CHAPTER 3
CHAPTER-3

CONCEPTUAL FRAMEWORK

3. Conceptual Model

The purpose of current research was to develop a marketing model of antecedents and consequences of trust, which may aid in establishing the ‘trust’ based relation between some of the consumer’s psychosocial states and establish customer loyalty. But what drives trust and how it influences customer behaviour is an important problem for many marketers. In order to solve this question, many authors (Reichheld and Sasser, 1990; Morgan and Hunt, 1994; Kay Storbacka, et al, 1994) have tried to associate trust with variables such as service quality, value, satisfaction, commitment, dependence, or even relation to the brand.

Previous research shows that service quality relates to costs (Crosby, 1979), financial performance (Buzzell and Gale, 1987), customer satisfaction (Spreng et al., 1996), customer retention and customer loyalty. A model by Kay Storbacka, et al (1994) of customer satisfaction, trust and loyalty has concluded that customer satisfaction would be higher, when the customer’s recent experience exceeds his prior expectations, and the customer’s expectations are low. They argue that the strength of the business relationship is determined by the level of satisfaction with recent experience, overall perceptions of quality, customer commitment to the relationship, and bonds between the parties. The existence of bonds leads to customer retention and relationships because ‘bond’ acts as an exit barrier. These bonds may include; legal bonds or contracts, technological bonds due to shared technology, economic bonds of dependence, knowledge bonds, social trusting bonds, cultural or ethnic bonds, ideological bonds, psychological trusting bonds, geographical bonds, time bonds, and planning bonds. They (Kay Storbacka, et al, 1994) further found a link between customer relationship strength and customer loyalty as well as positive effect of customer loyalty on profitability. The fundamental assumption of all such or similar models of customer trust and loyalty is that keeping existing customers is less expensive than acquiring new ones. It is claimed by Reichheld and Sasser...
(1990) that a 5% improvement in customer retention can cause an increase in profitability of between 25 and 85 percent in terms of net present value depending on the industry. Several studies (Reichheld and Sasser; 1990 Morgan and Hunt, 1994) found that trust leads to long term customer retentions and relationships, and long term customers tend to be less inclined to switch to competitors, are less price, initiate free Word of Mouth promotions and referrals, are more likely to purchase ancillary products and high margin supplemental products.

Literature review chapter has mentioned that various variables like Service quality, satisfaction customer delivered value, brand related factors, delivered value, relationship related factor, customer involvement, switching barriers, customer trust, customer retention & customer loyalty have strong bearing on a number of critical behavioural outcomes & company profitability.

In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied customers (Anderson and Sullivan, 1993; and Cronin and Taylor, 1992). The overall satisfaction generates trust (Ganesan, 1994; Selnes, 1998) because it indicates the brand consistency in the fulfilment of its commercial promise. Also the effect of the overall satisfaction in brand trust is higher the greater the customer involvement, because of the fact that individuals who are more involved with the decision engage in more elaborate information processing and produce more product-related thoughts and inferences (Steenkamp, 1990). Researchers consider customer satisfaction is as a prerequisite for customer retention and loyalty (Kay Storbacka, et al (1994). As customer trust may improve customers intention to purchase, decrease their switching intention, increase customer loyalty, recommendation & positive word of mouth-WOM (Gronroos-1978; Suresh Chander et.al.-1993; Anderson-1993; Dick et.al.- 1994). It further helps in realizing economic goals like profitability, market share, return on investment, etc. (Reichheld-1996).

Pertaining to development of customer trust, researchers (Rumple et al 1985, Ravald and Gronroos, 1996) suggest that trust evolves from past experience and prior interaction and it develops over the time. Therefore as an experience attribute trust is influenced by the consumer's evaluation of any direct (e.g. trial,
usage quality, satisfaction in the consumption) and indirect contact (advertising, word of month, brand reputation) with the supplier / brand (Keller, 1993; Krishnan, 1996). Researchers have argued that the trust is needed because customer feel vulnerable and perceive a risk attached with buying condition (Andaleeb, 1992; Mayer et al 1995; Rempel et al 1985). This is because in such situations consumer faces some degree of uncertainty or ambiguity in the satisfaction of his/her consumption expectations. Further Blomqvist (1997) associated the risk perception with a situation of imperfect information, and to minimize risk customer may increase his involvement level (Dowling and Staelin 1994). And in order to minimize ones risk customer takes aids of brand reputation, relationships, & WOM of opinion leaders.

Concerning consequences, of trust various researchers (Larzelere and Huston 1980) and Morgan et al (1994) view trust as a central construct of any long-term relationship. Trust is seen as an important contributor to the kind of emotional customer commitment that leads to long-term loyalty (Hess, 1995). Morgan and Hunt, (1994) supported the importance of customer trust in developing positive and favourable attitudes and resulting in a commitment and loyalty. Concept of Customer trust recognizes that customer’s delivered brand value can be created and developed with the management of some aspect that go beyond consumer’s satisfaction with the functional performance of the product and its attributes (Asker, 1996).

Literature also shows, that different authors have elaborated construct of trust differently; such as altruism (Frost et al. 1978), benevolence and honesty (Larzelere and Huston, 1980) or dependability and responsibility (Rempel et al., 1985). Elena Delgado-Ballester et al (2001) found that brand trust leads to consumer loyalty; which in turn leads to entry barrier to competitors, increase in the firm’s ability to respond to competitive threats, greater revenue; and a customer base less sensitive to the marketing efforts of competitors. Customer loyalty is seen as repurchase intention (see Anderson and Sullivan, 1993; Oliver 1980) or as an emotional and psychological bond or commitment (Bloomer et al., 1990 Samuelsen and Sandvik, 1997). Sandvik and Duhan((1996) research
found that value & brand reputation acts as a mediating variable between satisfaction and loyalty.

However as discussed in literature that all of above mentioned relations are not straightforward, but are influenced by various other demographical, situational, social or psychological 'moderating variables. Researchers have found that the buying decisions of individual consumers depend on both cognitive and affective factors. For the same product, involvement level, which affects advertising, varies from person to person. Based on literature reviews, the present study has considered following moderating variables for the study: (i) gender (ii) age (iii) income (iv) education, (v) profession (vi) marital status (vii) types of industry (viii) frequency of contact with the organization (ix) years of relationship with the organization (x) types of reasons of switching the organization (xi) perceived level of value delivered by the organization (xii) brand related factors (xiii) relationship factors (xiv) ethics related factors (xv) level of customers involvement (xvi) perceived marketing efforts (xvii) habit of word of mouth by the customer (xiii) negative kind of switching barriers and (xix) positive kind of switching barriers.

This chapter aims at discussing different concepts of the study and elaborate on the causal order of the relationship among antecedents and consequences of Customer trust different moderating variables.

3.1 The Concept of Customer Service Quality

Service Quality is an elusive, indistinct and obstruct construct that is difficult to define and measure. Crosby (1979) defined quality as "Conformation to Requirements", Garvin (1983) measured quality by counting the incidence of "internal" failures (those observed before a product leaves the factory and "external" failures (those incurred in the field after a unit has been installed). Gronroos (1982) developed a model in which he contends that consumers compare the service they expect with perceptions of the service they receive in evaluating service quality.
3.1.1 Service Quality -Conceptualisation & Operationalisation –Some Models

Parasuraman, Zeithaml and Berry (1985) defined service quality as: ‘the degree and direction of discrepancy between consumers' perceptions and expectations in terms of different but relatively important dimensions of the service quality which can affect their future behaviour’. Parasuraman et al. (1985) suggested that service firms identify gaps in the process of service delivery to achieve a high level of service quality. Pertaining this, Berry et al. (1985) argued that the service quality attributes of search, experience, and credence are used by consumers to evaluate service quality. Search attributes, such as physical facilities, appearance of personnel, and the supplier's image can be considered before consuming the service. Experience attributes, like responding quickly to a request and performing a service at the agreed time are assessed on the basis of the actual service experience. Finally, credence attributes like financial security of an investment cannot be determined even after repeated use of a service. In this respect, services are difficult to evaluate because they contain many experience and credence attributes.

