CHAPTER 6
SUMMARY AND CONCLUSION

6.1. INTRODUCTION

This chapter includes the findings with regard to the objectives of the research and summarizes the conclusions following literature review, formulation of objectives, hypothesis development, questionnaire development, data collection and analysis. The scholar arrives at the strengths and limitations of the study, which are discussed now. The researcher also comes up with findings regarding the determinants of a bank by customers with continuance intentions following both conceptual and theoretical study and analysis and also indicates further scope of research in relevant field.

The study was undertaken from the customers’ perspective to understand the context of banking relationships. There can be two stages for a customer in the case of banking relations, while choosing a bank to transact and to decide whether to continue with that particular bank in the presence of multiple offers of other banks. The initial decision of selection of a bank can be based on factors such as procedures made simple, easy access to premises and services, flexibility of timings, costs involved and so on. The niche retail customers, the target group of this study have wide variety of reasons offered to them for taking a decision. The second criteria of continuance intention is a more complex selection, given the customers have umpteen number of choices.

If a customer chooses a particular bank to open an account does not mean that he or she is going to stick to the particular bank for all his banking needs or for a long period of time. The study investigate the factors which ensures intention to continue with a bank for the customer. As individuals priorities and preferences differ, and it could range from pricing to proximity or any variable in single or in combination in nature.
The variable Service excellence is hypothesized as having influence on continuance of banking. Variables such as process convenience, product convenience, reliability factors, physical convenience, tangibility, promotional excellence, self-service technology convenience are uni-dimensional. Another variable is Price sensitivity. Service excellence, multidimensional construct in nature has five dimensions namely: customization, staff quality, service fees recovery, technology quality and clarity in policy statements.

A comparative study is done with the target groups are sub grouped on the basis of age, bank business balance, length of association with the bank and age of the respondents. These factors are capable of influencing the decisions on selection of a bank. Target groups are again sub-grouped for comparative study, based on age, education, bank business balances and length of association with the bank, which too could influence or even be determinants of bank selection. With such assumptions in mind, the researcher had framed the set of hypotheses, which were tested, confirmed and generalized.
6.1.1. FRAMING OBJECTIVES

The reasons for one customer to choose a bank may be different from another one to choose his bank. While some people choose a bank because of reference by friends or relatives, or by the locational advantage it has offered. Some others may choose a bank because of the friendly approach of the staff while some others may choose for the financial benefits which may accrue out of transactions. This study was conducted to find out the various reasons or variables which may cause a customer to choose a particular bank. The study also investigates the reasons for him or her to stay and continue to bank with the particular bank for a longer time and become loyal and rather advocates of the particular banks. Niche customers were chosen for the study based on the differentiation on financial and transactional balances and values maintained with the banks. The study also researches on mitigating factors which may arise during the continuance decisions of the customer with his bank. The objectives are detailed under 1.6, Objectives of the study in chapter 1.
6.1.2. SCALE DEVELOPMENT PROCESS

Scale Development is an important part of research especially in the data collection and analysis part. ‘Scale’ refers to an instrument for measurement developed for the purpose of measuring a theoretical phenomenon which is not easily observed or assessed. This development of scale is of critical importance in any research work. A scale should possess qualities of reliability and validity, capable of arriving at conclusions, which is the end of any study. Specific steps are carried out in this process of scale development. An important attempt of this study was to identify well suited dimensions to explain the determinants behind continuance intentions. During the course of literature review on the problem identified a few variables were identified as determinants. They are

- Physical Convenience
- Process Convenience
- Product Convenience
- Self-service technology Convenience
- Reliability
- Tangibility
- Promotional Excellence
- Service excellence

All the variables except service excellence are one-dimensional with a 5 to 7 reflective items. Service excellence is a multidimensional variable with five dimensions. The scale was developed to capture and measure data covering these requirements of the study. Exploratory Factor Analysis identified the dimension structure of the Service excellence construct identifying 20 attributes. This was confirmed by Confirmatory Factor Analysis.

