Chapter- II

Literature review
CHAPTER-II

2.1 Introduction

REVIEW OF LITERATURE

The goal of this chapter is to provide a review of the principal literature relating to this study, i.e. service quality and their impact on behavioral intentions of banking customers. An attempt is made to evaluate the existing literature and thereby identifying the research gaps for establishing a framework on which this research is based.

As part of introducing the literature study, the literature on services marketing is examined from a purely historical perspective to determine its impact on the field of service quality. The study of the literature then focuses on the importance of service quality measurement in banks, service quality dimensions as an element of bank selection, and about banking customers' behavioral intention dimensions.

Finally, this chapter reviews the operationalisation of the service quality construct developed by Sureschandar (2002) and Behavioral Intentions Battery developed by zeithmal (1996) in banking applications and framework of analysis i.e. Proposed Research Model.

2.2 Literature pertaining to Service Marketing

Service marketing was the precursor leading to the study of service quality. It was recognized as an industry function in the early mid 1970s. Empirical research was limited in the early days as marketing struggled with the differences between the new service sector and the conventional marketing methods for the marketing of produced goods.

Shostack’s (1977) research work highlighted and brought to the fore the distinct nature of services marketing. He noted that services were intangible, rendered, experienced and unable to be stored. The conclusion was that services should be marketed differently from tangible products. It was his early work that gave equal weight to the components of “service” as it did to “product.” Further, his research work concluded that service marketing strategies should deal with specific issues related to distinct elements within each product and stated that changes in any single element could impact other elements within the function, and as such, services marketing should consider products more holistically, meaning to look at each item on its merits alone.
Uhl and Upah’s (1983), research was mainly built on Shostack’s (1977) work, but set forth the concept that services marketing was significantly different from product marketing. They found that services are intangible, incapable of being stored, incapable of being transported, and are for use and not ownership. For example, they noted that a bank teller’s services could not be stored, and if those services went unused, they would be lost.

Lovelock (1983), in his study he took the intangible service marketing function and broke it down to the specific service function, and then established service classifications that emphasized the fact that service oriented organizations could be quite different from each other and hence he created five, four-way classification schemes that considered three service aspects: (1) the nature of the service act involving people or things whether tangible or intangible actions; (2) the nature of service delivery which comprised formal relationships or non-formal relationships with customers; and (3) the nature of customization involving high or low service provider judgments pertaining to customer needs or customization requirements.

Enis and Roering (1984) they were unconvinced that there is a distinction between service marketing and manufacturing marketing and concluded that the strategies used for all product is strictly a “bundle of benefits” regardless of whether they are tangible or intangible.

2.3 Literature pertaining to service quality measurement and dimensions.

Churchill and Suprenant (1982) were among the earliest to hold the view, later shared by others that service quality was an attitude. They were the first researchers to see the significance of attitude as a principal factor leading to superior service quality.

Lewis and Booms (1983) concluded that satisfaction was similar to attitude, and consequently they noted the significance of processes and outcomes in defining service quality. In addition, they did not directly state, rather they alluded to satisfaction as being similar to attitude. The difference between service quality and attitude is that, service quality is seen as a general, comprehensive appraisal of some product or service.

Holbrook, Morris and Corfman (1985) expanded on the concept of an act being performed and defined perceived quality as a global value judgment. They indicated that quality does by its nature seem to express general approval. Therefore, it is indicated that “quality” or “high in quality” means that something is “good.” They stated that the use of the terms promotionally is extremely imprecise. To define quality, they saw quality as fitting into
three dimensions as stated below: “The first dimension distinguishes between definitions that regard quality as something present implicitly in an object as opposed to some explicit aspect or function thereof. A second dimension contrasts more mechanistic definitions of quality with those more humanistic in nature. A third dimension distinguishes conceptual definitions of quality from those relatively more operational in nature.” With the three dimensions, they tried to make the element of quality much more precise by definition. This approach of definitions was in conflict with their idea of perceived quality as a global value judgment. Their approach virtually ignored the customer and moved away from the early research that put service quality in the marketing mainstream.

Maynes (1985) took a different approach from Holbrook et al., (1985) who took the customer out of the service equation. He brought service quality back to the earliest held views that service quality was the extent to which a product offers the characteristics that the individual desires. He differed from the earlier views in that he saw quality as a normative concept that could equip the consumer function effectively in the marketplace. Additionally, he felt that quality could best be measured and defined using quality as a weighted average of characteristics. He defended his measurement and definition through the following statement: “Finally, it is worth noting that the quality scoring systems utilized by Consumers Union and all its counterparts conform in essence, though not to form, to the model proposed here.” This added element of mathematical measurement of quality by Maynes (1985) was the earliest attempt to quantify service quality by placing a number on the level of satisfaction. While this was a significant attempt to use weighted averages to arrive at a customers’ level of satisfaction, it did not answer what the characteristics should be. It would appear that the research raised as many questions as it answered. Maynes’ attempt to quantify service quality was the beginning of the development of some of the most significant measurement techniques.

Parasuraman, et al., (1985 and 1988), sought to improve the previously developed methods by developing a set of firm characteristics that could be measured by providing the first complete set of ten service quality determinants: tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access. After substantial factor analysis and testing, Parasuraman, et al (1988), reduced the categories to the following five: tangibles, responsiveness, reliability, assurance, and empathy.
Zeithaml, et ah, (1988) noted that firms not only have a difficult time delivering a consistent level of quality service even though it improves the profit level for firms providing services, but also understanding specifically what service quality really entails. In their book dealing with service quality noted that customer focus groups universally found good service quality as meeting the expectations of the customer. As is noted in the literature, there is no one definition of service quality that can be accepted by marketing scholars, however, there is one, which presents the least amount of controversy: “Service quality as perceived by the customer is the degree and direction of discrepancy between customer service perceptions and expectations.” This definition provided for the first time recognition that perception by the customer was as much a factor in service quality as the actual service delivered. For example, the service delivered was the best that could be offered, but the perception by the customer was a lack of satisfaction. Hence, the service quality did not meet expectations.

Devlin, Dong and Brown (1993) describe a study performed in Canada to develop a reliable and valid scale for the measurement of the perceived service quality of bank services. A sample of retail banking customers was questioned. The proposed scale is called banking service quality (BSQ) and comprises 32 items which span sort dimensions; effectiveness and assurance; access; price; tangibles; services portfolio and reliability. Item generation, purification and validation produced a six dimension scale which covers broader range of marketing variables as mentioned above than was the case with the original SERVQUAL dimensions. Finally, this study is an additional proof that validation of a measure is an enduring process where replications are always welcomed and measures can always be improved.

Gale, (1994) reveals that the perception of service quality is related to feelings and attitudes experienced during the service provided by the banks. A customer forms his/her own perceptions of the services based on his/her experiences.

Avkiran, (1994) on the empirical assessment of the service quality dimensions, confirmed the prior research findings on the issues and indicated that the service quality dimensions are not only industry specific, but also country specific. Indeed there is a differentiation on the factors that constitute the elements of service bundle important to customers depending on industry, culture, and country.

Zeph Yun Chang, et al. (1997) examined that in the banking industry, many companies are providing more or less the similar products at same price. Unless a bank can
extend its product quality beyond the core service and expected service with additional and potential service features, it is unlikely that it can gain a sustainable competitive advantage.

