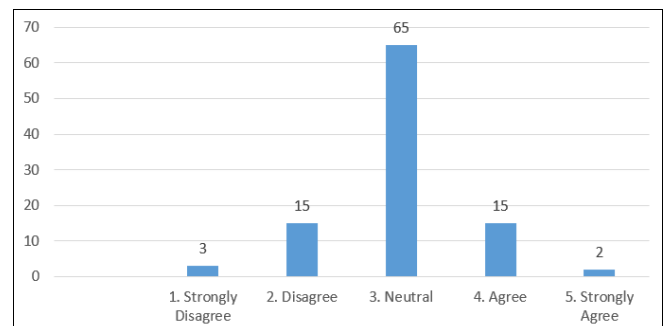
Source: Field Study, 2026

Fig 2: Staff Behaviour and Customer interaction in Banks

Customer perceptions regarding staff behaviour reveal that 25% of respondents were satisfied, 60% remained neutral, and 15% were dissatisfied. The predominance of neutral responses suggests that interactions with bank staff are generally viewed as average rather than exceptional. While some customers appreciate employees' politeness and helpfulness, there is scope to improve customer service skills and communication practices.

**Field Observation:** During visits to different bank branches in Pasighat, employees were observed to maintain a professional and cooperative attitude towards customers. Staff members regularly assisted customers with account opening procedures, passbook updates, loan enquiries, ATM card applications, internet banking registration, and transaction-related issues. Elderly customers, pensioners, and individuals unfamiliar with digital banking often received additional support from bank employees. However, during periods of high customer traffic, employees appeared overwhelmed by workload pressures, resulting in shorter interactions and reduced personal attention. In some cases, customers had to wait before receiving assistance because employees were occupied with multiple responsibilities simultaneously. Customers generally appreciated the willingness of staff members to help but expressed a desire for more proactive communication and faster responses to queries. These observations suggest that employee behaviour is satisfactory but could be enhanced further through customer-service training and improved staff allocation.

## Quick and Efficiency of Banking Services



Source: Field Study, 2026

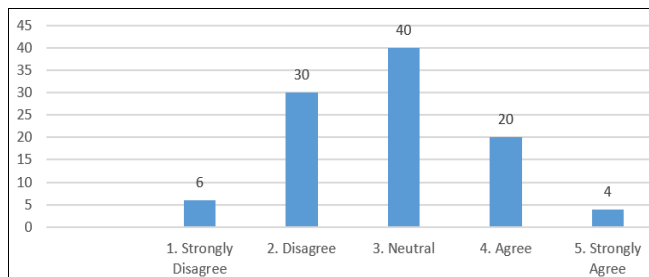
Fig 3: Quick and Efficiency of Banking Services

The findings indicate that only 17% of respondents were satisfied with the speed of banking services, 65% were neutral, and 18% were dissatisfied. The results suggest that customers perceive service delivery as average, with many experiencing delays in transactions and banking operations. Improving service efficiency and reducing processing time could significantly increase customer satisfaction.

**Field Observation:** The efficiency of banking services varied considerably depending on the nature of the transaction and the time of the visit. Basic services such as cash deposits, withdrawals, and balance enquiries were generally completed within a reasonable period. However, more complex services involving account opening, loan processing, document verification, and complaint resolution often required substantial waiting time. Several customers reported frustration when administrative procedures delayed

service delivery. It was observed that manual verification processes, extensive paperwork, and limited staffing contributed to slower service speed. Customers who visited banks during peak business hours experienced longer processing times compared to those visiting during quieter periods. The findings indicate that while banks are capable of delivering services effectively, operational inefficiencies continue to affect customer experiences.