Debabsish (2002) carried out comparative analysis of the level of service quality across public, private and foreign banks in Delhi. He used Rust and Oliver's (1994) three-component model of service quality; namely technical (TQ), environment (EQ) dimensions and functional quality (FQ) dimensions.

To understand the concepts incorporated in dimension of service quality, many conceptual models have been proposed.


According to this model, the total service quality is perceived by the customer as a comparison between the expected service, and the perceived service received. This means that service provider will have to match the expected service and the perceived service with each other, so that customer satisfaction is achieved. Clearly, the expectations are influenced by marketing activities such as advertising, field selling, word of mouth (WOM) personal relations activities,
sales promotion and pricing, and moreover, by previous contacts with the service.
In short, the above described model of Grolnroos focuses on the construct of image which represents the point at which a gap can occur between expected service and perceived services.

3.1.3 The Parasuraman, Zeithaml and Berry Model (PZB Model)

The model suggested by Parasuraman et al. described as five -gaps model. The central focus of the gap model is the customer gap, which is difference between customer expectations and service perceptions. Organizations need to close this gap. The five gaps that can cause unsuccessful service delivery are mentioned in next section.

Gap 1: Lack of Understanding (Gap between consumer expectation and management perception):

This gap is the result of not knowing what consumers expect in service.

Gap 2: Lack of Development (Gap between management perception and service quality specification)

The gap exists where managers are aware of customer expectations but the management might not simply be committed to implement what is necessary.

Gap 3: Poor Delivery (Gap between service quality specifications and service delivery)

It is the gap that exists due the discrepancy between development of customer-driven service standards and actual service performance by company employees.

Gap 4: Unrealistic Expectations (Gap between service delivery and external communication)

This gap illustrates the difference between service delivery and the service provider's external communications. Promises made by a
service company through its media communications may potentially raise customer expectations.

**Gap 5: Service Gap (Gap between expected service and perceived service)**

This gap-5 represents the difference in any given situation between expected and perceived quality while customer perceptions are subjective assessments of actual service experiences, customer expectations are the standards of, or reference points for, performance against which service experiences are compared. This gap can be the combination of the one or more of the previous four gaps and provides a clear indication of the degree to which service quality exists in the service organisation.

As already mentioned, among the service quality gap concept that has received the most attention is the "expected service- perceived service gap" (P-E) identified by Parasuraman, Zeithaml, and Berry (1985). Additionally, they link concept of perceived service quality to the perceptions (P) and expectations as follows; ‘Perceived is viewed as the degree and direction of description between consumer’s perceptions and expectations’. In services marketing literature, perceptions defined as consumers beliefs concerning the service received or experienced service. Expectations (E) are ‘desires or wants of consumers, i.e., what they feel service provider should offer rather than would offer’.

Thus, the operationalization of the quality concept in empirical studies suggests that perceived service quality can be conceptualised with the following (P-E) measurement model;

\[
SQ_i = \sum W_j (P_{ij} - E_{ij})
\]

where

\[ SQ_i = \text{SERVQUAL overall perceived quality of stimulus } i. \]
\[ k = \text{the number of attributes} \]
\[ W_j = \text{A weighting factor if attributes have differentiated weights} \]

\[ P_{ij} = \text{Performance perception of stimulus } i \text{ with respect to attribute } J. \]

\[ E_{ij} = \text{Service quality expectation for attribute } j, \text{ that is, the relevant norm for stimulus } i. \]

Equation 1 suggests that perceived service (SQi) increases as the difference between \( P_{ij} \) and \( E_{ij} \) increases across attributes.

### 3.1.4 Christopher Lovelock Service Quality Model

Christopher Lovelock, a leading authority on services, expanded Parasuraman, Zeithaml and Berry model and included two more potential gaps.

**Gap 6:** Occurs when a customer misunderstands what a sales executive says or misinterprets the nature of advertising message and expects something different from what was actually promised.

**Gap 7:** Occurs when the customer compares what he or she experienced with what was expected.

### 3.1.5 Determinants of Customer-Perceived Service Quality

Literature shows that service quality is a multi dimensional concept. Sasser et al. (1982) listed seven service quality attributes as: Security, Consistency, Attitude, Completeness, Condition, and Availability. Similarly, Gronroos (1988) identified the five key determinants of service quality as: Professionalism And Skills (technical, outcome related); Reputation And Credibility (in age related); behaviour and attributes and accessibility and flexibility and reliability and trustworthiness (all functional, process related). On same lines, Parasuraman et al. (1985, 1988), initially identified ten determinants of service quality based on a series of focus group interview sessions. These attributes were: Tangibles; Reliability; Responsiveness; Competency; Courtesy; Communication; Credibility; Security; Access; and Understanding the customer. Later on they found five
dimensions of service quality as: Tangibles; Reliability; Responsiveness; Assurance; and Empathy. Based on the above five dimensions, they developed SERVQUAL, a 22-item survey instrument for measuring service quality.

However, above mentioned quality dimensions, and the perception-based SERVQUAL instrument, have been the subject of some criticism for their completeness, appropriateness in a variety of settings, particularly after performance-based studies of Cronin et al. (Cronin and Taylor, 1992), who cast doubts about the utility and appropriateness of the disconfirmation paradigm advocated by Parasuraman et al. (1985), Cronin et al. (Cronin and Taylor, 1992) developed an instrument of service performance (SERVPERF) that seems to produce better results than SERVQUAL (Asubonteng et al., 1996). However, it seems that, on balance, the emerging literature supports the performance-based paradigm over the disconfirmation-based paradigm (Cronin and Taylor, 1994; Brown et al., 1992). Cronin and Taylor (1992, 1994) found that for cross-sectional studies, performance only based measures may better reflect customers' long-term service quality assessments. Whereas Zeithaml et al. (1996) maintained that the performance-expectations difference measure is appropriate if the primary purpose is to accurately diagnose service shortfalls. Whereas, the perceptions only approach is more appropriate when the primary purpose of measuring service quality is to explain the variance in some dependent construct. So the perceived performance approach to modelling the antecedents to satisfaction is adopted in this research.

In Banking sector, Johnston (1995), by using the critical incident technique, found eighteen service quality attributes. They are: access; aesthetics; attentiveness/helpfulness; availability; care; cleanliness/tidiness; courtesy; flexibility; friendliness; functionality; functionality; integrity; reliability; responsiveness; and security. Nantel (2000) also proposed an alternative measure of service quality banking that comprises thirty-one items with six underlying key dimensions. These dimensions are: effectiveness and assurances; access; price; tangibles; service portfolio; and reliability. In Greek banking sector Gournaris et al. (2003), developed a model of the influence of bank-specific (market-orientation) and customer specific (comparison shopping, influence by word of
mouth communication and personal relations with banks' employees) variables on the multidimensional construct service quality. The findings suggested that all these antecedents examined in this study did not influence the various dimensions of the quality of service.

For effect of moderating variables, The paper by Spathis et al. (2004) studied the service quality of Greek banks on the basis of customers' perceptions, and analysed effects of gender on customers' perception of service quality dimensions such as effectiveness and assurance, access, price, tangibles, service portfolio and reliability. The results found that male customers had a more positive perception of the quality of service than did women.