**Yip (2000)** argued that power, information, knowledge and rewards are very significant measures to have an effective workforce. They further assert that empowerment also leads to greater levels of satisfaction among staff, whereas empowered employees can provide faster and friendlier service to customers as well. Many service organizations believe that empowering employees ultimately lead to increased profitability, by improving customer satisfaction. Therefore, “employee empowerment programs are rapidly being implemented in organisations across the spectrum of industries” . Hence, the more intangible, inseparable, heterogeneous the service the more important the role-played by the customer-contact employee in the service delivery process and in the service encounter relationship. As such, the service employee plays a key role in the service delivery process due to the key role he/she plays in the total service quality and due to the high degree of service employee-customer involvement and interaction in the production of the service. Employee empowerment therefore, is assumed to be of significance in enabling the service employee to deliver the service with sufficient degrees of responsiveness and flexibility to satisfy the changing needs of customers.

**Othman and Owen (2001)** reviewed the suitability of the original SERVQUAL items in Islamic banking and conducted a study to develop an instrument to measure customer service quality in Kuwait by taking account of a “Compliance with Islamic law” factor in Islamic beliefs. Surveying 360 retail banking customers in Kuwait, they produced an inventory called CARTER which consists of 34 items across six factors: Compliance with Islamic law, assurance, reliability, tangibles, empathy, and responsiveness.

**Abdllah H. Aldaigan and Francis A. Buttle (2002)** developed and validated a new scale for the retail-banking industry. In their study the final product was a 21-item, four-factor measure of retail bank SQ, which they have named SYSTRA SQ. In four developmental tests of the scale, it was found to account for between 69.62per cent and 72.56per cent of variance. The four factors were labelled SSQ, behavioral SQ, machine SQ, and service transactional accuracy. The SYSTRA-SQ scale captures retail bank SQ perceptions in a new way. It measures two forms of SQ, the quality of the organizational service system, and transactional performance quality. The statistical reliability and validity tests of the SYSTRA-SQ scale were evidence of the scale’s theoretical strength. The
SYSTRA-SQ scale acknowledges that customers were able to experience and evaluate organizational and transactional dimensions of service performance.

G.Sureshchandar, Chandrasekharan Rajendran and R.N.Anantharaman (2002) explored the relationship between service quality and customer satisfaction, but the nature of the exact relationship between service quality and customer satisfaction (especially in the way the two constructs have been operationlized) is still shrouded with uncertainty. Many researchers have operationlized customer satisfaction by using a single item scale and many others have used multiple items scale. But their study adopts a different approach and views customer satisfaction as a multi-dimensional construct just as service quality, but argues that customer satisfaction should be operationalized along with the same factors (and the corresponding items) on which service quality is operationalized. Based on this approach, the link between service quality and customer satisfaction has been investigated. The results have indicated that the two constructs are indeed independent but are closely related. Implying that, an increase in one is likely to lead to an increase in another.

A Mukherjee, P Nath and M Pal (2003), studied the development of a theoretical framework for measuring the efficiency of banking services taking into account physical and human resources, service quality and performance. Expenditures on quality improvement efforts and the impact of service quality on financial outcomes have long intrigued the researchers. Banks have traditionally focused on how to transform their physical resources to generate financial performance, and they inadvertently ignored the mediating intangible factor of service quality. A theoretical framework on the optimization triad of resource, service quality and performance is proposed here, thereby linking the marketing variables to the financial metrics. A measure for the return on quality is developed as the ratio of the potential improvements in financial performance by enhancement of service quality to the observed performance figures. Empirical results obtained from a study of 27 Indian public sector banks and their customers allow us to measure the impact of service quality on financial performance, optimal level of service quality that can be generated using existing resources and the opportunity cost for sub-optimal service delivery. Banks delivering better service are shown to have better transformation of resource to performance using superior service delivery as the medium. Their results confirm the linkage between resource, service quality and performance for services.
G.S.Sureshchander, Chandrasekharan Rajendran and R.N.Anantharaman, (2003), critically examined the service quality issues (From the perspective of customers) with respect to a developing economy India. The three groups of banks in India (public sector, private sector and foreign banks) have been compared with respect to each of the five factors of service quality. The three groups of banks in India seem to vary significantly in terms of the delivery of the five service-quality factors. From the customer perceptions of service quality the technological factors (core service and systematization of the service delivery) appear to contribute more in differentiating the three sectors while the people-oriented factor (human element of service delivery) appears to contribute less to the discrimination. The results have also indicated that foreign banks seem to be performing well followed by private sector banks and public sector banks.

Yoon and Yuksel, (2003) stated that clear and detailed understanding of the demands of the various market segments are essential to successfully target new markets and to maintain a repeat customer base.

Adenelian Dedekte (2003) proposes a different approach towards the definition of service quality. Service quality is framed as being dependent on composite results that, service provider and its systems offer a customer and in contrast to the approach that depicts service quality as discrepancy control, this study frames the concept as fulfillment oriented construct. The premise of the study is that each service sector should have service criteria that specifically fit its features and characteristics. To implement a context dependent services quality instrument, it is agreed that managers could use a service quality grid to classify firms according to their outcomes and dominant service encounter interactions, where kinds of dominant interactions are introduced to customer-to-staff, customer-to-technology, and customer-to- product services. Three central recommendations are proposed. Firstly, it is important for managers to define their services in terms of the dominant service interactions. Secondly, managers should develop their service quality around the dominant interactions of their particular sector. Thirdly, managers should develop service quality question items using the paired criteria approach to capture customer experiences during service interactions.

Spiros P. Gounaris, Vlassis Stathakopoulos and Antreas D. Athanosso poulos,(2003) found out that perceived service quality is indeed a function of customer - and company specific antecedents, the study also reveals that the notion of service quality is a multidimensional concept by providing additional insights about the possibility of having
multiple dimensions of service quality with the presence of additional factors, such as value for money, product innovativeness, and convenience. The study found that provision of additional evidence in congruence with the research stream that has put forward, that the dimensions of service quality are not only industry specific but also culture-specific. Their study revealed that the greater the degree of market orientation adopted by the bank, the higher the perceived quality of its offering by its customers, and quality dimension of employers’ competence influencing the customer’s perception. In addition, the adoption of market orientation also has the perceptions regarding the physical evidence, reliability, innovativeness of bank’s products, and its approach in pricing. Convenience also received influence in customer perception but WOM is not an important factor influencing the perceptions of service quality.

Adrian palmer and martin O’Neill (2003) studied the methods of measuring service quality which suffered from a lack of discussion about perception processes involved in a consumer’s evaluation of quality, most importantly, it is the perception of service quality at the time of the next purchase decision that may better explain repeat buying behaviour, rather than the traditional measure taken immediately for post-consumption. A longitudinal study employing a modified SERVQUAL scale observed that perceptions of service quality declined with the passage of time. Perceptions of items of high importance and those involving tangible elements declined the least. Changes in individuals’ perceptions over time were found to be associated with changes in behavioural intentions.

Charalambos Spathis, Eugenia Petridou and Niki Glaveli (2004) discussed the service quality of Greek banks on the basis of their customers’ perceptions, and analyses how gender differences affect customers’ perceptions of service quality dimensions such as effectiveness and assurance, access, price, tangibles, service portfolio, and reliability. The results of an empirical study of 1,260 customers of Greek banks generally support the hypothesis that gender affects service quality perceptions and the relative importance attached to various banking service quality dimensions. The results demonstrate that male clients of Greek banks have a more positive perception of the quality of service they receive than do women clients. For men, effectiveness and reliability ranked highest, with assurance ranking second; whereas, for women, price ranked first and access ranked second. The main differences in ranking related to the price and study has demonstrated that effectiveness and reliability are the important quality dimensions for men, although these dimensions are less important for women.
Avinandan Mukherjee and Prithwiraj Nath (2005) made an empirical assessment with three comparative approaches to measuring service quality namely modified gap model, TOPSIS and loss function. They aim to argue for the use of TOPSIS from decision sciences and Loss function from operations research and engineering, as an alternative approach to the gap model. The empirical evidence is provided by large sample consumer data on the service quality for leading Indian commercial banks. The service quality evaluations obtained from these three distinct methods are compared and tested for their mutual agreement. Findings show that the rankings obtained from different methods are statistically in agreement, suggesting that the alternative approaches can provide equally good measurement of service quality. But they should not be used in an interchangeable manner. Research shows that a single measure of overall service quality based on gap model is oversimplified. It would be more useful to explore a richer profile of customer service quality provided by different measurement approaches. Each methodology has its own advantages and disadvantages, and should be used based on its suitability for a particular application. This research offers profound practical implications. It offers managers with a framework of service quality improvement that measures service quality gaps, selects an optimal combination of attribute levels to deliver customer satisfaction, and focuses on reducing the future loss caused by poor quality.