Development of a universal scale is almost impossible because of the uniqueness of different target groups, namely individual, industry, culture, country and the like. So the researcher developed a scale for Service
excellence along with the other constructs, suitable to the objectives of the study and hypothesis to be proven. Constructs are both unidimensional and multidimensional. Multidimensional constructs consist of a number of variables and unidimensional with just one. Service excellence is a multidimensional construct inclusive of staff quality, clarity in policy, service recovery, technology quality and customization. Two courses of analysis are needed for multidimensional constructs. First is the relation of the indicators to the dimensions and second the dimensions to the construct. There are both formative and reflective constructs. According to Jarvis et al there are four types of multidimensional constructs

- Formative first order and formative second order
- Formative first order and reflective second order
- Reflective first order and reflective second order
- Reflective first order and formative second order

Service excellence construct was a reflective first order and formative second order construct. Each of the dimensions measured different aspects of service excellence, be it staff, policy, customizing, recovery and technology. Since the indicators are highly correlated the measurement model was reflective in the first order. The opposite would have been, that is formative, had there been no correlation of high level. In the second order, the relation between the first order dimensions and second order construct are in the formative way.

The research process was divided into three levels: First, identification of the problem and to arrive at objectives, literature review, preliminary study to finalize the variables and theory development. Next the sampling design, questionnaire design, strategies for data collection and last the Analysis.

The study was conducted among the niche retail bank customers in Ernakulum metropolitan area. The study is titled as DETERMINANTS OF BANK SELECTION CHOICES BY NICHE RETAIL CUSTOMERS and here the bank selection is inferred as the intention not only to choose a bank to
bank with but also the decision to stay with the bank as preferred banker. Also, as per the criteria of State Bank of India, the Customer with a business of Rs.1.00 lakh and above is considered as a privileged customer and has been given concession on remittance, fees etc. Hence the niche retail customer has been named as such. As per the method used by Krejcie & Morgan in their 1970 article “Determining Sample Size for Research Activities” (*Educational and Psychological Measurement*, page from 607 to 610), the number of sample for an infinite size (population above 50000,) is 384 and our model has used sample size of 385 in the study.

This study made the primary and secondary sources of data for use. The targeted respondents were approached with a well-structured questionnaire as a tool. Questionnaire is used as an appropriate device for collecting personal data and opinions and it provides a way to collect personal information from subjects that may not be readily obtainable by using any other methods. They are used to obtain structured responses and the same should be meticulously developed, revised and applied to obtain reliable data. The secondary data were collected from research works, articles published in international and national journals, data published by Reserve Bank of India and other different financial institutions, government of India etc. Data have also been sourced from relevant web-sites.

While designing the questionnaire, the researcher has used various open ended and close ended questions enabling the respondents to express their views and perceptions in places where they felt appropriate. The questionnaire was designed based on the available literature and later made changes as per the feedback in the pilot study conducted. The questionnaire was sent out to around 565 prospective respondents and received back from 475 respondents after close follow up through personal meetings, emails, phone calls etc. As the targeted population is niche customers, 90 respondents were eliminated due to inadequacy or wrong data inputs and of falling other than the targeted respondents group.
The collected data was tabulated to process in order to arrive at conclusions. Quality of the data was checked through five stages for elimination of missing values, identification and elimination of outliers, analysis of normality, validity and reliability of data and verification of assumptions behind analysis.

Descriptive and assumptions check of Demographics were conducted and the target group was stratified according to Type of Bank, Age, Educational qualifications, Bank Business Balance and Length of Association with the bank, namely:

- PSB and Private banks
- 25 years, 25 to 40 years, above 40 years
- Undergraduates, Graduates, Post Graduates/Professionals
- Less than 3 years, 3 to  years, 5 to 8 years, above 8 years
- 1 to 10 lakhs, 10 to 20 lakhs, 20 to 30 lakhs, above 30 lakhs

This stage of Factor Structure and Confirmation Model for Multi-Dimensional Variables is required to explore the higher order construct and to confirm the existence of the dimension structure. Service excellence is a multi-dimensional, multiple – scale variable, the construct was taken as the mediating variable in the study and contained 20 items. The entire process requires two stages.