3.1.6 Service Quality and Its Consequences

Service quality has been related to costs (Crosby, 1979), its impact on the financial performance of the organization (Rust et al. 1995), consumer satisfaction (Spreng et al., 1996), customer retention, switching behaviour (Keaveney, 1995), and other behavioural intentions (Boulding et al. 1993; Cronin and Taylor, 1992). Also, Many studies have found also found the relationship between perceived quality and perceived value (Grewal et al., 1998b), customer trust, and loyalty to be positive (Gounaris and Venetis 2002). Boulding et al. (1993) as well as Cronin and Taylor (1994) find that service quality has a positive impact on customer's repurchase intentions and intentions to recommend the company to others. Zeithaml et al. (1996), determines that service quality influences different intentions, such as giving recommendations, doing more business, and willingness to pay more. Gounaris and Venetis (2002) found a positive relationship between outcome quality (actual performance of the provider in delivering the service) and trust, especially in mature relationships.

Regarding dimensions of service quality, Berry et al., (1994) found that the greater the reliability, responsiveness, assurance and empathy of the service delivery process, the more the customer will perceive the service as treating them justly and fairly. Ethics also has effect on customer perceptions.
Indeed, the general consensus is that service tangibility of service quality provokes emotional responses which lead customers to either choose to continue their association with a particular service provider, or to discontinue patronage (Foxall and Greenley, 1999; Lovelock, 2001). Singh, (1988) has indicated that when consumers perceive inferior service performance they are likely to engage in complaining behavioural responses to third parties (i.e. exhibiting negative word-of-mouth communications). Similarly Zeithaml et al. (1996), in their multi company/multi-industry study of the relationship between service quality and behavioural intentions, inferred that service quality is positively associated with communicational behavioural intentions (e.g. intention to recommend the service producer and/or complaining behaviour). Further, they also added that this relationship of quality to behaviour is mediated by customer service satisfaction and customer delivered value.

3.2 The Customer Delivered Value-Conceptualisation & Operationalisation

Customer perceived value is the customer’s overall assessment of the benefits / utility they receive relative to the sacrifice they make (Dodds et al., 1991, Fornell et al., 1996, Zeithaml, 1988). Zeithamal (1988) defines customer-perceived value as‘...the consumer’s overall assessment of the utility of a product based on a perception of what is received and what is given’. It is subjective and individual, and therefore varies among consumers. In addition, a person might evaluate the same product differently on different occasions. Monroe (1991) views customer value as the ratio of perceived benefits and customer perceived sacrifice. Where, the perceived sacrifice all costs; purchase price, acquisition costs, transportation, installation, order handling, repairs and maintenance, risk of failure or poor performance. The perceived benefits are some combination of physical attributes, service attributes and technical support available in relation to the particular use of the product, as well as the purchase price and other indicators of perceived quality. Monroe, (1991) claims that customers value a reduction in costs more than a responding increase in the benefits.
In order to increase customer delivered value, Wilson and Jantriania (1993) recommended superior product quality, brand/image, tailoring, uniqueness, comparative better offerings, supporting services, etc. Kotler (1994) also suggested that the firm’s offering should be seen as a “value carrier” and in order to achieve a sustainable competitive advantage. Good core product quality plus supporting services (home delivery, training programmes, warranties, after-purchase service, etc.) increases the benefits for the customer and this affects customer-perceived quality positively. Similarly, Chang & Chen (1998) said that Customer perceived value was also influenced through a positive quality perception, lowering search costs, matching performance requirements and price, improving service and trust, risk reduction, and by generating innovative new offerings.

3.2.1 Effects of perceived value

Many models have been developed that integrate customer perceived value and customer satisfaction (Heskett et al., 1994; Liljander and Strandvik, 1995; Woodruff, 1997). To date, however, only a small number of studies have provided empirical evidence of the causal links between perceived value and satisfaction (Andreassen and Lindestad, 1998; Cronin et al., 2000; Patterson and Spreng, 1997).

Several studies have found strong ties between customer delivered value and customer satisfaction, loyalty or intentions to buy (Harris and Goode, 2004; Grisaffe and Kumar, 2002). Harris and Goode (2004) also found that perceived value had a positive influence on trust in the case of online retailers. A buyer’s trust of a service provider is positively related to value of the service offering and service satisfaction. Woodruff, (1997) found that if anything happens after the purchase that unexpectedly reduces or increases the cost incurred or benefit received, the perceived value is altered. The customer becomes less or more satisfied, which in turn influences subsequent customer value expectations, purchase behaviour and overall customer satisfaction.
3.3 The Customer Satisfaction -Conceptualisation & Operationalisation

Customer satisfaction is the degree of overall pleasure or contentment felt by the customer, resulting from the ability of the service to fulfil the customer’s desires, expectations and needs in relation to the service (Kotler, 2004). It is the consumers’ overall evaluation based on their overall experience and it can be viewed in two ways—transaction-specific outcome or cumulative evaluation (Wang et al., 2004). Anderson and Sullivan (1993) suggested that ‘Satisfaction can be broadly characterised as a post-purchase evaluation of product quality given pre-purchase expectations’. According to Oliver (1996) ‘Satisfaction is the consumer’s fulfilment response. It is a judgement that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment including levels of under-or over-fulfilment’. Accordingly customers purchase goods and services with pre-purchase expectations about anticipated performance. When outcome matches expectations, confirmation occurs. Disconfirmation occurs when there are differences between expectations and outcomes. Negative disconfirmation occurs when product/service performance is less than expected. Positive disconfirmation occurs when product/service performance is better than consumer expectations, and dissatisfaction is caused by negative disconfirmation of consumer expectations.

In order to measure customer satisfaction, the researchers have different views. For instance, Cronin and Taylor (1992) defined and measured customer satisfaction, as a one-item scale and failed to do justice to the richness of the construct. In contrast, Shemwell et al. (1998) used a five-item scale to model customer satisfaction and Price et al. (1995) measured service satisfaction by using a six-item scale. So now, researchers have acknowledged the multidimensional nature of customer satisfaction and have come out with the global measurement of satisfaction with multiple encounter with the service providers. Giese and Cote (2000) suggest that consumer satisfaction comprises three basic components; the type of response, the centre of interest; and the moment of evaluation. In a slightly different view for process and encounter base satisfaction measure, Dailey and Kirk (1992), argued that perceptions of
organisational justice affect attitudes such as satisfaction and turnover intention. Organisational justice of distributive justice (which addresses the fairness of managerial decisions relative to the distribution of outcomes such as pay and promotion); and procedural justice (which focuses on how such managerial decisions are made) are deciders of satisfaction.

Rust and Oliver (1994), had identified a number of key elements that distinguished service quality from customer satisfaction. Value judgments on the quality of service are evaluations of specific aspects or attributes, whereas judgments of satisfaction are more general. Expectations of quality of service are based on perceptions of excellence, whereas judgment of satisfaction include reference points such as needs or the fairness of treatment; and judgments of perceived quality of a service are more cognitive, whereas judgments of satisfaction are more emotional reactions.

3.3.1 Antecedent Factors to Customer Satisfaction

The important antecedent of customer satisfaction have been identified as service quality (Cronin and Taylor, 1992; Parasuraman et al., 1994a), perceived value (Crosby and Stephens, 1987; Fornell et al., 1996) and perceived equity (Oliver, 1993). Kaynak et al. (1991) in Turkey found that factors like the bank’s brand reputation, range of services offered, business hours, parking facilities, recommendations of friends and relatives, fast and efficient service, being able to pay utility bills and financial counselling services were considered as important factors by male customers than the female customers.