### Waiting Time in Bank Branches



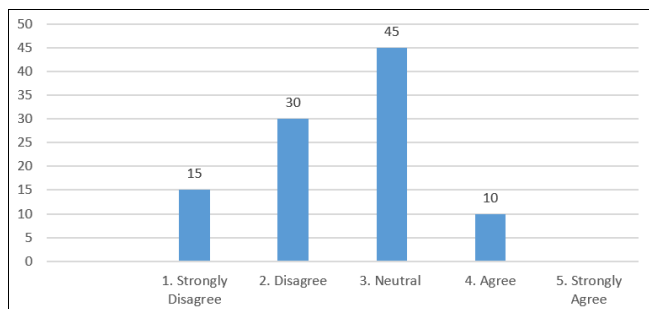
Source: Field Study, 2026

Fig 4: Waiting Time in Bank Branches

Waiting time emerged as one of the major concerns affecting customer satisfaction. The analysis reveals that 24% of respondents were satisfied, 40% were neutral, and 36% were dissatisfied with the time spent waiting for services. Long queues, limited staff availability, and slow transaction processing were identified as common issues affecting customer experiences in bank branches.

**Field Observation:** Waiting time emerged as one of the most visible issues during the field survey. Long queues were frequently observed at cash counters, customer service desks, and passbook update sections. The problem was particularly noticeable during salary credit periods, pension distribution days, government benefit disbursement periods, and festive seasons. Elderly customers often appeared uncomfortable standing in long queues for extended periods. Some respondents reported having to wait more than thirty minutes for simple banking services. Although token systems were available in certain branches, they were not always sufficient to manage customer flow effectively. Limited service counters and staff shortages during peak hours further increased waiting times. These observations suggest that reducing customer waiting time should be a priority area for banks seeking to improve customer satisfaction.

### ATM Availability and Accessibility for Customers



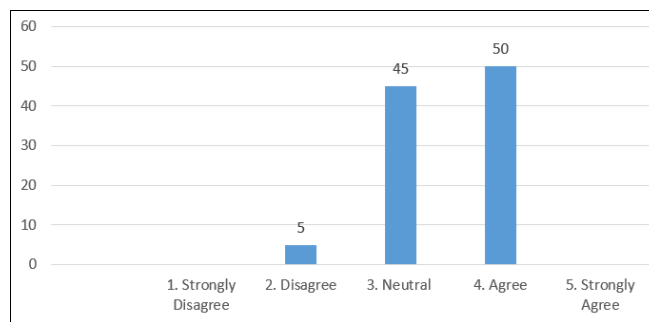
Source: Field Study, 2026

Fig 5: ATM Availability and Accessibility for Customers

The availability of ATM services was found to be one of the weakest aspects of banking services in Pasighat. While only 10% of respondents expressed satisfaction, 45% remained neutral, and another 45% were dissatisfied. These findings indicate concerns about insufficient ATM facilities, machine downtime, and limited accessibility, which negatively affect customer satisfaction.

**Field Observation:** The field survey revealed significant concerns regarding ATM availability and functionality. Many respondents reported encountering ATM machines that were out of service, experiencing technical malfunctions, or lacking sufficient cash. Customers frequently expressed frustration when they had to visit multiple ATM locations before successfully completing a withdrawal. Several respondents stated that ATM problems were particularly inconvenient during weekends, public holidays, and after banking hours when branch services were unavailable. It was also observed that certain ATM locations experienced heavy customer traffic due to a limited number of functioning machines. Some customers indicated that ATM downtime disrupted their daily financial activities and reduced confidence in banking convenience. The observations highlight the need for regular maintenance, timely cash replenishment, and expansion of ATM networks to meet growing customer demand.

### Convenience of Banking Services for Customers



Source: Field Study, 2026

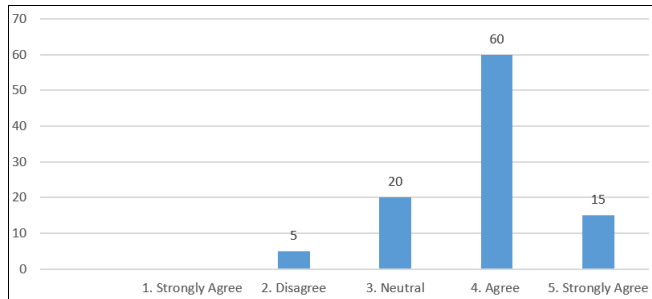
Fig 6: Convenience of Banking Services for Customers

The results show that 50% of respondents were satisfied with internet banking services, 45% were neutral, and only 5% were dissatisfied. This suggests that internet banking is generally viewed as convenient and useful. However, the high proportion of neutral responses suggests that some customers either use these services infrequently or encounter occasional challenges, such as connectivity issues.