(a) Exploratory Factor Analysis using SPSS 20
(b) Confirmatory Factor Analysis using AMOS 2

Service excellence is a multi – dimensional, multiple – scale variable; the service excellence construct was taken as the mediating variable in the study and contained 20 items after content and face validity through experts opinion. With the 20 items, EFA was conducted to identify the dimension structure. After identifying the dimension structure, it need to be confirmed using CFA. CFA involves a two stage procedure, in the first stage measurement models for the latent constructs were validated and in the
second stage the structural model linking all the first order dimensions was validated on verification with model fit indices.

Confirmatory Factor Analysis (CFA) too helped in the validity and reliability check of data, just as EFA (Kline 2005). CFA employs theoretical measures in relating to the relevant constructs, confirmed measurements, which helped to validate constructs and data. CFA plays an important part in model fitness of data.(B. M. Byrne 2010). CFA output is analyzed, four of the model fit statistics should be fulfilled to confirm CFA and model fit. The CFA values standardized should be between 0.5 and 0.7 and is considered ideal in CFA and > 0.7 indicates convergence validity. CFA determines the ability of a predefined factor model to fit a sample data. The service excellence dimensions with good fitting measurement models lead on to a fitting structural model for service excellence.

Structural Equation Modeling (SEM) with latent variables is used analyse the relationships among variables on variance based model using PLS.(Partial Least Square) This was possible only after a good fit model representative of data. The statistical relationships among the dimensions were studied. PLS enabled based SEM model was used as it yielded solutions in complex models as well and could analyse multivariate normality and large sample sizes.

Performance of Levine’s test of homogeneity was undertaken to verify if the assumption of homogeneity is satisfactory. As the result was with a p value greater than 0.05, the researcher could conclude that the variances in the population of both groups are approximately equal.
6.1.3. IDENTIFYING DIMENSIONS & DIMENSION STRUCTURE AND STRUCTURAL MODEL

Service excellence is a multi-dimensional construct. It is a super set of many variables. It covers all facets of banking business, ranging from location to products, process to policy, reliability to tangibility, and technology to customization, and promotion to recovery, personnel and so on. Continuance intention to continue banking with a particular bank depends on the independent variable of Service Excellence. Customer satisfaction is a result of cognitive and emotional responses. There is an expectation underlying in every context of service. When the expectation meets the delivery, the needs of the customer is satisfied. However, for continuing with the bank, the customer would expect an enhanced value additions in the form of tangible and intangible services.

The scale validated for measuring service excellence had 4 items each in five dimensions, to a total of 20 items. The dimensions which together measure the Service Excellence construct are

1. Staff Quality Dimension
2. Customization Dimension
3. Clarity in Policy Dimension
4. Service Recovery Dimension
5. Technology Quality Dimension

Staff quality dimension constitute the human intervention part in service excellence. Despite digital revolution, the human component still is prevalent in relationships. Customers come to bank not just to transact, but also as part of socialisation or human involvement in business. It gives insights into the feelings of the customers, which ultimately is a determinant. The four indicators with reliability $\alpha = 0.823$, point out to the staff awareness about bank’s products, their involvement to educate and enable the customers the
use of bank’s products and being professionally trained to give good financial
divices to customers, professionalism in attire and grooming, and with high
levels of motivation and enthusiasm.