Anja Reimer and Richard Kuehn, (2005), in their study examined the impact of the servicescape on perceived quality in a more comprehensive way and proposed a new model for assessing the effects of the servicescape on quality perception based on SERVQUAL where the model considers the special role of the servicescape (or what is called “tangibles” in SERVQUAL) by taking into account that the servicescape elements act as search qualities, while the other SERVQUAL dimensions represent experience or credence qualities. In doing so, the model captures direct and indirect influences of the servicescape. Additionally, a more comprehensive scale for the servicescape is suggested, which exceeds the mostly tangible aspects of the physical environment covered in the SERVQUAL scale. The model is tested in a population survey in two service industries (retail banking and restaurants). The results show that the servicescape plays a greater role than was supposed in most previous studies. The servicescape is not only a cue for the expected service quality, but also influences customers’ evaluations of other factors determining perceived service quality. Thus, the servicescape has a direct and an indirect effect on perceived service quality, which leads the servicescape to have a high overall effect. The results also show that the servicescape is of
greater importance in determining customers’ evaluations of the expected service quality in a hedonic service.

Juan Carlos Fandos Roig, Javier Sanchez Garcia, Miguel Angel Moliner Tena and Jaume Llorens Monzonis, (2006) revealed that, it is fundamental for financial entities to compose offers that provide value to their customers in a sustained way, in order to generate a competitive advantage and maintain it over time. There are various fields that can be worked on establishment, contact personnel, the quality of the service offered, the sacrifices made by the customers, and other emotional and social aspects) so that financial entities can develop marketing strategies based on the value perceived by the customer. In this sense, for the concept of perceived value to be operational in achieving and maintaining a competitive advantage, marketing managers must have a deep understanding of its meaning and of the relative importance of the dimensions studied when the customer comes to make his/her evaluations. Thus, the dimensions that refer to the value provided by the contact personnel together with the emotional value (composed of the internal feelings experienced by the customer) are the aspects that most influence the determination of the overall perceived value of a purchase. In this sense, the employees of the bank play a very important role (let us not forget that the actions of the contact personnel are also reflected in the emotional dimension). For this reason, it will be fundamental to make a great effort when selecting and training the contact personnel in banks, and to monitor over time the appropriateness of their level of knowledge and their attitude towards customers. Furthermore, the functional value of the service performed or service quality, cannot be neglected at any time, as it is also of great importance in determining the overall value perceived by the customer. Finally, though less important than the previous aspects, it will be of interest to control factors relating to the sacrifices made by the customers, whether monetary or non-monetary, attempting to minimize them, and to enhance other aspects such as the installations available and the projected social image of the financial entity.

Hummayoup Nalem and M. Iqbal Siaf, (2007) stated that in this competitive age, the survival of a business mainly depends upon the quality associated with the product. Similarly, in order to succeed in commercial banking, there is a need to develop an organizational culture based on quality management approach where everybody is involved in quality enhancement processes and the bank management is keen and fully committed to the satisfaction of both internal and external customers.
Sudesh (2007) revealed that poor service quality in public sector banks is mainly because of deficiency in tangibility, lack of responsiveness and empathy. Private sector banks, on the other hand, were found to be more reformed in this regards. Above all, the foreign banks were relatively close to the expectations of their customers with regard to various dimensions of service quality. Further, the study revealed that there existed service quality variation across demographic variables and suggested that management of banks should pay attention to potential failure points and should be responsive to customer problems.

Nimit Chowdhary and Monika Prakash, (2007) investigated if any generalization in importance of service quality dimensions is possible. Service providers are often not sure of the amount of tangibilisation necessary and the right mix of other service quality dimensions - reliability, assurance, empathy, responsiveness and the role of price-added by researcher. One of the major conclusions that can be drawn from this research is that no simple generalization of relative importance of determinants of service quality is possible. Thus, it must be noted that importance of determinants of quality for customers would vary across different service types. This could be expected because different services are structured and delivered in different contexts and providers consciously position themselves at different levels of variables of concern. It may be noted that these variables of concern are the criterion for classification of services. In this study, these variables were “recipient of service” and “the nature of service act.” It could well be membership (formal membership vs non-formal membership), nature of service delivery (continuous vs discrete), customization, judgment by contact staff, demand fluctuation, or any other as deployed by service provider.

Francois. A. Carrillat, Fernando Jaramillo and Jay P. Mulki (2007) investigated the difference between SERVQUAL and SERVPERF’s predictive validity of service quality. Data from 17 studies containing 42 effect sizes of the relationships between SERVQUAL or SERVPERF with overall service quality (OSQ) are meta-analyzed. Overall, SERVQUAL and SERVPERF are equally valid predictors of OSQ. Adapting the SERVQUAL scale to the measurement context improves its predictive validity; conversely, the predictive validity of SERVPERF is not improved by context adjustments. In addition, measures of services quality gain predictive validity when used in less individualistic cultures, non-english speaking countries, and industries with an intermediate level of customization (hotels, rental cars, or banks).
Stephen Graham Saunders (2008) examined the PAKSERV service quality measure in a South African cultural context. In order to test and confirm the dimensionality of the PAKSERV service quality construct a confirmatory factor analysis (CFA) was used. The data were collected through a survey of over 300 Black South African banking customers. The results of the CFA confirmed that PAKSERV is a valid measure of service quality in a South African cultural context, consisting of six dimensions: tangibility, reliability, assurance, sincerity, personalisation and formality. By measuring and evaluating service quality dimensions that are culturally relevant to customers, marketing managers can focus on the dimensions of service quality that are not adequately captured in the SERVQUAL instrument. The study recommends three useful managerial applications of the service quality construct. The findings are particularly valuable to international services managers who want to move away from a single international service strategy and embrace a flexible service delivery strategy that is culturally sensitive. The study contributes by providing further validation for the PAKSERV service quality measurement scale. This is also one of the few studies to test and confirm a culturally sensitive service quality construct in Africa. Furthermore, the study questions the notion that the PAKSERV measurement scale is culturally specific and argues that PAKSERV should be seen as a generic measurement scale that can be used across a variety of countries and cultural contexts.

Md Habib-Uz-Zaman Khan, Abdel K. Halabi and Martin Samy (2009) revealed in their study about corporate social responsibility (CSR) reporting by banks in the developing economy of Bangladesh. This study also aims to examine the users’ perception relating to CSR disclosures issues. The study collected two types of data. First the annual reports of 20 selected banking companies, which are listed in Dhaka Stock Exchange (DSE), were considered. A questionnaire was also used to investigate the level of users’ understanding and their perception of CSR reporting. The principal findings are twofold: first, the study shows that the selected banking companies did some (albeit little) CSR reporting on a voluntary basis. Second, that the user groups are in favour of CSR reporting and would like to see more disclosure. The current disclosures by the selected banks, however, are not ample at all to measure the social responsiveness of the organizations.