Fornell (1992) found that Customer expectations are derived by prior consumption experience with the firm’s offering, including non-experiential information from advertising and word-of-mouth, and a forecast of the supplier’s ability to deliver quality in the future. They found that pre-purchase expectations and post-purchase perceived performance positively affect customer satisfaction. Similarly, Caruana’s (2000) study found that service quality acts on service loyalty via customer satisfaction. In Indian context, Sharma (2002) found that customers were not very much satisfied with the bank services. The reasons for the dissatisfaction were identified as; lengthy procedures, inefficient staff, poor
service conditions and lack of customer knowledge about various services. Similarly in mobile phone sector, Raja, Sharma and Shashikala (2006) found product quality, service support, product distribution, service personnel, information services and corporate brand quality as the underlying factors of customer satisfaction.

3.3.2 Consequences of Customer Satisfaction

Customer satisfaction is widely recognized as a key influence on customer trust, customer loyalty & customers' future purchaser intentions. Satisfied customers are also likely to tell other about their favourable experiences and, thus, engage in positive word of mouth advertising. Dissatisfied customers, on the other hand, are likely to switch brands and engage in negative word of mouth advertising. The literature mentions that satisfaction leads to reputation (Anderson and Sullivan, 1993) and improves image (Andreassen and Lindestad, 1998). However, Chun (2005) had argued that the reputation & financial performance link might not be direct but might be related to satisfaction and loyalty, and that satisfaction and loyalty may be either antecedents or consequences of reputation. Thus, Researchers have concluded the consequences of satisfaction may be increased reputation, loyalty and service recommendation (Athanassopoulos et al., 2001, Hallowell, 1996).

Serkan Aydin and Gokhan Ozer (2005) proposed that whereas, the American customer satisfaction index (ACSI) contains three antecedents of customer satisfaction (perceived value, perceived quality and customer expectations), and two consequences (customer complaints and customer loyalty). But in contrast, The European customer service index (ECSI) assumes that corporate image has a direct effect on both customer loyalty and perceived value. Further they added that the relations mentioned in model are effected by certain situational, demographic and psychographic variables like pre experiences, expectations, brand attitude and level of customer involvement etc.
3.4 The Customer Involvement-- Conceptualisation & Operationalisation

Level of customer involvement means amount of psycho-physical energy spent by consumer in the buying process. Scot J. Edgett (1992) cited that, when making decisions, highly involved individuals compared to lower involved individuals will: use more criteria; search for more information, accept fewer alternative, process relevant information in detail, want to know the strengths and weaknesses of possible alternatives in more detail and will form attitudes that are more resistant to change. They used a two dimensional view of involvement – affective and cognitive.

Elaboration is a construct related to involvement level; Elaboration is a construct based on the information processing theory (Petty and Cacioppo, 1997) and is determined by the motivation and the ability of a consumer to elaborate on the brand choice. If the consumer does not perceive differences among brands, the degree of elaboration in the decision-making process may be low. Therefore, to measure elaboration they also included the dimension related to the perceived distinction between different brands.

According to Papavassilou's (2002) model, buyer was the target of continual input of information aimed at influencing their choice of product. They had found that six factors determine the consumer’s involvement, which are information about product, country, consumer, market structure, advertisement and advertising medium.

Mittal (2004) argued that regarding consequences of involvement, it is generally accepted that a consumer decision with a high level of involvement will result in an extensive information search before a final purchase decision is made. A relationship has also been found to exist between product trial and involvement and the level of information search. According to Kotler (2004) the level of involvement is also found to be influenced by individual factors, risk involved, cost, product characteristics, past experience and brand related factors.
3.5 The Brand Related Factors - Conceptualisation & Operationalisation

Brand preference is the degree to which the customer favours the present company, in comparison to customer’s consideration set. It is influenced by brand equity. Brand equity is made up of collections of memories of different kinds. These memories can be cognitive (thinking-related) and affective (feeling-related). Attitudes towards the brand are primarily affective (Kotler, 2004). Tim Ambler, (1997) found that the cumulative, carried forward, habitual nature of trust is common to all relationship and brand equity factors. Trust is, both an antecedent and a consequence of success and may act as a proxy for consumer memory.

Bloemer et al. (1998) found that service quality, satisfaction, service reliability and brand position in the market are relatively important drivers of bank loyalty. Many researchers ( Aiker 1994. Kotler 2004 ) put forward that main drivers of brand equity are service quality, brand image, product characteristics, which itself are affected by Market Orientation, corporate marketing efforts, image and ethics.

3.6 Marketing Efforts - Conceptualisation and Operationalisation

Marketing literature mentions that 4Ps of marketing are tools to exert marketing efforts (Kotler, 2004). Marketing communication is one kind of marketing efforts (promotion) that influences consumer behaviour (Kotler, 2004), Egtar (1979) emphasized that communication fosters trust by assisting in resolving disputes and expectations. Market Orientation as a business culture focuses on the continuous creation of customer value and positively influences business performance. Guo Chiquan (2002) found that Market orientation is positively related to the match between service quality specifications and service delivery, match between consumer’s expectation of services and management preconceptions and match between management perceptions and service specifications.
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The elements of an advertising message greatly influence the involvement of the receiver consumer in the purchase decision making process. Benedixen M. T. (1993) argued that advertising represents an important means by which organizations communicate with their customer. The specific objectives of advertising are to inform customers, create the desired perceptions, create a preference & persuade consumer to purchase. Marketing effort and orientation especially societal and ethical marketing have effect on customer satisfaction, trust and loyalty (Kotler, 2004). On same lines Bejou et al. (1998) demonstrated that customer orientation had a significant impact on the development of trust between consumers and their advisers.

3.7 The Ethical Marketing Practices- Conceptualisation & Operationalisation

One definition of marketing, states that 'Marketing is human activity directed at satisfying needs and wants through exchange process' (Kotler and Turner, 1981). This definition highlights utilitarian aspect and benefits of marketing. Further, the product characteristics such as; complexity, risk, longevity and asymmetric information pose a number of ethical problems.

Any transaction might be considered fair or ethical if both parties have adequate and appropriate information and both enter the transaction willingly and without coercion (de George, 1990). In moral philosophy of ethics, deontology and utilitarianism have been applied in attempts to construct ethical models for marketers (Gundlach and Murphy, 1993; Hunt and Vitell, 1986). In deontological reasoning it is supposed that there are universal ideals which direct our thinking (Kant 1959). Obviously, price fixing, bribery, and marketing products which harm people, are practices which are morally questionable to deontologists. On the other hand utilitarian approach emphasises 'the greatest good for the greatest number' assessed by performing a social cost/benefit analysis. Third kind of ethics is the tradition of Professional virtues like honesty, fairness, impartiality, etc.

Sales professionals have been frequent targets of ethical criticism (Abratt and Penman, 2002). Clearly, false advertising, the modification of a product without informing the consumer, the honouring of guarantees, as well as the recall
of defective products are all actions which should be governed by this principle (Weeks and Nantel, 1992).

Several studies have found that customer equity perceptions influence the amount of satisfaction that the customer has, following a purchase transaction (Erevelles and Leavitt, 1992; Oliver and Swan, 1989). The research literature also supports the view that dissatisfied customers who successfully obtain redress (procedural, distributive and interactional justice) are likely to experience improved overall satisfaction with the service (Andreassen, 2000; Tax et al., 1998). Goodwin and Ross (1992) found, that customer perceived overall fairness is positively associated with the customer’s perceived value of the service. Pastin, (1986) also says that fairness is a critical virtue for relationship marketing.

