A STUDY ON CUSTOMER SATISFACTION AND SERVICE QUALITY OF HDFC BANK

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ABSTRACT

Customer satisfaction and service quality are important factors in the performance and competitiveness of modern banking institutions. Customers assess a bank not only by its products and prices, but also by reliability, responsiveness, employee behaviour, transparency, convenience, digital access and the way complaints are resolved. This paper studies customer satisfaction and service quality at HDFC Bank through secondary research and documentary analysis. It reviews HDFC Bank's Integrated Annual Report 2024–25, the bank's published grievance-redressal information and relevant Reserve Bank of India (RBI) material on customer-centric banking and customer rights.

HDFC Bank's FY2024–25 annual report describes its customer-focused approach, regular feedback collection and service-quality measurement. The report states a customer satisfaction score (NPS score) of 70 and reports that approximately 28 lakh feedback responses were captured across key channels, customer-service episodes and product journeys. These are bank-reported indicators and are not treated in this paper as an independent survey of all customers. The paper uses a descriptive and analytical secondary-data design; it does not claim to have collected original responses or to establish causal relationships.

The analysis suggests that service quality should be assessed across branch and digital channels, accuracy and timeliness, staff communication, security, transparency and grievance resolution. The paper recommends simpler communication, consistent service standards, accessible digital support, timely complaint handling and periodic customer-feedback analysis. A future primary study could use a structured questionnaire to measure customers' perceptions in a clearly defined location or customer group.

Keywords: customer satisfaction, service quality, HDFC Bank, banking services, digital banking, customer experience, grievance redressal.

1. INTRODUCTION

Banking is a service industry in which customer trust, convenience and consistent service delivery influence long-term relationships. Customers use banks for savings accounts, current accounts, deposits, loans, cards, fund transfers, digital payments and other financial services. Because many banking products are similar in basic purpose, the quality of the experience surrounding those products can become an important point of difference.

Customer satisfaction refers to a customer's overall evaluation of whether a product or service experience meets expectations. Service quality concerns the customer's perception of how well a service is delivered. In banking, these concepts are connected but not identical: a customer may be satisfied with a particular transaction while still having concerns about overall service, fees or complaint handling.

HDFC Bank provides services through physical branches, phone banking, online services, mobile channels and other customer-facing platforms. The bank's annual report discusses a customer-centric approach, feedback-based improvement and service-quality measurement. Its published grievance-redressal framework also describes multiple stages through which customers can raise and escalate concerns. These arrangements make HDFC Bank a relevant case for studying how service quality can be assessed and improved.

This paper uses published institutional information rather than presenting invented survey results. It therefore offers a structured review of the bank's stated service approach and the broader principles of customer-centric banking.

2. STATEMENT OF THE PROBLEM

Banks operate in an environment where customers expect reliable transactions, timely service, transparent charges, secure digital access and clear communication. Delays, errors, unclear product information or unsatisfactory complaint resolution can reduce trust and weaken the customer experience. At the same time, digital channels can improve convenience but may create difficulties for customers who need assistance or who are unfamiliar with online processes.

The central problem addressed in this paper is how customer satisfaction and service quality can be understood in the context of HDFC Bank using available published evidence, and what practical measures may help improve customer experience. Since no original customer survey was conducted for this paper, it does not claim to quantify the satisfaction level of all HDFC Bank customers.

3. OBJECTIVES OF THE STUDY

1. To explain the concepts of customer satisfaction and service quality in banking.
2. To review published information about HDFC Bank's customer-service approach and feedback mechanisms.
3. To identify key dimensions that influence customer perceptions of banking service quality.
4. To examine the role of digital banking, communication, security and grievance redressal in customer experience.
5. To suggest practical measures for improving service quality and customer satisfaction.

4. RESEARCH QUESTIONS

- What do customer satisfaction and service quality mean in the banking context?
- What customer-service and feedback mechanisms does HDFC Bank describe in its published reports?
- Which dimensions should be considered when assessing the quality of banking services?
- How can digital convenience, trust, transparency and complaint handling influence customer experience?
- What measures may help banks improve customer satisfaction?