Rafael Bravo, Teresa Montaner and Jose. M. Pina (2009) reviewed corporate image of commercial banks includes dimensions related to the service quality offered, accessibility, corporate social responsibility, global impression, location and personnel. Two alternative models were validated for customers and non-customers to explain how corporate
associations influence intention to use the bank’s services. For the case of current customers, satisfaction is a key mediating variable.

Alok Kumar Rai, (2009) found out that the effectiveness of service quality of banks is largely being tested to forecast the marketing performance of the banks. It has also been observed that degree and effectiveness of service quality has been said to be difference in case of public and private sector banks of India. The study brings about the areas which require urgent attention of the employees, the management, and the policy makers of the industry. There are the areas in which customers are hugely dissatisfied on the services received, which clearly questions the design of services (or) subsequent response of the bank employees, these limitations are to be services to be avoided by making necessary changes in the front line people dealing with the customers and the approach of the management taking seriously.

Mohammed Hossain and Shirley Leo, (2009) found that customers’ perceptions vary according to the nature of service and a high per cent of customers’ perceptions are demonstrated in the tangibles area such as infrastructure facilities of the bank, followed by the empathy area such as timing of the bank and returns on deposit. On the other hand, the lowest perception was on the competence area, such as the method of imposing service charges followed by reliability, such as customers’ guidance. Because of the wide variation of responses, the banks need to consider the weak areas in order to meet customer requirement. Indeed, researchers argue that high level of customer satisfaction leads to customer retention, especially in markets that are highly competitive and saturated, such as financial services. Moreover, in the present competitive banking environment, most of the banks offer the same or similar products around the world and service quality is a vital means to differentiate them in the market place. Therefore, to be successful, retail banks must provide service to their customers that meets or exceeds their expectations, and their study provided atleast some sorts of guidelines to the policy makers of the banks, to take right decision to improve the quality of services, in particular in Qatar and the Middle East in general. Obviously, the current research contributes toward understanding the relationship among customer services, customer satisfaction, and customer perception.

Sandip Ghosh Hazra and Kailash B L Srivastava, (2009) examined the present Indian banking scenario and the service quality an indispensable competitive strategy to retain customer base. Banks are trying to win customer satisfaction and loyalty by providing
better quality services. This study examines the relationship of service quality with customer loyalty, commitment and trust from the customers’ perspective in the Indian banking sector. Data were collected from 300 customers of public and private sector banks using structured interview schedules. The results show that dimensions of service quality such as assurance-empathy, reliability and tangibles significantly predict customer trust and commitment. The results also indicate that service quality is positively associated with customer loyalty. Private bank customers are more committed and loyal as they receive better quality of service. The study implies that public sector banks should also come forward and try their best to provide better quality service to win back their customers’ loyalty and commitment.

Mukesh Kumar, Fong Tat Kee and Amat Taap Manshor (2009) reviewed that the modified SERVQUAL model consists of four critical factors (dimensions) as detected by factor analysis. They are: tangibility, reliability, competence and convenience.

Kirti Dutta and Anil Dutta (2009) in their study through factor analysis and Cronbach’s Alpha it is shown that there exists a gap between the customer expectations and perceptions in the Banking sector. The expectations of bank customers are higher than their perceptions as suggested by Parasuraman et al. (1988). This gap varies across the banking sector with public sector banks showing the widest gap and foreign banks showing a narrow gap. Factor analysis showed that tangible, assurance; empathy and reliability dimensions are the explanatory variables predicting customer satisfaction in India. Tangibles have the highest impact on overall customer satisfaction. The largest discrepancy between the customer expectations and perceptions is in terms of empathy which includes bank locations and ATM machines in convenient places and telebanking and internet banking facility. This is the major source of concern for Indian banking industry as a huge service quality gap exists for all the banks in this category. The findings from the statistical analysis show that customers of public sector banks neither agree nor disagree i.e. are neutral about the service quality offered by the banks. Apart from empathy, they need to focus on reliability and tangibles as customers today are looking for tele-banking and internet banking facilities and aesthetics is also a key determinant of service quality.

Pooja Malhotra and Balwinder Singh, (2010) examined private and foreign internet banks have performed well in offering a wider range and more advanced services of internet banking in comparison with public sector banks. Among the determinants affecting the extent
of internet banking services, size of the bank, experience of the bank in offering internet banking, financing pattern and ownership of the bank are found to be significant.

Ravichandran.K. Tamil mani.B and Arun Kumar.S,(2010) in their study stated that financial liberalization has led to intense competitive pressures and private banks dealing in retail banking are consequently directing their strategies towards increasing service quality level which fosters customer satisfaction and loyalty through improved service quality. Their study examines the influence of perceived service quality on customer satisfaction. The article concludes that increase in service quality of the banks could satisfy and develop customer satisfaction which ultimately retains valued customers.

Monica Bedi (2010) found that banks should be looking carefully at each one of the dimensions where customers perceive receiving a different service than expected and consider the extent to which they should work on influencing expectations or both. The results also indicated that the dimensions corresponding to the product convenience, responsiveness, reliability, empathy, assurance are significant in determining the overall customer satisfaction and inducing positive behavioral outcomes by reducing negative ones across public sector and private sector banks. Responsiveness has been shown to be an important factor. This suggests that giving prompt services to the customers’ telling the customers exactly when the service will be performed, if there is a problem, the willingness of the bank to serve the customer’ and readiness of the employees to help and respond to the requests are likely to have an important and positive effect on customer satisfaction.

Lynette M. McDonald and Chia Hung Lai(2011) have investigated retail banking customers’ reactions to different corporate social responsibility (CSR) initiatives. This study seeks to investigate whether Taiwanese retail banking customers prefer corporate social responsibility (CSR) initiatives that favor themselves or other stakeholder groups (community, environment), and whether these initiatives have impact on customer attitude and behavioral intentions. Using an experimental survey design with a snowball sampling technique, 130 Taiwanese banking customers answered questionnaires, examining attitude and behavior in response to three different CSR initiatives. Findings reveal customer-centric initiatives more powerfully impacted on banking customers’ attitude towards the bank and behavioral intentions than environmental or philanthropic initiatives. However, the results were significant only for the difference between customer-centric and environmental initiatives. This is the first research examining banking customers’ attitude and behavior in
response to different CSR initiatives in a Taiwanese setting. It has implications for banks developing CSR strategies.

Bhattacharya et al., (2009) noted that an initiative which leads to a benefit to one stakeholder group may hold little value to another, and may even conflict with the interests of another stakeholder. This study also highlighted the mismatch between the ranking of CSR initiatives by Taiwanese companies and that of Taiwanese retail banking customers. Taiwanese banking customers ranked customer-centric initiatives first, followed by those favouring the community and with environmental initiatives ranked last. In contrast, managers of Taiwanese public companies, which included banks, ranked environment concerns fifth after stakeholder and employee concerns, with customers’ rights given a lower priority, being ranked sixth, with the community ranked even lower at eighth. Thus, company ranking of CSR initiatives was not consistent with the viewpoint of banking customers. This indicates that banks need to consider the purpose of their CSR strategies. For example, Bhattacharya et al, (2009) noted the findings from the McKinsey & Company 2006 survey that identified that companies’ CSR activities are predominantly driven by the belief that they elicit company-favouring responses from stakeholders. However, if banks aim to achieve a competitive customer edge via implementation of CSR initiatives, these efforts may be often be misplaced, a conclusion congruent with that of McDonald and Rundle-Thiele (2008). In sum, if the banking industry’s CSR strategies do not include customer-centric initiatives, a return on investment may not occur. This is because customer-centric initiatives act as a stimulus to motivate customers to such actions as recommending the bank and visiting the bank, as well as improving their attitude to the bank. Further, as this study found that customers’ attitudes strongly determined positive customer behavior in response to the CSR initiatives, since consumers are more sensitive to customer-centric initiatives, banking managers could utilize these initiatives as a tactic to boost customers’ attitude and positive behavior, attracting more customers and resulting in a stronger financial performance.