**Field Observation:** Internet banking has become increasingly important for customers seeking convenient access to financial services. During the survey, respondents reported using internet banking primarily for fund transfers, account monitoring, bill payments, and online purchases. Customers appreciated the convenience of conducting transactions without physically visiting bank branches. However, several respondents reported challenges related to slow internet connectivity, website loading delays, login failures, and occasional transaction interruptions. Customers residing in areas with weaker network infrastructure experienced greater difficulties accessing internet banking

services. Older customers and individuals with limited digital literacy appeared less comfortable using internet banking platforms. These observations indicate that while internet banking services have significantly improved banking accessibility, technological barriers continue to affect some customers.

### Ease of Mobile Banking Services for Customers

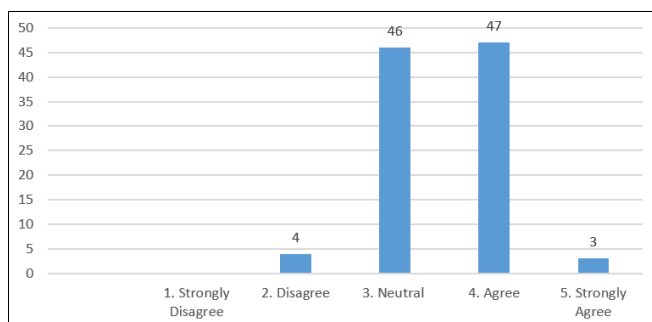


Source: Field Study, 2026

Fig 7: Ease of Mobile Banking Services for Customers

**Field Observation:** Mobile banking received one of the highest satisfaction ratings among all service dimensions. A total of 75% of respondents expressed satisfaction, 20% remained neutral, and only 5% were dissatisfied. The findings demonstrate the successful adoption of mobile banking services and reflect customers' positive perceptions re Mobile banking emerged as the most widely used and appreciated banking service among respondents. During the survey, customers were frequently observed using mobile banking applications to check account balances, transfer funds, pay utility bills, purchase mobile recharges, and receive transaction notifications. The popularity of mobile banking was particularly evident among students, salaried employees, businesspersons, and younger customers. Respondents consistently highlighted the convenience of being able to conduct financial transactions anytime and anywhere. Many customers reported that mobile banking had reduced their dependence on physical branch visits and ATM services. However, occasional issues such as application crashes, login errors, delayed transaction notifications, and network-related transaction failures were reported. Despite these challenges, mobile banking was widely regarded as one of the most successful innovations introduced by banks. guarding convenience, accessibility, and ease of use.

### Accuracy of Information Provided by Banks to Customers



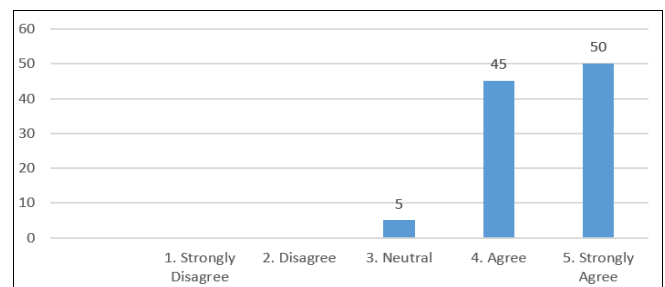
Source: Field Study, 2026

Fig 8: Accuracy and Information Provided by Banks to Customers

The analysis reveals that 50% of respondents were satisfied with the accuracy of the information provided by banks, 46% were neutral, and only 4% were dissatisfied. These results indicate that customers generally trust the information banks communicate, although further efforts toward transparency and timely communication could enhance confidence

**Field Observation:** Customers generally expressed confidence in the accuracy of information provided by banks regarding account balances, transaction records, service charges, interest rates, and loan conditions. SMS alerts, mobile banking notifications, printed account statements, and direct communication from bank employees were identified as important sources of information. During interactions with respondents, very few complaints regarding incorrect information were reported. However, some customers indicated that changes in banking policies, service charges, or procedural requirements were not always communicated clearly. Respondents suggested that more frequent updates and customer awareness programmes would improve transparency. Overall, the observations indicate that banks maintain satisfactory standards regarding information accuracy but can further strengthen communication practices.