Cullen et al. (1993) developed and operationalised three dimensional measure of the ethical climate as; egoistic, which emphasises company profit; benevolent, which emphasises team interest; and principled, which emphasises rules and standard operating procedures. Koh and Boo (2001) also found that three measures of organisational ethics (namely, top management support for ethical behaviour, the organisation’s ethical climate, and the association between ethical behaviour and career success) are associated with job satisfaction and then with customer satisfaction and trust. In similar context, Hunter (1996) identified several dimensions (honesty, integrity, truthfulness, passing blame etc) of employees’ ethical attitudes and behaviours. He argued that ethical issues are more prevalent in situations when power is unequally distributed and controlled by relatively few. Hunter also found that real and substantial costs to unethical behaviour may include; mistrust, negative impact on employee productivity, ineffective information flow, declining loyalty and deterioration of customer relations.

3.8 The Customer Relationship - Conceptualisation & Operationalisation

Customer Relationship Management (CRM) has generally been assumed to create a competitive edge for an organization, and have a positive impact on organizational performance. Shani and Chalasani (1992) define relationship
marketing as ‘an integrated effort to identify, maintain and build up a network with individual consumer and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value added contacts over along period of time’. Some authors distinguish between Relationship marketing and CRM. Whereas, Relationship marketing is relatively more emotional and behavioural construct, centring on variables such as bonding, empathy, reciprocity, and trust (Yau et al., 2000). On the other hand, CRM is more managerial focusing on how management can make concerted efforts in attracting, maintaining, and enhancing customer relationships. Whereas, CRM is a multi-dimensional construct consisting of four behavioural components namely; key customer focus, CRM organization, knowledge management, and technology-based CRM (Morgan and Hunt, 1994). On the other hand, Xavier et al. (2002) identified that reciprocation, mutual benefit, trust, transparency, concern, interdependency, commitment, shared values & adaptation are dimensions of customer relationship.

3.8.1 Drivers of Relationship Marketing (RM)

Research shows that customer satisfaction, trust, confidence and commitment are primary reasons for which customers maintain relationships (Gwinner et al., 1998). Loyalty is also an element in relationships (Oliver, 1999; Sirdeshmukh et al., 2002).

A number of virtues associated with relationship marketing have been identified in the literature: honesty (Buttle, 1996; Swan et al., 1985); fairness (Buttle, 1996; Gundlach and Murphy, 1993); benevolence (Ganesan, 1994); integrity (Moorman et al., 1993; Morgan and Hunt, 1994); reliability (Morgan and Hunt, 1994); reputation (Ganesan, 1994); commitment (Buttle, 1996; Morgan and Hunt, 1994); and trust (Moorman et al., 1993; Morgan and Hunt, 1994; Selnes, 1998). If behavioural intentions do not stem from a certain degree of commitment, they indicate a transactional relationship rather than a long-term co-operative one. Buttle, (1996) stressed ethical virtues like trust, commitment etc as important drivers of relationships.
3.8.2 Effects of Relationship Marketing

Customer-centric marketing is the endeavor to understand and satisfy the needs, wants, and resources of selected individual consumers (Sheth et al., 2000). Several studies have indicated, retaining customer is less expensive and better than acquiring new ones. Marketers are realizing that it costs less to retain customers than to compete for new ones (Rosenberg and Czepiel, 1984). Anderson E. W. & Sullivan M.W. (1993) associate loyalty with some variables such as satisfaction, commitment, dependence, identification, trust, customer retention and brand.

3.8.3 Customer Retention & Relationship Commitment

Wilson, (1995,) states that Customer retention implies a long-term commitment on the part of the customer and the firm to maintain the relationship. The development of the mutual commitment in business relationships ensures the strength, stability, durability, and even profitability of a relationship (Morgan and Hunt, 1994).

**Turnbull and Wilson (1989)** argued that to retain customers an organisation has to develop and forge multi level bonds comprising financial, social and structural bonds. Social bonds also referred as positive interpersonal relationships. Structural bonds are relationships that are built upon joint investments which cannot be retrieved when the relationship ends. This may be due to the complexity of the relationship and the cost of changing to another supplier. **Ennew and Binks (1996)** supported that retention was influenced by service quality in terms of both functional and technical and customer relationships. They also found that trust in customer banks relationship has the largest impact on potential defection, followed by general product features. Similarly, Moira Clark (1997) developed a cycle model of customer retention which starts and ends at employee perceptions and passes through phases like service quality, satisfaction, customer retention and back to employee perception and actions.
Moira Clark argued that for customer retention, important nine dimensions of service quality are: Employee courtesy (employees know the customers by name), Employee competence (employees are well trained, knowledgeable and know how to do their job effectively), Adequate number of staff (there are enough staff to look after the customers), Employee turnover, Selling (motivated employees who sell new products), Attitude/responsiveness (the employees have a positive attitude to customer service and are very quick to respond to customer needs), Branch administration, Communication (listening & informing to customers using simple, polite language), and Physical evidence (facilities such as private areas, adequate equipment and clean and smart staff). Model shows that service quality influences customer satisfaction, which leads to customer retentions or not, depending upon customer felt service climate. Dissatisfied customers may switch or complain or do the both.

3.9 Consumer Complaint Behaviour - Conceptualisation and Operationalisation

Literature shows that customer dissatisfaction or Service failures may lead to customer complaining. The service failure can be due to unprompted employee actions or, failure to respond to specific customer preferences, or core service failures, e.g. unavailable or unreasonably slow service (Bitner et al., 1990).
Several researchers have investigated the types of attributions that lead to complaining and negative word-of-mouth behaviour in failure situations (e.g. Brown and Beltramini, 1989; Folkes et al., 1987). Bitner, (1990) found that causes of consumer faced problem can involve choice (controlled) or be constrained and/or non-volitional (uncontrolled), thus limiting possible responses. Controllability is related to credit and blame for failures goes to whom? The causes of failure can be classified within the three principal dimensions of locus (who is responsible?), stability (is the cause likely to recur?), and controllability (did the responsible party have control over the cause?)

Singh (1980) has found that, initial dissatisfaction level moderated the attitude towards complaining. Singh J. identified exogenous variables (norms, expectancy and attitudes) of CCB. In another Singh J. & Pandya Shefali (1991) found CCB as a multidimensional construct. Four specific dimensions of the CCB construct identified by them are; exit action (i.e. to shift patronage), negative word of mouth (WOM) action (i.e. talk to friends and relatives), voice action (i.e. complain to seller/manufacturer), and third party action (i.e. complain to third parties such as Office of Consumer Affairs etc.) Furthermore, they empirically found that consumers may sometimes complain even when they do not have legitimate concern about product performance and that Consumer dissatisfaction is only weakly and non-linearly related to CCB. The non linear relationship is possible due to “floor” and “ceiling” effects. The exit and WOM actions are triggered by some threshold effect, that is, once consumer exceed a particular dissatisfaction level (90-100 percent in their study), their propensity to use such actions increases substantially, otherwise customer may switch the company without complaining to it.