2.4. Literature pertaining to behavioral intention dimensions.

Berry and Zeithaml (1991) found a positive and significant link between perceived service quality of customers and their intention to refer the firm to others. In their 1998 study about university students, Parasuraman et al. found a positive relationship between service quality and behavioral intentions.
Kaynak and Kucukemiroglu (1992) revealed that in order to compete successfully in today’s competitive marketplace, banks must focus on understanding the needs, attitudes, satisfactions and behavioural patterns of the market. Consumers evaluate a number of criteria when choosing a bank. However, the prioritisation and use of these criteria differ across countries, and thus cannot be generalised. For example, in a study of Canadian customers in Montreal, Laroche and Taylor (1988) found that convenience is the principal reason for bank selection, followed by parental influence with respect to the status of the bank. In contrast, Kaynak and Kucukemiroglu's (1992) study of the Hong Kong banking market discovered that customers choose their banks because of convenience, long association, recommendations of friends and relatives, and accessibility to credit.

Boulding, W., Kalra, A., Staelin, S., & Zeithaml, V. A. (1993) developed and tested a service quality model that identified the perceptions of service quality and the consequences on individual-level behavioral intention variables that affect the strategic health of the firm. This research was conducted in two distinct settings. The first was a laboratory setting, and the second was a field study to generalize the findings. The two behavioural intentions tested in this model were loyalty and positive word-of-mouth. The results indicated that in both research settings, the greater the perceptions of a firm’s service quality, the more likely customers are to engage in behaviors beneficial to the firm.

Taylor and Cronin (1994) indicated there is a relationship between service quality and satisfaction is such that each construct is both an antecedent and consequent of the other and found that each of the two paths was significant.

Dick and Basu (1994) indicated that loyalty has two dimensions, which are attitude and behavior. There are four different loyalty classifications including ‘true loyalty,’ ‘latent loyalty,’ ‘spurious loyalty’ and ‘no loyalty’ each of which reflects a mixture of attitude and repeat patronage. “True loyalty" happens when customers have both an optimistic attitude of the service provider and demonstrate high intensity of repurchasing. ‘Latent loyalty’ occurs when a customer has a positive attitude toward a firm’s brand, more than its competitors’ ‘brands. However, a customer does not show a high support or repeat purchase because of some situational or environmental variable. "Spurious loyalty" occurs when a customer repeatedly purchases a brand, but does not identify major distinctions among brands. This could happen when no choices in a group were available. Also, this could exist when the alternative is perceived as part of prior experiences and habits. Ultimately, "no loyalty"
occurs in a category when customers perceive little differences between products, and there is a low incidence of repurchasing. Products or services switching are normal, and alternatives among them are basically produced, based on some situational components.

Keaveney, (1995) in his study, stated that the propensity of customers to switch can affect the firm’s market share and profitability (However, the firm needs to understand that customers may switch to competitors, because of their attraction to better service or higher quality service. Customers may only switch because of unsatisfactory service of the company.

Zeithaml, Berry and Parasuraman, (1996) proposed a model to measure the consequences of behavioral intentions. According to this model, behavioral intentions are a multi-dimensional concept, consisting of word-of-mouth communications. Purchase intentions, price sensitivity and complaining behavior. Favorable behavioral intentions, considered actions of loyalty may include willingness to recommend, intent to pay a premium price, and intent to continue to purchase from the organization in the future. Customers who express favorable behavioral intentions indicate that they have formed a bond with the organization. In contrast, unfavorable behavioral intentions, based on the perception of poor quality of service may include intent to defect, intent to spend less money with the organization, intent to complain and even the intent to take action. The intent to defect is when customers seek alternatives and avoid the organizations' product or services. Some customers choose to defect rather than complain to avoid the possibility of an unpleasant confrontation. Customer’s intent to complain may take several forms, including negative word-of-mouth to the organization, to other customers and to third parties.

Gremler and Brown (1996) examined service loyalty and factors affecting its development. In doing so, the study extends previous loyalty research in several respects. First, this study proposes a model of service loyalty that includes three antecedents, satisfaction, switching costs, and interpersonal bonds. Few loyalty studies, attempt to address factors leading to the development of customer loyalty. Second, unlike previous research on customer loyalty, which has concentrated almost exclusively on tangible goods, this study focuses on products high in services characteristics. By examining loyalty in services contexts this study expands knowledge of customer loyalty to a product by considering two factors, namely switching costs and interpersonal bonds, typically not thought to be as important in goods contexts. Third, the “bonding” that frequently occurs in customer-service
provider employee relationships are conceptualized as the construct *interpersonal bonds*. The study suggests conceptualizing these bonds as a higher-order construct with five dimensions: familiarity, care, friendship, rapport, and trust. It also suggests potential measures of several dimensions of this construct that may assist in their operationalization in subsequent empirical verification of the model. Finally, the topic of this study, service loyalty, is very relevant to the current rethinking of what marketing really is. The discipline is in the midst of a paradigm shift that is now focusing on relationship issues (e.g., relationship marketing, relationship management, relationship quality). Yet, this stream of research has not addressed precisely how relationship marketing and customer loyalty are related. This study attempts to address this gap in the literature and contributes to our understanding of the importance of building relationship with customers.

**Hallowell (1996)** defines customer loyalty in two different ways: attitudinal and behavioral. There is two valuable ways to report this sensitivity. The first is to examine the number of customers who alter their behavior as a result of competitive changes. The second is to examine profits associated with the change. The study by Hallowell (1996) examined two hypotheses concerning the relationship between customer satisfaction and customer loyalty. Responses from 12,000 retail-banking customers at 59 divisions of the same bank were aggregated as customer satisfaction data in this research. The data were collected through at the division level. The questionnaire surveyed each customer’s satisfaction with service, price and asked as well for demographic information. The collection of customer loyalty data included both retention (length of relationship) and cross—sell (depth of relationship) by each division. Profitability data for each division were given by the bank’s treasury function. He stated that perceived value is a function of perceived quality and price, and that different levels of perceived value result in differing levels of customer satisfaction. The regression results supported the inference of the positive customer satisfaction and customer loyalty relationship. Seven of eight regressions also supported the inference of a positive relationship between customer loyalty and the bank’s profitability (Hallowell, 1996). Hallowell’s findings supported service management literature about the linkages among customer satisfaction, customer loyalty, and profitability. In addition, marketing literature’s behavioral argument relating the relationship between customer satisfaction and customer loyalty also supported these findings (Hallowell, 1996). For future research, Hallowell (1996) suggested that researchers focus on data aggregated in relatively similar industries over a extended period and to find service quality and loyalty relationship.
Mylonakis, Malliari, & Siomkos, G. J. (1998) in their study stated greater range of services and products, along with improvements in communications efficiency, could have a significant impact on customer satisfaction and consequent behavioral intentions. As changes in the broad financial fields accelerate and business activities converge (i.e., the offering of insurance, financial planning, and share brokerage by a bank), it is imperative to differentiate banking products from other similar or complementary ones that are offered by bank affiliates or non-banks.

Tax and Brown (1998) noted that sometimes customers, who got defective services from a firm without proper explanation, later make destructive comments to others.