### Security of Banking Transactions Made by Customers



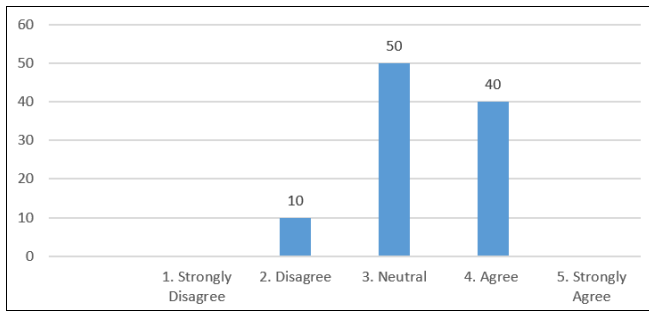
Source: Field Study, 2026

Fig 9: Security of Banking Transactions Made by Customers

Security of transactions recorded the highest level of customer satisfaction among all variables examined. A total of 95% of respondents expressed satisfaction, while only 5% remained neutral. No respondent reported dissatisfaction regarding transaction security. This indicates a high level of trust in banking security systems and demonstrates the effectiveness of existing security measures.

**Field Observation:** Transaction security emerged as the strongest aspect of banking services observed during the survey. Customers consistently expressed confidence in security measures such as One-Time Password (OTP) verification, Personal Identification Numbers (PINs), biometric authentication, secure login procedures, and instant transaction alerts. Most respondents reported feeling safe while conducting digital transactions through mobile banking and internet banking platforms. Very few customers expressed concerns regarding unauthorized access or financial fraud. The widespread trust in banking security systems reflects the effectiveness of banks' investments in cybersecurity and fraud prevention mechanisms. Customers acknowledged that security measures occasionally increased transaction time but generally considered them necessary for protecting financial assets.

## Customers Complaint Handling and Grievance of Banks



Source: Field Study, 2026

Fig 10: Customers Complaint Handling and Grievances of Banks

The findings on complaint handling indicate that 40% of respondents were satisfied, 50% were neutral, and 10% were dissatisfied. Although customers generally acknowledge banks' efforts to address grievances, the high proportion of neutral responses suggests that improvements are needed in response speed, efficiency, and customer support services.

**Field Observation:** The survey revealed mixed perceptions regarding complaint-handling procedures. Customers acknowledged that banks maintain systems for receiving and processing complaints. Customer service desks, help counters, and grievance redressal mechanisms were observed in operation across several branches. Respondents reported that routine issues such as ATM card problems, transaction failures, and account-related queries were usually resolved within a reasonable timeframe. However, customers experiencing more complex problems often reported delays in obtaining final resolutions. Several respondents expressed frustration regarding repeated visits and follow-up requirements. Customers emphasized the importance of timely communication during the complaint-resolution process. These observations suggest that although grievance-handling systems are functional, improvements in responsiveness and communication would significantly enhance customer satisfaction.

### Overall Result and Interpretation

The overall results of the study indicate that customer satisfaction with banking services in Pasighat, Arunachal Pradesh, is moderate and reflects a combination of positive experiences and operational challenges. The findings reveal that banking institutions in the study area have successfully expanded financial services and adopted modern banking technologies, resulting in improved accessibility and convenience for customers. A significant majority of respondents reported using mobile banking as their primary mode of banking, highlighting the growing importance of digital financial services in everyday transactions. Customers particularly appreciated the convenience, flexibility, and time-saving benefits offered by mobile banking and internet banking services. Furthermore, transaction security emerged as the strongest aspect of banking services, with customers expressing a high level of trust in the security measures implemented by banks, including OTP verification, password protection, biometric authentication, and fraud prevention systems. The accuracy of information provided by banks and the availability of digital banking services also received positive responses,

