ABSTRACT

"Being on par in terms of price and quality only gets you into the game. Service wins the game." - Tony Allesandra

Banking has always played a vital role in the human civilization. The early banks were religious institutions, which ensured safety of coins and currency. Money lenders used such spaces to accept and lend funds. It was the Roman civilization which freed the banks from the temples and slowly it evolved into a full-fledged service industry controlling and monitoring the multi-faceted aspects of finance as of date.

The dual status of a financial cum service industry has always put high expectations on banks by both the public as well as the government. Banks serve as an outlet of finance to the customers, functioning on dictates of the Government, and the Reserve Bank of India. Following the banking reforms of 1991 (LPG) and the subsequent invasion of technology, the banking business scenario has been converted into a “buyers’ market”. Such situations demand quality in service offered to the customers, to effect customer satisfaction, even beyond his expectations. This is a requisite for strong customer base, which ensures profitability and sustainability of the individual bank.

Studies have been conducted on service quality and customer satisfaction in banking business. But there existed a scope to explore what could be the determining factors among the attributes identified by the scholar, which could affect continuance intentions of the customers, who in this study are the niche retail customers in a specific geography. The findings of the study as part of the body of knowledge, are expected to influence decision makers to bring about subsequent changes at their ends to improve upon the service excellence criteria. This would strengthen the customer base by attracting new foot falls and preventing erosion of the existing clientele.
"You’ll never have a product or price advantage again. They can be easily duplicated, but a strong customer service culture can’t be copied." - Jerry Fritz

The function of effecting improvement in the service excellence in banks to instill in customers continuance intentions for business, started with the identification of variables influencing service excellence and continuous intentions. Next was the understanding and analyzing of the service excellence dimensional structure, confirming it and validating the service excellence scale. Hypotheses were formed based on the influence of the variables on continuance intentions and their relationships. Based on theory, these variables were conceptualized and measured. This process was by using the indicators from the responses sourced by data collection through survey, with a questionnaire.

The study finds out the relevance of pricing in banking services or the price sensitivity among the customers. At low price sensitivity among customers, better the service excellence, better the continuance intentions. But at high price sensitivity, there is less influence of service excellence on continuance intentions. The conclusion is that, Price sensitivity is the moderating variable, which influences continuance intentions, the dependent variable on service excellence.

The chapter scheme is in a continuous flow of the Preamble as the first chapter which states the problem, followed by review of literature which connects the topic with existing knowledge and help identify variables, third the theoretical framework of the study converting theory into applications and fourth the research methodology, showing the different steps and processes of data collection and the statistical design intended for use by the researcher. The fifth chapter deals with the analysis and interpretation of data leading to findings and the sixth and last concluding chapter with a scope for further study.

"The end is never the end. It’s always the beginning of something.”
-Kate Lord Brown.