Bloemer, De Ruyter, and Wetzel’s’ (1999) argued that the relationship between perceived service quality and service loyalty is an issue which requires conceptual and empirical elaboration through replication and extension of current knowledge. Focuses on the refinement of a scale for measuring service loyalty dimensions and the direct relationships between dimensions of service quality and service loyalty got explored. The results of an empirical study of a large sample of customers from four different service industries suggest that four dimensions of service loyalty are identified namely purchase intentions, word-of-mouth communication, price sensitivity, and complaining behaviour. Further analysis yields an intricate pattern of service quality-service loyalty relationships at the level of the individual dimensions with notable differences across industries. The second research question this study attempted to answer concerned the relationship between the dimensions of perceived service quality and service loyalty. Although Zeithaml et al, (1996) reported a strong association between overall service quality and service loyalty across multiple companies, their findings clearly shade the direct quality-loyalty relationship. Our analysis of four different service type industries yielded an intricate pattern of quality-loyalty relationships at the level of the individual dimensions. A cross industry perspective yields a different picture per industry. For instance, while word-of-mouth is predominantly determined by responsiveness and tangibles in the entertainment industry, word-of-mouth in the fast food industry is mainly influenced by assurance and empathy. This underlines the importance of both a multi-dimensional and a cross-industry approach to service loyalty.

Shoemaker and Lewis (1999) stated that loyalty occurs when the customer feels so strongly that he can best meet his or her relevant needs that their competition is virtually
excluded from the consideration set and these customers buy almost exclusively from their company only.

**Zeithaml (2000)** in their study dealt another aspect of unfavourable behavioural intentions, when customers encounter service failures. Service failures could weaken the customer and company bond even when the problem is resolved (Bolton and Drew. 1992). In addition, the memory of the failed service experience negatively affects the customers' overall perception of the company’s service.

**Cuccia, (2000)** provides some techniques to help companies build customer loyalty. Those techniques are divided into three classifications: (a) customer dialogue including a loyalty index, attribute evaluation, complaint discovery, lost customer interviews, and thank you calls; (b) the customer relationship process encompassing end-users, and intermediaries; and, (c) customer valuation analytics. Although these techniques are seemingly helpful to create customer loyalty in the future, Cuccia does not describe the organization that successfully builds customer loyalty by using these techniques to support such success.

**Antreas Athanassopoulos and Spiros Gounaris and Vlassis Stathakopoulos (2001)** investigated the behavioural consequences of customer satisfaction. More specifically, the authors examined the impact of customer satisfaction on customers' behavioural responses. The results support the notion of direct effects of customer satisfaction on three criterion variables (decision to stay with the existing service provider, engagement in word-of-mouth communications and intentions to switch service providers).

**Sajeev Varki and Mark Colgate (2001)** in their study compared to the emphasis that service quality research has received in service marketing, much less work has been done on the role of price perceptions and their effect on customer retention. This article seeks to fill this gap in the literature. The authors build proposition of price’s role vis-a-vis customer value, satisfaction, and behavioral intentions and then test these proposition using empirical data from the banking industry in the United States and New Zealand. Their findings indicate that (a) price perceptions have a stronger influence on customer value perceptions than quality, and (b) price perceptions, when measured on a comparative basis, have a significant direct effect on customer satisfaction and behavioral intentions-over and above their mediated effect through the construct of customer value. These results indicate that price perceptions significantly affect customer retention and suggest that managers may benefit from actively managing consumers’ price perception in addition to consumers’ quality perception.
Naresh K. Malhotra and J. Daniel McCort (2001) found that behavioural intention models are assumed to be universally applicable; however, recent criticisms have questioned their application among non-western subjects. It is argued that models that posit constructs that represent and measure the cultural nature of evaluative and normative latent constructs will best model intention formation in a culture. Thus, epic measures of ethic latent constructs are required. A review of culturally-influenced differences in reasoning processes between Chinese and Americans provides a theoretical basis to explore these models with samples from two cultures. Models considered Western, Oriental, and Universal were compared with Hong Kong and US subjects. As predicted, the most Western model fit the USA data best and the most Oriental model fit the Hong Kong data best. Also as predicted, the measures of evaluation most representative of epic thought processes were most related to intention formation. Results suggest that the BI framework is applicable across cultures, yet must be operationalized with the distinctive thought processes of each culture in mind.

Pont, Marcin and McQuilken Lisa (2002) studied the five-factor ‘Behavioral-Intentions Battery’ developed by Zeithaml, Berry and Parasuraman (1996), to measure customer behavioural and attitudinal intentions. The structure of this model was re-examined by Bloomer, de Ruyter and Wetzels (1999) across different service industries. They concluded that service loyalty is a multi dimensional construct consisting of four, not five, distinct dimensions. To date, neither model has been tested within a banking environment. This research independently tested the ‘goodness of fit’ of both the four and five-factor models, to data collected from branch bank customers. Data were collected through questionnaire with a sample of 348 banking customers. A confirmatory factor analysis was conducted upon the two opposing factor structures, revealing that the five-factor structure has a superior model fit, however, the fit is ‘marginal’.

Alexandris et al., (2002) in their study revealed that the relationship between service quality and behavioral intentions were also found to differ across a variety of industries (Athanassopoulos, Gounaris, and Stathakopoulos, 2001; Shaw-Ching Liu et al, 2001). The researchers found varied levels of importance with regard to the intentions dimensions across industries. For example, in the entertainment industry, behavioral intentions were highly weighted by responsiveness and tangibles, whereas in the food industry, it was assurance and empathy (Alexandris et al, 2002). The study made by Alexandris et al, in the hotel industry in northern Greece found that the tangible factors of service quality did not impact the intention factors. Other research has also shown that the tangibles were not significant in
determining behavioral intentions in some industries (Zeithaml & Bitner, 2000; Alexandris et al, 2002). One reason posited by Alexandris et al. for this effect is that in the hospitality industry today tangible factors have become a pre-requisite, and have become expected by customers (Alexandris et al, 2002). Although some variations of the dimensions have been found across studies, the overall reliability and validity of Zeithaml et al. (1996) model is clearly indicated. The theoretical model has been supported in all studies conducted since 1996 with its inception (Bloemer et al, 1999; Baker & Crompton, 2000; Zeithaml & Bitner, 2000; Athanassopoulos et al, 2001; Shaw-Ching Liu et al, 2001; Alexandris et al, 2002).

Sirikit (2003) studied about the relationship between service quality and customer behavioral intentions in a Thai telecommunication industry, where he used a 13-item Behavioral Intentions Battery (BIB) developed by Zeithaml et al, (1996). Sirikit also used the SERVQUAL developed by Parasuraman et al, (1988) to measure service quality. Both instruments were translated into Thai. Reliability coefficients for these instruments were reported. Reliability coefficients for the five dimensions of the SERVQUAL exceeded 0.90, whereas the reliability coefficients for BIB ranged between 0.49-0.92. The BIB dimension of loyalty had the highest alpha score (0.92) while the dimension of switch had exhibited the lowest alpha score (0.49). The author did not report whether this instrument is normal or reverse scored. The random sample consisted of current customers who had previously used telecommunication services at least one day but were not necessarily on a subscriber list. Survey questionnaires were distributed to 550 customers, with a response of 484 usable responses. Socio-demographic characteristics of the sample were not reported. Four hypotheses were tested. Results showed a significant relationship between perceived service quality and behavioral intentions. This study found an inverse relationship between service quality and complaining behavior dimension of the BIB. For future research, the author suggested to explore the linkage between service quality and customer behavioral intention in other industries.