3.10 The Switching Reasons Conceptualisation & Operationalisation

Several research studies in past have examined the reasons behind customers switching. Such switching behaviour has been related to perceptions of service quality (Rust and Zahorik, 1993), overall dissatisfaction (Crosby and Stephens, 1987), and service encounter failures (Kelley et al., 1993). Bitner (1990) advocates the effects of the time, money constraints, access to information, habit,
switching costs, and lack of credible alternatives may affect Customer switching. Similarly, Cronin and Taylor (1992) suggest that convenience, good value for money and availability might enhance customer satisfaction and subsequently behavioural intentions. Keaveney (1995), identified eight reasons viz. price, inconvenience, core service failures, service encounter failures, competitive issues, ethical problems, and involuntary factors for switching services. Arora (2006) found that Common attributes influencing choice of banks in India were inconvenience, speediness of service, reputation of a bank, mechanization and longer working hours. Similarly, Sinha, S. K., Wagh Ajay (2008) in A study of users of cellular services in Jaunpur city had found that 60% respondents have not changed their service operator. In reasons behind changing service providers, 10% changed their operator in order to avail better service, (60%) switched their operator for economy, (5%) for more value added schemes and (25%) for enjoying wider network coverage. In a related study Colgate and Hedge (2001) in Australia & New Zealand found three general categories of problems that influence switching behaviour in retail banking. These were 'service failure’ factor, 'pricing problems' and 'Denied services'. Antreas Athanassopoulos et al (2001) found that different dimensions of service quality and of customer satisfaction results in two types of consumers’ behavioural responses namely word of mouth communications and decision to switch depending upon level of dissatisfaction type of felt exit barriers.

3.11 The Type of Switching Barriers -Conceptualisation & Operationalisation

Switching costs can be defined as the technical, financial or psychological factors which make it difficult or expensive for a customer to change brand (Selnes, 1993). Shy, (2002) said that markets with switching costs were generally characterized by consumer lock-in (negative switching barriers -NSB) where consumers repeatedly purchase the same brand even after competing brands become cheaper. Therefore, customer switching costs negatively affect customers' sensitivity to price and so positively affect customer loyalty. According to Alet i Vilagine's (1994), the switching costs may be six types such as; personal costs, the time and commitment effort costs, the economic advantages associated with
loyalty, the social and psychological risks, the costs associated with established contracts, costs associated with the product.

3.11.1 Determinants of Different Types of Switching Barriers

Literature shows that customers attempt to reduce the perceived risk of service purchase (Murray, 1991) by buying a well-known brand, seeking additional information and repeating the purchase of the brand that has provided satisfaction (Perry and Hamm, 1969). The other reasons of most of brand switching may be effect of marketing strategy (Pritchard, 1991), customer inertia (Roy et al., 1996), avoid new learning, avoid price comparisons (Krishnamurthi et al., 1992), and higher/larger opportunity cost or satisfaction foregone (Fornell, 1992). However in the long-term, switching cost barriers are less effective to retain the patronage of dissatisfied customers (Jones et al., 2000). Also, literature reveals that, a series of very positive encounters will increase customer satisfaction, trust, relationship commitment and continuity (Bolton, 1998; Morgan and Hunt, 1994).

Thus relationship between customer satisfaction and repurchase behaviour has been influenced by a mixture of positive and negative bonds. 'Negative bonds' or 'negative switching barriers-NSB' (e.g. consumer inertia, brand promotion, customer information processing limitations, supplier monopoly) tie the customer to the service supplier, even though customer satisfaction with the company may not be particularly high. Positive bonds or 'positive switching barriers-PSB' may include current satisfaction and future positive expectations or trust with current supplier. However, it has been also found that while dissatisfaction encourages switching, satisfaction does not ensure customer commitment and loyalty (Bloemer and de Ruyter 1998).

Thus customer may avoid switching because they may perceive a 'veiled threat' in switching to new company or customers may not switch because they are very delighted with current supplier. Hence, reasons not to switch may be 'negative switching barriers' (avoid negative consequence) or 'positive switching barriers' (current & future attractions) (Ruyter et. al. 1996). Pertaining to 'negative switching barriers' literatures shows, when the perceived costs of
switching product/service are high for the customer, there is a greater probability that the customer will remain loyal in terms of repeat purchase behaviour, because of the risk or expense involved in switching and because of the accompanying decrease in the appeal of other alternatives (Selnes, 1993; Ruyter et. al. 1996). In contrast Sheth and Parvatiyar (1995) discussed about certain ‘positive switching barriers’ like the length of their relationships with the organisation and personally knowing each other; may inhibit switching

3.11.2 Effects of Switching Barriers

Nayyar, (1993) argued that experience breeds trust. Thus negative effects of image conflicts are positively attenuated by quality, value, satisfaction, repurchase intentions, and perceived convenience. Morgan and Hunt, (1994) also agreed that switching costs were factors contributing to the maintenance of the relationship, repurchase intentions, and cross-buy from the same service provider. When customer faces some positive or negative service encounter they may engage in sharing their experiences (Word of Mouth) with others (Zeithaml et al., 1996).

3.12 The Word Of Mouth (WOM) -Conceptualisation & Operationalisation

Several studies have shown that word-of-mouth communications can have an extremely powerful influence on the consumer purchasing process (e.g. Brown and Reingen, 1987; Furse et al., 1984; Price and Feick, 1984). Word-of-mouth communication refers to an exchange of thoughts, ideas, or comments between two or more consumers, none of whom is a marketing source (Mowen and Minor, 1998).

3.12.1 Determinants of WOM

Several services marketing researchers have considered the word-of-mouth intentions associated with service encounters (Parasuraman et al., 1991; Zeithaml et al., 1996). The majority of dissatisfied consumers will participate in private ‘negative word-of-mouth’ (criticising and complaining) as opposed to either
taking no action, or registering a formal complaint of some form (Richins, 1983). ‘Positive word-of-mouth communications’ (praising and recommending) are also recognized (File and Prince, 1992; Athanassopoulos et al., 2001).

Brown and Reingen, (1987) argued for two source characteristics, source-expertise and similarity, as determinants of the interpersonal WOM referrals. They argue that both ‘expertise and similarity,’ of source are positively related to the influence of the message on the receiver. Authors also cite the moderating role of perceived risk on WOM behaviour. Richin L. Marsha (1983) found that the customers, who spread negative word of mouth tend to be members of high socio-economic class, are of dogmatic personality, had experienced higher dissatisfaction and have more positive expectation of remedy.

Tim Mazzarol et al (2007) research found a potential reluctance to convey ‘positive WOM’ due to possible negative attribution; should the receiver of the WOM subsequently have a poor experience with the organization. Also they found, a reluctance to offer negative WOM due to the giver’s sense of fair play. These two forms are termed implicit and explicit recommendation in their model shown in Figures 3.2 & 3.3.

Figure 3.2. Triggers Of WOM (adapted from Tim Mazzarol et al 2007)
Figure 3.3 Antecedent Of WOM (adapted from Tim Mazzarol et al 2007)

The value of WOM is also likely to be greater in high risk contexts, when the product is complex, high involvement, high cost or important to a receiver. Nonetheless, consumers are more likely to act on WOM in "simple" situations. WOM also seems to be an important source of information when time pressures exist in making a decision.

3.12.2 Effects of WOM

Repeatedly, research has shown the importance of consumer word of mouth (WOM) in the formation of attitudes (Bone, 1995), in a purchase decision-making context (Bansal and Voyer, 2000) and in the reduction of risk associated with buying decisions (Murray, 1991). The measurement of WOM influence has relied on attitudinal measures of WOM receivers. For example, in experimental studies on the effects of WOM, reception of positive or negative WOM has impact on or product evaluations (Bone, 1995) customer trust, and purchase intentions (Herr et al., 1991).