Customization dimension relates to the adaptability of the services and flexibility
to facilitate customer convenience. This includes taking applications and
documentations at his/her place and time of convenience, door delivery of
cheque books and other products, single window counters in the branch,
deposits catering simultaneously to liquidity and interest factors, customized
products for multiple target groups, extended working hours and flexibility in
addressing customer causalities and so on. This is in keeping with today’s
customer market or buyers’ market. The four items show reliability with $\alpha = 0.813$

Clarity in Policy Dimension with four items and reliability score of $\alpha = 0.809,$
includes clear cut and well specified policy guidelines of the bank and also as
influenced by Goveremnt and RBI. This includes bank’s policy on customer
confidentiality and secrecy of accounts, policy on complaint redressal
mechanisms which are almost instant and meaningful, policy on good real
time communications and timely intimations and correspondence with the
customer on deposit maturities, dues to be paid, policy on arrangements
like priorities for senior citizens, addressing customer causalities, special
counters for disabled customers, policy on waiting time of customers to be less
than Banking codes and standards of India guidelines

Service comes with a cost, which is needed to instill value of the service in the
end user and also for needs of compensating the service provider. The service
recovery dimension of service excellence construct with reliability of $\alpha = 0.852$
and of four items showed good internal consistency. Recovering charges and
costs incurred from the customer, for sustainability aspects and profit, without
him or her feeling it as a too big price to pay is a challenge. This includes
negotiable interest rates, lower processing fees on loans, zero balance or lower
balance accounts, minimal remittance charges, minimal cost of products like
cheque books, cards, and electronic products as Internet banking, mobile banking, minimum duplication charges and account statements free of cost. Technology Quality Dimension is very much relevant today, where everything is technology driven and it influences all aspects of life, be it personal or otherwise. Banking as an updated institution is influenced largely by technology and technology quality is a dimension of service excellence construct. It shows a reliability statistic of $\alpha = 0.810$ categorized into four items. They include reliable website, card conveniences within the branch and networked like ATM, CDM, swipe, updated wallets and apps on mobile phones, up to date, reliable and user friendly electronic products like Internet banking, mobile banking, and interbank payments as RTGS, NEFT and SWIFT. The constructs showed good reliability statistics.

Cronbach alpha with value $> 0.7$ indicated good reliability. Formative constructs need not to have reliability as an essential consideration. Reliability of other unidimensional variables are

- Physical convenience included five reflective items and scored high on reliability with an $\alpha = 0.876$ and path with $\beta = 0.14$. This included access, visibility to public, proximity to residence or workplace, vehicle parking, branch networking and ambience of the branch interiors. This is in keeping with nowadays better comfort orientation of the customers or community of people in general.

- Process convenience was with seven reflective items and score $\alpha = 0.749$ and path with $\beta = 0.08$. This was inclusive of the hassle free procedures of the bank to transact with like simple forms and challans, simpler procedures for availing loans, customized services like ‘at home’ services for account opening and documentation, insurance of the asset like house or vehicle taken care of by the bank, single window counters at the branch facilitating all transactions as cash, remittances, queries, passbooks and statements, receipt of products and so on. Though comparatively this
dimension rates lower than the others discussed so far, it indicates good and sufficient reliability.

- Product convenience speaks about deposit and loan products suitable to the customers’ best benefits in a customer oriented banking scenario. This includes facilities like automatic multi option deposit allowing interchangeability between demand deposits and time deposits account catering to both liquidity and interest benefit, automatic renewal scheme of term deposits, Overdraft option on loans, bancassurance and other multiple financial products like mutual funds, capital gains deposits scheme, loans against shares and so on. These five reflective items of product convenience shows good internal consistency with has an $\alpha=0.863$ and path with $\beta = 0.18$

- Self-service Technology Convenience showed best internal consistency with an $\alpha=0.890$ and with 6 items and highest path with $\beta = 0.56$. This is in keeping with digital banking. Scope of life has changed unpredictably so peoples’ priorities. Technology enables customers self reliance in banking. Cash is replaced by plastic money, electronic transfers and swipes. ATMs cater to physical cash needs. Deposit openings, cheque book requests, money transfers and payments are possible with electronic banking through mobile phones and computer systems. Even at branch level an Electronic lobby can facilitate self service to customers, without the intervention of the bank’s personnel or being limited to the banking hours. This can be a starting of non-physical or limited offices of a bank.