5. SCOPE AND SIGNIFICANCE OF THE STUDY

The study focuses on HDFC Bank and the service-quality dimensions relevant to retail banking customers. The discussion includes branch services, employee interaction, digital and phone banking, reliability, responsiveness, security, transparency and complaint resolution. It draws on the bank's annual report and official grievance-redressal information, together with RBI publications on customer-centric banking.

The study may be useful to MBA students, banking professionals and readers interested in customer relationship management and service operations. It can also serve as a starting framework for a later field survey. Its scope is limited by the use of secondary data:

the analysis does not establish how customers in a particular city, branch or demographic group personally rate HDFC Bank.

6. REVIEW OF LITERATURE

6.1 Service quality as a multi-dimensional concept

Service quality is commonly examined through dimensions such as reliability, responsiveness, assurance, empathy and tangibles. Reliability concerns performing the promised service accurately; responsiveness concerns willingness and speed in helping customers; assurance relates to knowledge, courtesy and the ability to build confidence; empathy concerns individual attention; and tangibles include the physical and visible aspects of service delivery. These dimensions provide a useful conceptual framework, although they should be adapted to the context of banking and digital channels.

6.2 HDFC Bank Integrated Annual Report 2024–25

The HDFC Bank's Integrated Annual Report 2024–25 describes customer satisfaction as a priority and discusses personalised experiences, customer feedback and service improvement. It reports a customer satisfaction score identified as an NPS score of 70 for FY2024–25 and approximately 28 lakh feedback responses captured across key channels, critical service episodes and product journeys. These figures are reported by the bank and provide information about its internal customer-experience programme; they should not be interpreted as independent evidence that every customer is satisfied.

The report also describes a Service Quality Index for measuring performance across customer-facing channels, as well as policies and processes for grievance redressal and customer protection. The discussion indicates that customer experience is treated as an ongoing management process involving feedback, measurement and follow-up.

6.3 World Bank – Global Findex Database 2025

The World Bank describes Global Findex as a major cross-country source on how adults access and use financial services. The 2025 edition draws on nationally representative surveys of about 148,000 adults in 141 economies, conducted during 2024. It covers access to and use of formal and informal services for saving, borrowing and payments, as well as management of financial risks and digital connectivity [1]. These indicators are useful for understanding financial inclusion and the context in which money-management decisions occur. However, access to an account or a payment service is not identical to financial literacy.

6.4 Synthesis of the literature

The institutional sources considered here converge on three ideas: financial capability matters for inclusion; financial education should be accessible and coordinated; and meaningful assessment should distinguish access to financial services from the knowledge and behaviours needed to use them well. This paper applies those ideas to budgeting, saving, borrowing, investing and digital safety.

7. RESEARCH METHODOLOGY

Research design: Descriptive and analytical study based on secondary data.

Data sources: HDFC Bank Integrated Annual Report 2024–25; HDFC Bank's official grievance-redressal webpage; and the RBI Annual Report 2023–24 section discussing customer-centric measures and customer service.

Method of analysis: Documentary review and thematic analysis. Published information is organised around service-quality dimensions, customer feedback, digital service, transparency, security and grievance redressal.

Study period: The principal bank-specific source is HDFC Bank's FY2024–25 annual report. The RBI source is the 2023–24 Annual Report, and the grievance-redressal webpage is used as published official guidance accessed for this paper.

No primary data: No questionnaire, interview or original respondent sample was used. No survey percentages or customer opinions have been invented. The bank-reported NPS score and feedback volume are identified as figures reported by HDFC Bank.

Limitations: Company reports describe the bank's own systems and reported indicators. They do not provide an independent measurement of every customer's experience. Sources may use different definitions and periods, and secondary analysis cannot establish cause and effect.

8. CONCEPTUAL FRAMEWORK

Customer satisfaction and service quality are related outcomes shaped by customer expectations and service experiences. For this study, service quality is organised into the following dimensions:

Reliability: accurate transactions, dependable systems and delivery of promised services.

Responsiveness: timely help, manageable waiting times and prompt responses to queries.

Assurance and trust: employee competence, professional behaviour, security and confidence in the bank.

Empathy and communication: respectful treatment, understandable explanations and attention to individual needs.

Tangibles and access: branch environment, available service facilities and ease of using digital channels.

Transparency and complaint resolution: clear information about products and charges, accessible complaint channels and meaningful updates on resolution.