3.13 The Customer Trust—Conceptualisation & Operationalisation

Deutsch (1958), stated that ‘trust is a person’s willingness to be dependent on another party in the belief that the party will not intentionally disappoint them’.
Dwyer and Oh (1987) maintain that ‘trust refers to a party’s expectation that another desires coordination, will fulfil its obligations, and will pull its weight in the relationship’. For Gro‘nroos (1990), trust is cooperation or commitment to a mutual cause. Powell (1990) views trust as cooperation that emerges from mutual interest .Trust is also defined as (Moorman, Deshpande and Zaltman’s 1993) ‘the willingness to rely on an exchange partner in whom one has confidence’. O‘Shaughnessy (1992, pp. 154-5) states that ‘trust implies a willingness to accept vulnerability’ and a sense of reciprocity that any short-term unfairness will be evened out over time. Morgan and Hunt (1994) argue that trust exists ,‘when one party has confidence in an exchange partner’s reliability and integrity’ . Doney and Cannon’s (1997) defined trust as ‘the perceived credibility and benevolence of a target of trust’. Buyers try to reduce the perceived risk by trusting.

In his literature review Arnott David C.(2007) mentioned that Webster’s Dictionary devotes nine column inches of eight-point type to the term ‘trust’ and offers 17 possible definitions. Thus trust is a belief in the reliability of another, particularly when involving an element of personal risk. He cited that earlier research by Zand,(1972) suggested three underlying determinants of trust as integrity; benevolence; and credibility. These three had been modified and reclassified by McAllister (1995) as cognitive trust (based on reasoning) and affective trust (based on underlying feelings). Thus Conceptually, the construct of trust is embodied in the dimensions of belief, expectation, willingness and confidence. Most studies mentions trust as a ‘psychological state’ (Rousseau et al., 1998, p. 398) associated with beliefs, attitude, or sentiments concerning the likelihood that the actions or outcomes of another party will be acceptable (Jalava, 2003) or that they will serve the actors’ interests (Fukuyama, 1995).

Mayer, Davis and Schoorman (1995) found that the trustworthiness of a person can be shown in many ways, such as intention and ability (Cook and Wall, 1980), reliability and honesty (Johnson-George and Swap, 1982), ability and value congruence (Sitkin and Roth, 1993), competence, consistency, openness, integrity, and loyalty (Schindler and Thomas, 1993). Lewis and Weigert (1985a) elaborated trust based upon cognitive, emotional, and behavioral dimensions. First, the cognitive aspect of trust includes the notion that we decide whom we
both trust and distrust. Second, the emotional aspect of trust implies that trust is a ‘force’ which allows for intense emotional investments. Finally, behaviour provides the impetus for emotion. The behavioral aspect emphasizes that the individuals proceed on the basis of assumptions of certainty of the others’ behavior in the face of the inherent uncertainty of all interactions. Mayer, Davis, and Schoorman (1995) conclude that the most common factors of trust worthiness of a trusted person are: (a) ability, (b) benevolence, and (c) integrity.

**Morgan and Hunt (1994)** states that trust in a partner’s credibility is based on the belief that one’s partner stands by its word, fulfills promised role obligations, and is sincere. Trust in a partner’s benevolence is a belief that one’s partner is interested in the firm’s welfare and will not take unexpected actions that would have a negative impact on the firm. It follows that trust requires a judgment as to the reliability and integrity of the exchange partner.

In another context but related study, Sirdeshmukh Deepak, Singh Jagdeep and Sabal Barry (2002) in their research on retailers, concluded that construct of trustworthiness is composed of two facets namely front-line employees’ capability and management policies and practices. Customer value mediates between trust and loyalty. Further, trust is three-dimensional construct, evaluated on operational competence, operational benevolence and problem solving orientations of company employees. Another research by Dietz Graham (2006) mentions four attributes of the trustee. These are ability, benevolence, integrity and predictability. Ability/competence refer to the other party’s capabilities to carry out her/his obligations (in terms of skills and knowledge). Benevolence reflects benign motives and a personal degree of kindness toward the other party. Integrity involves adherence to a set of principles acceptable to the other party, encompassing honesty and fair treatment, and the avoidance of hypocrisy. Predictability relates specifically to consistency and regularity of behaviour (and as such is distinct from competence or integrity).
3.13.1 Antecedents of Trust

Considerable debate exists in the literature on what inspires or inhibits trust. Lane and Bachmann (1998) separate them into micro-level (i.e. relationship-specific) factors, and macro-level factors (i.e. those external to the relationship). Whitener et al. (1998) distinguish between individual factors, relational factors and organizational factors, while Payne and Clark (2003) divide them into dispositional factors, interpersonal factors and situational factors. The overlaps are clear. Many researchers argue that, Staff image and behaviour has important bearing on customer trust. Researchers also put forward that, the buyer’s propensity to trust can influence the level of trust (Mayer et al., 1995). Rempel et al. (1985) Psychological theory states that trust evolves out of past experiences and prior interactions and develops in stages moving from predictability, to dependability, to trust and eventually sometimes to faith. Trust requires a move from reliance on rational cognitions to reliance on emotion and sentiment and a developing intimacy, which leads to an investment of emotion in the person.

3.13.2 Theoretical Basis of Trust

Luhmann (1988) theorized a distinction between confidence and trust. Confidence names one’s routine neglect of the inherent risk of social action as evidenced by the lack of evaluation of alternative modes of behaviour. Trust, however, acknowledges the existence of risk and necessarily involves the consideration of alternative modes of conduct. They asserted that below the certain threshold level (of risk and reliance) behaviours would not be considered acts of trust, whereas behaviours occurring above this threshold level would be considered trusting in nature. Customer characteristics and situational factors may influence the threshold level at which perceived risk and reliance on the marketing entity make any specific behaviour an act of trust.
A customer draws from memory, past experience, and other factors to evaluate the knowledge-ability, competence, and motives of a specific marketing entity.

### 3.13.3 Effect of Customer Trust

Trust has been conceptualized in the marketing literature as a constituent component of relationship quality (Dwyer et al., 1987); and as a necessary requirement and determinant of sound business relationships (Hakansson et al., 2004). Morgan and Hunt, (1994 ) stated that trust can be viewed as an indicator for the general reliability of the supplier and as an information substitute and affects relationship commitment and customer loyalty in a positive way. Bruhn and Grund, (2000) said that the main output of customer satisfaction is customer trust & customer loyalty, and firms with a bigger share of loyal customers profit from increasing repurchase rates, greater cross-buying potential, higher price-willingness, positive recommendation behaviour and lower switching tendency .Tomlinson et al. (2004) says that Trust violations trigger cognitive, emotional and behavioral reactions. These changes in turn influence the intent to repurchase or to spread negative word-of-mouth (WOM) .
(2007) developed a model representing the relationships between antecedents and consequences of trust in mobile phone services.

Figure 3.6 A Theoretical Model of Trust (Sichtmann Christina; 2007)

Their research indicated that competence seems to be much more important than credibility as antecedents for the development of trust. Trust has a strong direct impact on the current purchase intention. Further study by Arnott David C. (2007), highlights the scope and scale of research into the concept in a range of disciplines.

Figure 3.7 An Empirical Model Of Trust (Arnott David C., 2007)

Arnott David C. (2007) claimed that satisfaction has effect on trust but is moderated by level of customer involvement. Customer trust leads to customer intentions to purchase commitment and loyalty.
3.14 The Customer Intention to Purchase --Conceptualisation & Operationalisation

Repurchase intentions reflect the difficulty of switching and possible loss incurred by the customer should s/he decide to leave. It is defined as 'individual’s judgement' about buying again a designated service from the same company, taking into accounts his or her current situation and likely circumstances (Jaros et al., 1993).