- Reliability refers to concept of the public This refers to the trust factor the bank has created in the customers through both the institution and employees as regards safety and security of their documents, maintenance of secrecy and confidentiality of accounts, good reputation of the bank, good market share , pan India presence of the bank. This dimension with 6 items, showed a comparatively lower reliability with $\alpha=0.642$, lesser than a minimum of 0.7 It can be considered that the public did not feel much about the reliability. The path showed as $\beta = 0.20$
• Tangibility Dimension with five items showed good internal consistency with $\alpha=0.836$ and path $\beta = 0.08$. It includes facilities as in-house ATM, CDM, Card swipe, electronic lobby. It also is inclusive of factors such as air conditioned design of the branch, with better customer seating arrangements in a decent lounge with facilities as drinking water, tea and coffee vending machine, a soothing atmosphere with music system and television and even limited wi-fi facility.

• Promotional excellence with five items showed good internal consistency with $\alpha=0.729$. This includes print and digital media coverage, branding and also word of mouth influences. Marketing is all-field pervading concept today and banking business too comes under the influence of marketing. The path showed as $\beta = 0.11$

• Price Sensitivity is unidimensional with five reflective items with a good reliability statistic of $\alpha=0.866$ and path $\beta = 0.23$. It covers the costs and charges of banking business, transactions and services levied on the customer. The relevance of price sensitivity as a moderating variable on service excellence has been proved. It has reduced the path coefficient of service excellence from $\beta = 0.51$ to $\beta = 0.48$ on influencing continuous intentions.

• Continuance Intentions Dimension shows good internal consistency with $\alpha=0.865$ with five reflective items. This variable verifies the intention of a customer to stay with his banker and what are the variables affecting his such decision. In the study title, the term ‘selection’ refers to the continuance intentions.
The Structural model without the effect of moderation of PS, shows an increase in CI with increased SE. The model with the effect of moderation of PS shows a lower path in the CI with similar levels of SE.

6.1.4. FINDINGS

- The multidimensional SE construct showed good loading of reflective items and has goodness of fit

- The SE scale is validated

- There is a significant relationship between all the variables with service excellence

- There is a significant relationship between SE, a multidimensional construct with 20 items and 5 reflective items, and a second order formative construct with CI in the banking context at a path of (β=0.51) without the effect of moderation by price sensitivity and path of (β=0.48) with the effect of moderation by price sensitivity

- At lower PS, at the end of the customer, with the increase in SE the CI increases whereas, at higher PS of the customer, with increase in SE, there is no increase in CI

- Descriptive reveal that the major chunk of the sample is youngsters which form a strong potential business future for the bank’s business

- Group comparisons reveal significant differences in considerations of the respondents to the multiple attributes

It was inferred that with improved service excellence, continuance intentions increase at lower price sensitivity, but at higher price sensitivity with improved service excellence there is no continuance intentions. The scholar performed Levene’s test of homogeneity as a check on the satisfaction of the assumption of homogeneity. The result showed p value greater than 0.05. This concluded as the population variances of groups are approximately equal.
6.2. RECOMMENDATIONS