A conceptual sequence for the study is: customer expectations → service encounter across branch or digital channels → perceived service quality → satisfaction and trust → continued use and recommendation. This is a conceptual model, not a tested causal result from original survey data. Customer characteristics, product type, previous experiences and the nature of a particular transaction may influence perceptions.

9. ANALYSIS AND DISCUSSION OF SECONDARY DATA

9.1 Financial inclusion and financial capability

The World Bank's Global Findex 2025 provides indicators on accounts, saving, borrowing, payments, financial risk and digital connectivity [1]. These indicators help researchers study whether people can access financial services and how they use them. For the present topic, the key analytical distinction is between access and capability. Access makes a financial service available; capability helps a person judge whether, when and how to use it. Consequently, financial inclusion programmes are most useful when accompanied by understandable information, consumer protection and opportunities to build financial skills.

9.2 Budgeting and spending decisions

A budget records expected income and planned expenditure over a defined period. It helps individuals identify fixed expenses, variable expenses, debt repayments and the amount available for saving. A practical budget can be prepared monthly and reviewed against actual spending. The institutional material reviewed for this paper emphasises financial planning and considered financial decisions, but it does not provide a single nationally representative figure for how many people consistently maintain a household budget. Accordingly, this paper treats budgeting as a recommended management practice rather than reporting an unsupported prevalence rate.

9.3 Saving and emergency preparedness

Regular saving can help households meet planned goals and absorb unexpected expenses without relying immediately on high-cost borrowing. A practical approach is to save a manageable amount at regular intervals, keep short-term emergency funds accessible and separate goal-based savings from everyday spending. The Global Findex framework includes saving through formal financial institutions and informal methods [1]. These categories are useful because saving behaviour may occur through more than one channel. However, the existence of a savings indicator alone does not show whether the amount saved is sufficient for a household's needs.

9.4 Borrowing and debt management

Borrowing can support education, housing, business and emergencies, but it creates repayment obligations. Responsible borrowing requires comparing the annualised cost, fees, repayment period, penalties and affordability of instalments. Consumers should understand the difference between the principal and total repayment amount and avoid taking new loans merely to service existing unaffordable debt. RBI financial-literacy messaging has identified prudent borrowing and consumer protection as important themes [3].

9.5 Investment decisions and risk

Smart money management also involves matching financial products to goals, time horizons and tolerance for loss. Bank deposits, market-linked investments, insurance and pension products serve different purposes and carry different risks. Investors should

understand that returns are not guaranteed for market-linked products, past performance does not assure future returns, and diversification can reduce—but not eliminate—investment risk. Financial literacy can help individuals ask informed questions and avoid decisions based only on rumours, social-media claims or promises of unusually high returns.

9.6 Digital finance and consumer safety

Digital payments can make transactions convenient, while digital financial services introduce risks such as phishing, impersonation, fraudulent links, fake customer-care numbers and requests for confidential credentials. Users should never disclose a PIN, password or one-time password to an unknown person, should verify payment requests and should contact their bank through official channels if fraud is suspected. The Global Findex 2025 includes digital connectivity and digital-safety dimensions, reflecting the importance of understanding the digital environment alongside financial access [1].

9.7 Financial education policy

NCFE's NSFE 2020–2025 recommended a coordinated '5 C' approach: content, capacity, community, communication and collaboration [2]. Applied to smart money management, this implies using clear and locally understandable learning materials, training educators and frontline intermediaries, involving community organisations, communicating through appropriate channels and coordinating regulators and financial institutions. The strategy period has ended; this paper cites it as a documented policy framework, not as a claim that it remains the current strategy.

10. SUMMARY OF THEMATIC FINDINGS

Theme	What the secondary sources support	Implication for money management
Financial inclusion	Global Findex tracks access to and use of financial services [1].	Access should be paired with the ability to compare and use products appropriately.
Financial education	NCFE's NSFE 2020–2025 proposed coordinated education through the 5 C approach [2].	Education should be practical, accessible and delivered through multiple channels.
Budgeting and saving	RBI financial-literacy messaging highlights planning and active saving [3].	Individuals should plan expenditure and save regularly where circumstances allow.
Borrowing and protection	RBI identifies prudent borrowing and consumer protection as relevant themes [3].	Borrowers should compare total costs and understand repayment obligations.
Digital finance	Global Findex 2025 includes digital connectivity and digital-safety indicators [1].	Digital payment use should be accompanied by fraud-awareness and safe practices.