3.14.1 Determinants of Customer Repurchase Intention

Several researchers have found satisfaction and attitude to be major antecedents of customer repurchase intention (Oliver, 1980; Bearden and Teel, 1983). When attitude is treated as a post-purchase construct, the general sequence considered is that satisfaction leads to attitude change which in turn influences repurchase intention (Anderson and Sullivan, 1993; Bolton, 1998; Cronin and Taylor, 1992; Selnes, 1998). These studies establish that overall customer satisfaction with a service is strongly associated with the behavioural intention to return to the same service provider. Liljander and Strandvik, (1995a) study also reveals that overall customer satisfaction is a better predictor of intentions to rebuy than overall or inferred service quality. Bendapudi and Berry (1997) suggest that customers’ willingness to maintain or expand the relationship will depend on the reason why they maintain that relationship. Repurchase intentions should be positively associated with cross-buying intentions because customers with strong intentions view cross-buying as one way of raising the quality of the relationship.

A model by Phillip K. Hellier, et al, (2003) describes the extent to which customer repurchase intention is influenced by seven important factors – service quality, equity and value, customer satisfaction, past loyalty, expected switching cost and brand preference. The study also finds that past purchase loyalty is not directly related to customer satisfaction and that brand preference is an intervening factor between customer satisfactions, repurchase intention and customer loyalty.
3.15. The Customer Loyalty - Conceptualisation and Operationalisation

Generally, loyalty has been defined as per repeat purchasing frequency or relative volume of same-brand purchasing. According to Jacoby and Kyner (1973), brand loyalty is the biased & non-random behavioural response (i.e. purchase), expressed over time, by some decision-making unit, an individual, family or organization, with respect to one or more alternative brands. Similarly, Oliver (1999, p. 35) defines loyalty as: a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand purchasing, despite influences of situations and marketing efforts on switching behaviour. Hence loyalty has been defined as an attitude and as behaviour (Ball et al. 2004). The attitudinal perspective positions loyalty as a desire to continue a relationship with the company, where commitment is the essential feature (Day, 1969, Aaker 1996). The behavioural perspective describes loyalty as repeat patronage (Reibstein, 2002). Relatively uninvolved consumers are less likely to be brand loyal and will be more likely to be brand switchers (Traylor, 1981).

3.15.1 Dimensions of Customer Loyalty

Some of the studies have explored into components of loyalty such as price tolerance (Zeithaml et al., 1996), word-of-mouth (Anderson, 1998) or aggregated indices of behavioural intentions (Nayarandas, 1998). Dick and Basu (1994) observed that brand loyalty is formed of a consistently favourable set of stated beliefs towards the brand purchased. Oliver (1999), based on the three dimensional consumer attitude structure, says that; the brand attribute ratings (beliefs) must be preferable to competitive offerings; this information must coincide with an affective preference (attitude) for the brand; and the consumer must have a higher intention (conation) to buy the brand compared with that for alternatives. Compared to an inertia situation where the consumer passively accepts a brand, a true brand loyal consumer is actively involved with his or her favourites.
3.15.2 Drivers & Consequences of Customer Loyalty

Literature mentions that the antecedents of customer loyalty includes constructs of service quality (Zeithaml et al., 1996), perceived value (Fornell et al., 1996), and customer satisfaction (Mittal et al., 1998; Anderson and Sullivan, 1993), the defensive factors, customer past loyalty, expected switching cost (Fornell, 1992) are important predictors of repurchase intentions. Cronin et al. (2001) argue that service quality, perceived value, and satisfaction are associated with loyalty. Customer satisfaction can influence attitudinal change (e.g. service and supplier preference) which in turn affects repurchase intention. Customer expected switching cost on repurchase intention.

Several authors emphasized that positive relationship exists between customer loyalty and business performance (Reichheld and Sasser, 1990; Reichheld, 1993; Sheth and Parvatiyar, 1995). Loyal customers not only increase the value of the business, but they also enable it to maintain costs lower than those associated with attracting new customers (Barroso Castro and Martín Armario, 1999). Turnbull and Wilson, (1989) found that the more investments are made in a relationship, the more difficult its disengagement becomes and the more a party will be committed to continue the relationship. Rust Ronald T. Lemon Katherine N. and Zeithamal Valarie A. (2004) demonstrated that marketing investment lead in improving drivers (inertia, quality, price, convenience, awareness, trust and corporate citizenship) of improved customer perception which in turn increases customer retention and attraction and further leads to increased customer life-time value and equity. Also Dependency (Morgan and Hunt, 1994), may be because of social, psychological or structural bonds due to importance of product/service or by the lack of alternatives etc will strength of the bonds between the two parties and ultimately will influence a party's calculative relationship commitment positively.

In a recent study, Nick Bontis and Lorne D. Booker (2007) found that customer satisfaction enhances reputation in the service environment. Perceived value has positive effect on satisfaction and satisfaction positively influences loyalty, reputation and recommendation. Also reputation has positive effect on
loyalty. It was also discovered that reputation partially mediates the relationship between satisfaction and loyalty, and that reputation partially mediates the relationship between satisfaction and recommendation.

Figure 3.8 A Model Of Customer’s Loyalty Behaviour (Nick Bontis and Lorne D. Booker , 2007)

Lloyd C. Harris, and Chris Ezeh (2008) developed linear relationships between nine servicescape elements and loyalty intentions. The first five variables reflect physical aspects of servicescape, while the remaining four variables are more social in nature. In addition, four factors have been positioned in the model to Loyalty intentions. The model also mentions effect of personal and environmental factors as moderating variables.

Loyalty has further consequences like resisting counter competitive offerings, cross buying, refereeing by positive WOM and readiness to pay price premium (Kotler, 2004). Ahluwalia, Unnava and Burnkrant (1999) have shown that attitudinally-loyal customers are much less susceptible to negative information about the brand than non-loyal customers.

Cross-buying refers to the customer’s practice of buying additional products and services from the existing service provider in addition to the ones s/he currently has (Paul Valentin Ngobo, 2003). Bendapudi and Berry, (1997) found that Customers having high scores of service quality, value, and satisfaction will be likely to continue the relationship with the service provider and ultimately expand it through a ‘cross-buying behaviour’. Nayyar (1993) argues that one of the reasons service firms diversify into new services is to exploit the information
asymmetries about quality with the customers. The association between service experience (as measured with perceived quality, value and satisfaction) and cross-buying intentions is mediated by repurchase intentions. The researcher argues those customers' repurchase intentions (dedication-based maintenance) , perceptions of switching costs (constraint-based maintenance) & the convenience influences cross-buying.

Thus based of conceptual framework developed on the basis of literature, the following model was proposed and tested in the current thesis.

3.16 Summary of Conceptual Framework

Thus in general many previous studies observed that quality of product or services leads to customer satisfaction, which in turn increases customer trust and this when moderated by certain contingency factors leads to customer loyalty, which leads to profitability. But, key question is how to create customer trust and what are its consequences?

Based on review of previous literature; following relational model has been proposed. In this model direction of arrow indicates influence from independent to dependant variable.

Model shows (A) that independent variables ; Customer delivered value ,Customer service satisfaction ,Marketing efforts , Customer relationship related factors ,Type of positive & negative switching barriers ,Word of mouth of opinion leaders ,Perceived and Ethical marketing practices have effect on the customer trust.

(B) that independent variables ; Service quality ,Customer delivered value ,Customer service satisfaction ,Marketing efforts ,Type of positive & negative switching barriers ,Word of mouth of opinion leaders ,Mutual dependency and Customer trust effects customer intentions to purchase (dependant variable).

(C) that independent variables ; Service quality ,Customer delivered value ,Customer service satisfaction ,Marketing efforts , Relationship ,Type of positive & negative switching barriers ,Perceived Ethical marketing practices ,Mutual
dependency, Customer trust and customer intentions to purchase affects customer loyalty (dependent variable).

Figure 3.9 Model of Antecedents and Consequences of Customer Trust