Customer satisfaction is a much-heard term nowadays in all businesses. With increasing competition and supply more than demand, today’s banking is a buyer’s market than a seller’s market, which it earlier was. Customized and tailor made schemes targeting different groups as students, salaried class, pensioners, senior citizens, HNIs (High net worth individuals), NRIs (nonresident Indians), women, entrepreneurs, retail and corporate customers and so on; Technologically advanced services as Electronic banking, ATMs, CDMs, mobile apps, IMPS facility; Accessibility; Comparatively simple processes and procedures; Reliability of the bank; Quality staff; these factors influence service excellence of the bank, give better satisfaction to customers who decide as whether to continue with that bank or not. A customer chooses a bank owing to one or many of these reasons. Word of mouth is yet another strong determinant to select a bank. Continuing the relationship comes next. It could be concluded that service excellence leads to better customer satisfaction and thus continuance intentions. But after a level, the customer needs something more, and here pricing has a role to play. If the customer is less price sensitive, continuance intentions increase with service excellence, but at higher price sensitivity service excellence does not influence continuance intentions.

Indian Banking is undergoing sea changes in the area of digitization, process reinventions and human resources developments. The customers have been provided with wide variety of choices for their conduct of banking business, especially the niche customers in retail segment. With the choices for them are increasing, the banks have to strategies their priorities for marketing their products, attract new customers and retain the existing customers.

During the researcher’s interaction with the customers it was transpired that customer’s expectation on the fundamental services for banks have not changed much- security and convenient environment for making deposits obtaining loans and transfer of money. However, there is a rapid change in customer expectations in the areas of interaction and communications.
More recently, Indian banks are motivating customers to make more use of remote channels instead of branches. This was majorly driven by cost reduction, partly driven by customer service also. Sometimes this segregation can be misleading and confusion for customers. There needs to be a clear division as to which service can be intermediated by a bank professional and which can be completely automated. While customers may prefer to disintermediate simple services such as fund transfer, enquiries etc., services such as advice for new products, making a complaint etc. may still need a professional to handle. With the right resources and safeguards, many Indian banks can have contact center which can combine complex advices with extended hours’ service. In the case of most banks offering the services of contact centres is not new. In order to provide more flexibility, banks need to change the model from multi channel to Omni channel model. This will develop the capability among customers to complete interactions flawlessly across several channels. Some banks allow customers searching online for individual advisers nearby locations, while giving offering the option to contact them electronically. This type integration of physical and electronic medium creates demands on banks’ capability on data and technology. Since customers are already receiving it in other industries, they will expect from banks too. This study has brought out that among the various factors, the factors which affect the self-service technology related convenient factors have the most impact on customer excellence on the customers, which enables the customer to bank at his place and time of convenience without the intervention of bank staff and not even going into the Bank. Physical convenience factors and product convenience factors also play a vital role in the service excellence perception of the customer, and come next in as determinants, as the customer is perceived to be an important stakeholder of the organization.

Service recovery is yet another main determinant, as costs are also main concerns of the customer, and shows a decrease of path co-efficient of service excellence with the effect of moderation of price sensitivity. This study has revealed that though there is higher service excellence and continuance
intention linkage, the factor of pricing will play a role in the continuance decision of the customer. It acts a moderator between the service excellence and continuance intention. Higher pricing can moderate the positive impact of higher service excellence and continuance intention.

The process functions also need higher attention of the management of banks as most of the private sector banks are into one minute loan the public-sector banks cannot shy away, in case they want to be in the market. Likewise, Promotion of the bank and products need to be improved. The banks have to strike a balance between the pricing strategies and winning over the customers, in order to retain the customer base. Reliability factors need to be made more expressed as the customers consider the intrinsic value of the banking institution and factorize it in their decision which leads to continuance with a particular bank. Also banks need to adapt to the latest technology and should be adaptable to the technologies that need least intervention by the bank functionaries, as always preferred by the customers. Grievance mechanisms are also need to be enhanced to higher standards. The study puts forth certain recommendations at the end. They are