Jin-Woo Park, Rodger Robertson and Cheng-Lung Wu (2004) in their study sought to improve their understanding of air passengers’ decision-making processes by testing a conceptual model that considers service expectation, service perception, service value, passenger satisfaction, airline image, and behavioural intentions simultaneously. For this testing, path analysis through maximum likelihood estimator is applied to data collected from Korean international air passengers. Service value, passenger satisfaction, and airline image are found to have a direct effect on air passengers’ decision-making processes.
Ugur Yavas, Martin Benkenstein and Uwe Stuhldreier (2004) examined the nature of relationships between service quality, background characteristics, and satisfaction and selected behavioural outcomes by using retail banking in Germany as its setting. Study results show that service quality is at the root of customer satisfaction and is linked to such behavioral outcomes as word of mouth, complaint, recommending and switching. However, different aspects of service quality and different consumer characteristics seem to be associated with different outcomes. For instance, the results suggest that tangible elements of service quality are more closely associated with positive word of mouth and commitment. On the other hand, “timeliness” aspects of service delivery are more closely related to customer satisfaction, and complaint and switching behaviours. Implications of these results are to induce greater customer satisfaction, to attain higher levels of favourable outcomes and/or to alleviate negative outcomes.

Choi K., Cho W., Lee S., Lee H., and Kim C., (2004) in their study indicated that service quality (compared to value) was the stronger determinant of satisfaction. Both service quality and value had a direct effect on behavior intention, but assessment of value was influenced by perceived service quality; satisfaction was stronger determinant of behavioral intention compared to perceived service quality or value.

Nelson Oly Ndubisi (2004) a research study conducted to verify the influence of perceived service quality on behavioural intentions of customers of Malaysian banking services. The results provide support for association between perceived service quality dimensions such as tangibles, reliability, assurance, and empathy in one hand, and word-of-mouth (WOM) communications, patronage intentions, and complaining behaviour in the other. Responsiveness had no influence on any of the dimensions of behavioural intentions.

Nelson Oly Ndubisi and Tam Yin Ling (2005) examined the post dissatisfaction behaviour of Malaysian consumers vis-a-vis their complaint behaviour and defection. Specifically, the relationship between public complaint behaviour (i.e. complaining to the organization), private complaint behaviour (complaining to family members and friends without a word to the organisation) and customer defection were considered. The research also investigates the moderating effect of gender and income in this relationship. The study consisted of a survey of 218 randomly selected customers of banks in Malaysia. Findings of the study show that both public and private complaints are associated with defection, albeit the determinant strength of private complaint is more robust. These findings are generic as
there is no gender-moderated effect. However, income moderates the private complaint-defection relationship. Lower income customers are more likely to defect without a word to the bank than higher income Malaysian bank customers which emphasises that an apparent; each of complaints doesn’t mean that all is well. Also, stresses the need for encouraging complaints from customers and a system to handle complaints. Income levels may affect a customer’s expression of dissatisfaction.

Chris Baumann, Suzan Burton, Gregory Elliott and Hugo M. Kehr (2007) in their study sought to explore the factors predicting customer loyalty in retail banking. Loyalty was measured in terms of a customer’s willingness to recommend a bank and their intention to remain with their main bank short-term (in the next six months) and long-term (from six months to five years). The study was based on a mail survey of 1,951 individuals. Potential predictors were drawn from the literature and included in three separate regression models to model different types of loyalty. The results indicate that willingness to recommend is best predicted by affective attitude, overall satisfaction and empathy. Short-term behavioural intentions, however, were best predicted by overall satisfaction and responsiveness, while long-term intentions were predicted by overall satisfaction, affective attitude and empathy. The three models explained a substantial amount of the variation in the dependent variables: 71 per cent for willingness to recommend, 43 per cent for short-term intentions and 46 per cent for long-term intentions. The study adds to the discussion of the relationship between perceived satisfaction, service quality and a customer’s intentions to recommend a bank and/or remain a customer. The results also contribute to the development of more parsimonious models, suggesting that affective attitude, overall satisfaction, empathy and responsiveness together explain a large percentage of the variation in customers’ intentions. The results demonstrate the importance of satisfaction measures and some SERVQUAL dimensions in predicting loyalty in retail banking. It also found evidence that not all five SERVQUAL measures are needed to profile customers and predict loyalty.

Kenneth B. Yap and Jillian C. Sweeney (2007) in their study, revealed that the zone-of-tolerance (ZOT) is an innovative concept that has attracted recent attention in the services marketing domain. The ZOT represents a range of service performance that a customer considers satisfactory, which recognizes multiple expectation standards, specifically adequate and desired expectations. This study aims to extend Zeithaml, Berry and Parasuraman’s examination in 1996 of the relationship between service quality and behavioral intentions across the ZOT by heeding Teas and DeCarlo’s call in 2004 to examine
the relationship for specific dimensions. The study also seeks to extend outcomes to include satisfaction and value. Exploratory and confirmatory factor analyses were used to assess measurement properties and regression analysis was used to test the hypotheses regarding the ZOT. Findings observed to be consistent with several previous studies, two dimensions of service quality were identified: tangibles and process, the latter having a greater influence on satisfaction and loyalty. Contrary to expectations, the relationship between service quality and outcomes did not strengthen above or below the ZOT for any of these outcomes and was significantly weaker below the ZOT for satisfaction, loyalty and propensity to switch. This study suggests a moderating role for the ZOT in the quality-key outcomes relationship and implies that to maximize investments in service improvements, there should be a focus on increasing service quality beyond the adequate level, rather than seeking to develop a customer franchise by creating “delight.”

Teemu Santonen (2007) in his study, he analysed how different dimensions of perceived service loyalty including price sensitivity explains the consumer defection in retail banking. Empirical tests were conducted with survey data from nearly 1,700 consumers in Finland. The findings support previous suggestion that service loyalty can be determined by following four dimensions, although a shade of interference in the unidimensionality of the service loyalty instrument in question was observed: purchase intention; word-of-mouth communication; price sensitivity; and complaining behaviour. It was found that only the price sensitivity dimension - in which reliability and unidimensionality was strongly verified - was related to the likelihood of defection in the case of low-price and limited product range driven sales offers. Results show that loyal customers are also open to attractive marketing information. This outcome is important since the willingness to acquire information on the rival offer was related to customer defection.

Manuel Sanchez Perez, Juan Carlos Gazquez Abad, Gema Mana Marin Carrillo and Raquel Sanchez Fernandez (2007) examined the relationship between service quality and behavioural purchase intentions in the public-sector transport industry in Spain. The study first identifies five distinctive research streams in service quality. An empirical analysis is then carried out in which the SERYPERF scale is adapted to the study of service quality in the public-sector transport industry. The study then examines the relationship between service quality and purchase intention using an aggregated ordered logit model. The findings confirm a relationship between the five dimensions of service quality and purchase intentions. The study provides a useful guide to research into service quality by identifying five distinctive
streams of research on the field. The study also contributes from a methodological perspective by offering a measurement scale for service quality in the public-sector transport industry. Finally, the study contributes to studies of perceived service quality by providing an aggregated ordered logic model and by confirming the link between service quality and behavioural intention in a public-sector context.

Ahmad Jamal and Kyriaki Anastasiadou (2008) in their study, have investigated the effects of service quality dimensions on customer loyalty. Also, up to now, no research has investigated the direct effect of expertise on loyalty and the moderating effect of expertise on the link between satisfaction and loyalty. This study seeks to fill these gaps in the literature and to investigate the effects of individual dimensions of service quality in creating and enhancing customer loyalty via customer satisfaction. It also aims to investigate the direct and indirect effects of customer expertise on customer loyalty. The study uses a causal modelling approach and proposes a conceptual model after an extensive review of the literature. The study is based on a sample of 200 bank users in Greece who completed a self-administered questionnaire. The study uses exploratory factor analysis, confirmatory factor analysis and structural equation modelling to analyse and confirm the conceptual model proposed in this research. The study finds that reliability, tangibility and empathy are positively related to customer satisfaction, which in turn is positively related to loyalty. Furthermore, while expertise is negatively related to loyalty, it positively moderates the link between satisfaction and loyalty.