11. MAJOR FINDINGS

6. Customer satisfaction in banking depends on the whole service experience, not only on the product or transaction.
7. HDFC Bank's FY2024–25 annual report describes feedback collection and service-quality measurement as part of its customer-centric approach.
8. The bank reports an NPS-labelled customer satisfaction score of 70 and approximately 28 lakh feedback responses for FY2024–25; these are bank-reported figures and are not an independent survey result for this paper.
9. Reliability, responsiveness, staff communication, digital convenience, security and transparency are useful dimensions for evaluating banking service quality.
10. HDFC Bank publishes a staged grievance-redressal framework, including escalation to the RBI Integrated Ombudsman where the relevant conditions are met.
11. RBI material supports the importance of fair treatment, clear information, customer protection and effective complaint resolution.
12. The available secondary sources do not establish the satisfaction level of customers at a specific HDFC Bank branch or in a particular local area.

12. SUGGESTIONS

13. Set and communicate realistic service timelines for queries, requests and complaints, and provide updates when resolution takes longer.
14. Review feedback and complaint patterns regularly, identify recurring causes and assign responsibility for corrective action.
15. Continue improving digital-channel usability, transaction status information and accessibility for customers who need additional support.
16. Offer staff training in product knowledge, respectful communication, problem solving and customer data protection.
17. Make grievance-redressal steps easy to locate and explain what information customers should retain when escalating a complaint.
18. Promote awareness of official contact channels and safe banking practices, including protection of passwords, PINs and OTPs.
19. Assess customer experience across different channels and customer groups rather than relying on a single overall indicator.
20. For future academic research, conduct a properly designed customer survey and report sample size, sampling method, questionnaire, analysis and limitations transparently.

13. CONCLUSION

This study reviewed customer satisfaction and service quality at HDFC Bank using secondary sources. The material reviewed shows that the bank describes customer experience as a management priority and reports using customer feedback and service-quality measurement to guide improvement. Its published grievance-redressal framework provides several levels for customers to raise and escalate concerns. RBI material places these practices within broader principles of customer-centric banking, including suitability, security, transparency, fair treatment and effective resolution of complaints.

The analysis indicates that customer satisfaction should be considered across the complete service journey: from the accuracy of a transaction and the clarity of product information to the convenience of digital services and the handling of problems. Feedback indicators are useful, but they should be interpreted carefully and complemented by analysis of recurring issues and customer needs. The practical recommendations are to strengthen communication, reliability, digital support, transparency, staff capability and grievance resolution.

Because this paper uses secondary information and does not include a new customer survey, it does not claim to measure the satisfaction of all HDFC Bank customers or prove that any single service practice causes satisfaction. Future research may collect primary data from a clearly defined group of customers and analyse the relationship between perceived service quality and overall satisfaction.

14. LIMITATIONS AND FUTURE SCOPE

The study is limited by its reliance on a small set of official secondary sources. HDFC Bank's annual report presents the bank's own descriptions and reported measures, while RBI publications discuss broader regulatory principles and customer service. The paper did not independently verify the bank's reported customer-experience indicators and did not collect customer responses.

Future studies may survey customers from selected branches or a defined geographical area, compare branch and digital banking experiences, examine differences by age or type of account, and test the relationship between reliability, responsiveness, assurance, empathy, digital usability and satisfaction. Researchers should clearly document their sample, use a structured questionnaire, obtain appropriate consent and report results without overstating what the data show.

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Note: The paper is based on the sources listed above. Any future primary survey findings should be added only after data are actually collected and analysed.

APPENDIX: SECONDARY-DATA SOURCE MAP

For HDFC Bank Integrated Annual Report 2024–25: customer-satisfaction discussion, reported feedback volume, NPS-labelled score and service-quality measurement.

HDFC Bank official grievance-redressal webpage: customer complaint channels and escalation process.

RBI Annual Report 2023–24: customer-centric outcomes, customer rights, transparency and grievance-redressal context.

SERVQUAL article: conceptual background for common service-quality dimensions.

No original questionnaire or primary respondent dataset was used in this paper.