- Competitive Pricing for interest and non-interest charges
- Customized service recovery for HNIs and potential target group
- Concentrating on young niche customers who are promising of bright prospects, from which the bank could later benefit
- Concessions to salary accounts on service charges and attractive interest rates
- Freebies and promotional drive to attract new customers for retention, like seasonal and festival offers providing a combination of loans to a single customer with the same security, easier terms and waiver of some one time charges
- Speedy grievance redressal mechanisms in terms of services or products
- Reliable technology quality, website, especially ATM network and updating of products
- Provision of technology products to maximum possible customers to
enhance self-service in technology, so banks could concentrate more on business and give better service to those customers who approach the bank, also with some difficulties in transacting

- More outlets for availing Self-supporting technology
- Simplification in procedures and processes like forms, challans and documentations
- Better projection in the market of the bank’s strength and reputation

While changing the distribution models, there is a need to broaden the customer segmentation to include behavioral factors and not just factors based on economic criteria. This will help them to judge their customers’ value and loyalty, and to make their communication more effective. In fact, most of the banks’ profitable customers are committed to use multi channel distribution models. This, means that for the banks there is urgency to develop new ways to overcome the hesitations of some sections of the customers to use alternate channels such as ATM, online banking, mobile banking etc. Looking forward, Indian banks have to adopt more sophisticated customer interaction techniques such as personalization-creation and network building. This will lead to a customer centric journey. It was observed that the respondents belonging to the lower age group of below 25 years formed the major chunk of the respondents. Also their niche status at this age is indicative of potential higher business balances in the future. Offering them better service, catering to the sensitivity of pricing would keep them loyal customers of the bank, from which the bank would benefit in the long run. Concessions on salary accounts and overdrafts, subsidized tech-products would assure the bank of long term business and also large scale business. By the time they advance in age they could be managers or entrepreneurs giving the bank variety of businesses, including commercial, investments and foreign exchange.

Students form another potential target group for future big businesses. Students from professional fields like technology, management, medicine and so on, especially who have availed education loans. Concessions on
education loans and prompt and timely allocation of Govt. of India interest subvention scheme from the part of the bank, facilitating other products with the utility of continuing security, some concessions on their Savings bank accounts and the like would keep this group loyal and open scopes for potential high value business in the near future.

So bank management can chalk out schemes favouring the young niche entrepreneurs and salaried customers, students and such customers who are promising of continuous and sustainable good value business.

During the customer interactions, it was revealed that customer experience is key to attract customers and retain them with the bank. It plays a stronger role in account opening and related transactions. It is a fact that customers are tend to complain about unpleasant experiences, escalate complaints to regulators, and post them in social media. This shows the importance to have the redressal competency in Indian banks. At the same time the growing level of complaints shows that customers are willing to enter into dialogue and conversation with the banks instead of leaving the silently. Dealing with problems effectively is a powerful way for banks to build trust and advocacy. It is very vibrant approach to convert the complainants to advocates of the bank. The way their complaints are handled make them advocates of the bank. Banks need to put in more efforts to approach them, personally and redress their complaints in meaningful and empathetic manner very essential in the direction.

One of the areas which we sought customer feedback was the way the complaints are addressed by the banks. Customer complaint redressal is a truth moment for banks. Better resolutions of problem gives many opportunities and at the same time ineffective handling of complaints gives major future risks for business. Although complaint management systems are mainly branch centred, there are certain institutional aspects which makes management of complaints a challenging one for many banks. The reasons may include:
• Integration and Centralized monitoring are difficult which may result in inconsistencies. For example, an enquiry may be confused as a complaint
• There may be a tendency to focus on meeting standards and policies more than creating a satisfactory customer service outcome.
• There may be a lack of accountability, as no one is taking responsibility for complaint generation, escalation and updating the customer.
• Fixing root cause may a major problem.