indicating that customers generally trust their banks and feel confident using technology-based financial services. However, despite these positive aspects, the study identified several challenges that continue to affect customer satisfaction. ATM-related problems emerged as one of the most significant concerns, with many respondents reporting issues such as machine breakdowns, cash shortages, technical failures, and limited ATM availability, which often forced customers to visit bank branches for routine transactions. Network connectivity problems were also widely reported, affecting the smooth functioning of mobile banking, internet banking, and digital payment services. Many customers experienced transaction delays, failed payments, and difficulties accessing online banking platforms due to poor internet connectivity and technical disruptions. In addition, waiting time within bank branches and the speed of service delivery were found to be important concerns, particularly during peak business hours, salary periods, and pension distribution days when customer traffic was high. Although bank employees were generally perceived as cooperative, professional, and helpful, workload pressures and limited staffing occasionally affected the quality and efficiency of customer service. Another notable finding is the high proportion of neutral responses across various service dimensions such as reliability, staff behaviour, service speed, complaint handling, and overall satisfaction. This suggests that while customers do not experience severe dissatisfaction, many believe that banking services are merely satisfactory rather than exceptional. Field observations further revealed that customers have readily embraced digital banking services and increasingly rely on them for their daily financial activities, yet infrastructural and technological limitations often prevent them from fully benefiting from these services. Overall, the study concludes that banking services in Pasighat are functioning satisfactorily and have made considerable progress in terms of digitalization, customer security, and service accessibility. However, persistent issues related to ATM functionality, network reliability, waiting time, service efficiency, and complaint resolution continue to limit higher levels of customer satisfaction. Therefore, banks should focus on strengthening technological infrastructure, improving ATM maintenance and cash availability, enhancing network connectivity, reducing service delays, streamlining operational procedures, and strengthening customer support mechanisms. Addressing these areas would not only improve customer satisfaction and loyalty but also enhance the overall quality, effectiveness, and competitiveness of banking services in Pasighat, Arunachal Pradesh, thereby contributing to the long-term development of the banking sector in the region.

### Discussion

The findings of the present study provide valuable insights into the level of customer satisfaction with banking services in Pasighat, Arunachal Pradesh. The study reveals that customers generally exhibit a moderate level of satisfaction with the services provided by banks. While respondents acknowledged the availability of various banking facilities and expressed confidence in the security of banking transactions, several operational and technological issues continue to influence their overall satisfaction. The results indicate that customer satisfaction is shaped by both

traditional service factors and the growing importance of digital banking services. One of the major findings of the study is the increasing reliance on digital banking services, particularly mobile banking. The majority of respondents reported using mobile banking as their preferred mode of banking because of its convenience, accessibility, and ability to facilitate transactions without visiting a bank branch. This finding supports the observations of Kumar and Gulati (2010) [6] [6], who emphasized that technological advancements and efficient banking operations significantly improve customer experiences and satisfaction levels. Similarly, Amin and Isa (2008) [2] [1] found that convenient and reliable banking services positively influence customer satisfaction. The widespread use of mobile banking among respondents indicates that customers in Pasighat are gradually embracing digital financial services and adapting to technological innovations in the banking sector. The study further reveals that transaction security received the highest level of customer satisfaction. Customers expressed strong confidence in the security measures adopted by banks, including OTP verification, secure login systems, and transaction alerts. This finding is consistent with the work of Zeithaml, Bitner, and Gremler (2018) [16] [16], who argued that customer trust and satisfaction increase when banks consistently provide reliable and secure services. The high satisfaction with transaction security suggests that banks operating in Pasighat have successfully established customer confidence in digital banking platforms and electronic transactions. Despite these positive findings, the study identifies several challenges affecting customer satisfaction. ATM availability emerged as one of the weakest aspects of banking services. A significant proportion of respondents expressed dissatisfaction due to ATM malfunctions, cash shortages, and limited ATM facilities. Similarly, network-related issues were frequently reported, affecting the smooth functioning of internet banking and mobile banking services. These findings indicate that although digital banking services are widely available, customers often face difficulties in accessing them efficiently. Such issues reduce the convenience associated with digital banking and negatively affect customer experiences. Another important finding relates to waiting time and service speed. A considerable number of respondents expressed dissatisfaction or remained neutral regarding the speed of banking services and waiting time within bank branches. Long queues, procedural delays, and high customer traffic during peak periods were observed during the field survey. These findings are consistent with the SERVQUAL dimensions proposed by Parasuraman, Zeithaml, and Berry (1988) [11] [16], particularly the dimension of responsiveness, which emphasizes the importance of prompt service delivery in determining customer satisfaction. Delays in service delivery may weaken customer perceptions of service quality and reduce overall satisfaction levels. The study also found that customers generally viewed bank employees as cooperative and professional. Although satisfaction regarding staff behaviour was not exceptionally high, dissatisfaction was relatively low. This finding supports the observations of Arasli, Mehtap-Smadi, and Katircioglu (2005) [3] [3], who identified employee behaviour and responsiveness as important determinants of customer satisfaction and loyalty. Positive interactions between customers and employees contribute to favourable banking experiences and strengthen