Banks need to take steps to identify and try to implement solutions for preventions of problems from recurring. The Indian Banks are struggling or yet to give attention to develop good complaint handling procedures which result in value creation for them and the customers. For this, transparency is to be widened for complaint handling mechanisms. This can include giving guidance to customers on how to lodge complaints and what reply they expect and then publish the data of performance sending our regular improvement updates. Customer complaint resolution will result in customer satisfaction and may lead to more customer acquisition. Some banks looking for best practice are taking cue from other industries, where resolution of complaints causes customer satisfaction at high levels. This means to create coordinated planning to capture problems, centralized management of problems, track them and properly analyze them, report on them, and then to identify the root causes and work to develop solutions of multi channel to address the complaint. It is very important to give the employee empowerment in the case of complaint redressal mechanism.

It enables employees to empathetic interactions with customers, and gives them the authority and responsibility to take ownership and moral responsibility for problem resolution. At the same time it may cause some bottlenecks for the already established norms and setting of the bank such as call center. Data analysis is a crucial capability with the potential to assist in complaint resolution by helping to identify underlying process flaws and predict the future generation of problems and likely solutions. However, Indian Banks are yet to appreciate the value of information and data they hold. This
involves not just financial data, but interaction-based metrics. As far as banks are concerned, the right technology and techniques will help them to build strong base for informed and satisfied customers.
6.3. SCOPE FOR FUTURE RESEARCH

Issues pertaining to the limitations offer scope for future research, though the human nature component always is associated with the issue of unpredictability. The scholar identified a gap in reviewing literature about the dearth of studies in the captioned subject in India and Kerala. This was an attempt to cover the gap, which was fulfilled to a wide extent. Pricing was identified as a main determinant in continuance intentions. Whether the same perceptions are prevailing among the general customers in retail as well as other segment of customers can be made a topic of study in the future. The study could be conducted in other project areas with geographical dissimilarity and identify other target groups to understand what their determinants could be, and how price sensitivity would influence their decisions with regard to continuance intentions. Customer samples from all cross sections of banks could be studied. The presence of the moderating factors, in addition to the pricing factor, can be investigated in other demographics. As it is evident that there is no sole factor for the customer to be loyal and stick to one bank, but the effect can be moderated by other factors, such as pricing of products, the banks can further study the effect of any other moderating factors existing or may appear in future. The scale developed to measure service excellence and determinants of the customers could be applied to other studies in banking industry as well as other industries. Service excellence construct itself as a formative construct could be studied and a scale developed. Also, variables like price sensitivity, continuance intentions and so on, itself could be researched further into. The growing importance of banking and especially banking as a service industry, the importance of the customer and the concept of a buyers’ market and in a liberalized atmosphere with global standards offers wide scope for research in this field. Also, the perceptions of the employees on the responses of the customers to different customer service initiatives of the banks have not been studied. This can also be a matter for future research.
6.4. LIMITATIONS

This research was conducted in the retail banking context and the target group was niche customers. So the findings cannot be generalized to the entire banking business or service industry as such. The study was restricted to the target area in Kerala, especially in the city limits of Ernakulam, the financial hub of Kerala. So it might prove of less significance at national level.

India has a system of multiple models in banking: Nationalized banks, State Bank of India, Regional Rural Banks, Old generation Private sector Banks, New generation Private Banks, Foreign banks, State level and District level Co-operative banks, and so on. This study does not apply to the entire cross section and hence not representative of all kinds of banks. Again the study assumed individual account holders and not joint accounts or accounts operated by authorized signatories. Perceptions of joint account holders was not captured. Other limitations include:

- Bias or indifference of the respondents at the time of responding, which could hamper with objectivity
- Lack of time because of other commitments to be fulfilled
- The attitude of the customers to the study could be judgmental
- Customer’s lack of comprehension about the attributes judged or questions framed
- Lack of awareness on the part of the customer about the task to be undertaken and not according due importance to responses
- The real time feelings of the customer in general and in relation to the banking services
- Identifying the bank with some staff or vice-versa could lead to wrong generalizations
- The customers ignorance in rating bank services
- The customer could have multiple banking which might have altered responses
- Customers could consider responding as venting out their ill feelings owing to some new or remote issue, tampering with objectivity