customer relationships with financial institutions. A notable feature of the findings is the large proportion of neutral responses across several service dimensions. This suggests that many customers perceive banking services as satisfactory but not outstanding. Customers appear to be receiving acceptable levels of service; however, banks are not consistently exceeding customer expectations. This observation aligns with Oliver's (1997) [10] [10] expectation-disconfirmation theory, which states that customer satisfaction is achieved when service performance meets or exceeds expectations. The prevalence of neutral responses indicates that banks are generally meeting expectations but have opportunities to improve service quality and create more positive customer experiences.

Overall, the study demonstrates that banking services in Pasighat have made significant progress in terms of digitalization, transaction security, and service accessibility. However, challenges related to ATM infrastructure, network connectivity, waiting time, and service efficiency continue to limit higher levels of customer satisfaction. The findings highlight the need for banks to strengthen technological infrastructure, improve ATM maintenance, enhance service responsiveness, and provide more efficient customer support. Addressing these issues will not only improve customer satisfaction but also contribute to greater customer loyalty, trust, and long-term growth of the banking sector in Pasighat, Arunachal Pradesh.

## Conclusion

The present study examined the level of customer satisfaction with banking services in Pasighat, Arunachal Pradesh, based on responses collected from 100 bank customers. The findings reveal that customers are generally satisfied with the banking services available in the area, particularly in terms of transaction security, mobile banking facilities, internet banking services, and the accuracy of information provided by banks. The increasing adoption of digital banking indicates that customers are becoming more comfortable with technology-based financial services and appreciate the convenience, accessibility, and efficiency they offer. The study also highlights that banks have been successful in building customer trust through secure transactions and the provision of modern banking facilities. However, the study identified several challenges that continue to affect customer satisfaction. ATM-related issues, including machine breakdowns, cash shortages, and limited ATM availability, emerged as major concerns among customers. Network connectivity problems were also frequently reported, affecting the smooth functioning of digital banking services and causing transaction delays. Long waiting times in bank branches and moderate satisfaction with service speed indicate that operational efficiency remains an area requiring improvement. Although customers generally perceive bank employees as cooperative and helpful, the high proportion of neutral responses across several service dimensions suggests that banks are meeting customer expectations only to a satisfactory level rather than exceeding them. Based on these findings, it is suggested that banks should focus on improving ATM maintenance, ensuring regular cash replenishment, and expanding ATM facilities in areas with high customer demand. Strengthening network infrastructure and upgrading digital banking systems would help reduce transaction failures and improve the reliability

of online banking services. Banks should also adopt effective queue-management systems, increase staff availability during peak hours, and simplify banking procedures to reduce waiting times and improve service efficiency. Regular customer-service training programmes should be conducted to enhance employee responsiveness and customer relations. Furthermore, banks should strengthen grievance redressal mechanisms, promote digital literacy among customers, and regularly collect customer feedback to identify service gaps and implement necessary improvements.

In conclusion, banking services in Pasighat have made considerable progress in terms of digitalization, accessibility, and security. Nevertheless, addressing existing challenges related to ATM services, network connectivity, waiting time, and operational efficiency is essential for achieving higher levels of customer satisfaction. Effective implementation of the suggested measures will not only enhance service quality and customer experience but also strengthen customer loyalty, improve the reputation of banking institutions, and contribute to the sustainable growth and development of the banking sector in Pasighat, Arunachal Pradesh.

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