Olgun Kitapci and Ibrahim Taylan Dortyol (2009) executed a study to test the differences in customer complaint behaviour between loyal customers and first comers. This study has adopted the work of Ndubisi and Ling, which categorized consumer complaint actions into public, private, defection and no action. Interview and survey data were collected. SPSS 15.0 for Windows was used for data analysis. Descriptive statistics such as means, frequencies, Mann-Whitney U test and chi-square tests were calculated. The results reveal that first comers are more willing to engage in private complaining actions such as negotiation and word-of-mouth comments and telling friends and family about their bad experiences compared to loyal customers. Their major findings indicate that even if a first comer does not complain, this does not mean that the person is satisfied. As there is a likelihood that when a customer makes a private complaint, such as spreading negative word-of-mouth criticisms, bank managers should pay more attention to those customers. Further, first comers are more likely to take part in a defection by doing business with another firm.
following the bad experience compared to loyal customers. It is a new study about the
differences in customer complaint behaviour between loyal and first customers in Turkey. It
presents valuable information that can assist bank managers and marketers understand the
customer complaint behaviour of both loyal customers and first comers.

Usha Lenka, Damodar Suar and Pratap K.J. Mohapatra (2009) in their study,
examines whether service quality of Indian commercial banks increases customer satisfaction
that fosters customer loyalty. Data were collected from 350 valued customers of scheduled
commercial bank branches in Orissa (India). A questionnaire elicited information on socio­
demographic variables along with human, technical, and tangible aspects of service quality,
customer satisfaction, and loyalty. Results suggest that better human, technical and tangible
aspects of service quality of the bank branches increase customer satisfaction. Human aspects
of service quality were found to influence customer satisfaction more than the technical and
tangible aspects. Customer satisfaction leads to customer loyalty. Increase in service quality
of the banks can satisfy and retain customers. In the Indian banking sector, human aspects are
more important than technical and tangible aspects of service quality that influence customer
satisfaction and promote and enhance customer loyalty. Findings revealed that improved
human, technical and tangible aspects of service quality increase customer satisfaction.
Human aspects of service quality were more potently found to influence customer satisfaction
compared to technical and tangible aspects. Customers’ satisfaction enhanced their loyalty to
the bank branches.

Riadh Ladhari (2009) developed and tested a conceptual model of the relationship
among the constructs of “service quality”, “emotional satisfaction”, and “behavioural
intention” in the hospitality industry. The study utilises a review of the literature to propose a
conceptual model that postulates that, service quality is positively related to consumers’
emotions; service quality is positively related to behavioural intentions; and consumers’
emotions are positively related to behavioural intentions. Moreover, the model postulates that
emotional satisfaction partially mediates the effect of service quality on behavioural
intentions. The model is tested in an empirical study with data from a survey among 200
Canadian travellers. All the hypothesised relationships are supported. The results confirm that
service quality exerts both direct and indirect effects (through emotional satisfaction) on
behavioural intentions. Future research should focus on the role of emotional satisfaction in
service experience in a variety of settings. The research provides valuable insights into the
role of emotional satisfaction in the hotel service experience. Emotional satisfaction makes a
significant contribution to the prediction of behavioural intentions (such as loyalty, word of mouth, and willingness to pay more).

Smith, Anne and Reynolds, Nina (2009) in their study examined alternative approaches to measuring service evaluation across cultures. This study aims to assess differences between cognitive and affective measures and their ability to predict behavioural intentions and the impact of service features on these measures. A self-completion survey of African (East/West), Chinese, and English higher education students includes service quality, satisfaction, affect (emotions/feelings), and behavioural intentions scales relating to retail banking. For all groups, overall quality, satisfaction, and positive affect predict behavioural intentions. Negative affect is significant for English consumers. Differences across cultures are identified in the determinants of service evaluation, for example, assurance and responsiveness, but these are antecedents of affect and not of overall service quality or satisfaction. The sample is drawn from cultural groups (based on Hofstede's individualism continuum) of higher education students in the UK. The implications for generalizability of findings to wider populations and the need to recognize the considerable diversity within the cultural sample groupings is emphasized. Service providers should include measures of affect in surveys which aim to assess the role of service features in overall evaluation and behavioural intentions towards the service. This will provide valuable data for managerial decision making and resource allocation. Cultural comparisons derived from cognitive-based Western measures may fail to identify elements of service quality which impact on behavioural intentions. No other studies have directly compared a range of alternative service-related measures as predictors of behavioural intentions across cultures, or included African consumers who are rarely represented in service evaluation studies.

Gour C. Saha and Theingi (2009) in their study, examined the relationships among the constructs of service quality, satisfaction, and behavioural intentions in passengers of three low-cost carriers (LCCs) offering airline services in Thailand. A large sample of 1,212 passengers who had travelled on LCCs in Thailand in the preceding 12 months was surveyed to test four hypothesised relationships among the constructs of service quality, satisfaction, and behavioural intentions using structural equation modelling (SEM). The study finds that the order of importance of the dimensions of service quality tested here is: flight schedules; flight attendants; tangibles; and ground staff. Passenger satisfaction with these service-quality dimensions was found to be very important in explaining behavioural intentions. Satisfied passengers are mostly influenced by the schedule. Such customers engage in positive word-
of-mouth communication and have high repurchase intentions. Dissatisfied passengers prefer to change airlines, rather than provide feedback to the LCCs. The study has not definitively established causality among the constructs of service quality, satisfaction, and behavioural intentions. Moreover, satisfaction is based only on service quality. Future research should examine the causality and other possible satisfaction factors. Managers of LCCs who have not traditionally placed a high priority on quality should be aware of the importance of service quality and passenger satisfaction in determining the behavioural intentions of passengers of LCCs. The study provides an example of the use of a revised set of SERVPERF service-quality dimensions. The study also posits passenger satisfaction and behavioural intentions in a single model in the context of LCCs in Thailand.

Ayse Kuruuzum and Can Deniz Koksal (2010) made a study to determine the impact of service quality on behavioural intention in hospitality industry. In order to measure service quality, five-dimensional and twenty two-itemed scale which adopted for hospitality industry by Tsaur, Lin and Wu from Parasuraman, Zeithaml and Berry’s SERVQUAL scale, was used. Together with this scale, five-dimensional and thirteen itemed scale developed by Parasuraman, Zeithaml and Berry was used in order to measure behavioural intention. This study was performed in five star hotels in Belek Tourism District in Antalya, and 610 questionnaire forms were returned out of 1000 distributed ones. According to the results of the study, the correlation values related with the dimensions of service quality and behavioural intention are found varying between 0.245 and 0.821. In the path analysis, with which, examining the impact of service quality on behavioural intention was aimed; they found that the service quality has more impact on the behavioural dimensions of “loyalty” and “pay more”.

S Arun Kumar, B Tamil mani, S Mahalingam and M Vanjikovan (2010), discussed about the service quality dimensions of Indian private banks dealing with retail banking and their overall service quality level acts as an antecedent for customer satisfaction. The factors extracted gave perceived service quality dimensions which correlate with overall attitudinal loyalty. Overall service quality further tested for any significant relationship with attitudinal loyalty, which is considered to be an important component of retaining valued customers. The data has been collected from 100 valued customers of two private retail banks of Tiruchirapalli. A questionnaire elicited information on socio-demographic variables along with SERVQUAL dimensions of service quality added with three extra contemporary validated variables and attitudinal loyalty variables. The results suggest that responsiveness
and reliability of service quality dimensions determine customer satisfaction more than the assurance, empathy and tangible aspects (SERVQUAL score analyzed using Factor Analysis and Multiple Regressions). Overall perceived service quality fosters customer's attitudinal loyalty (Tested with Chi-Square Statistics and Correlation Analysis). Increase in service quality of the banks can satisfy and develop attitudinal loyalty which ultimately retains valued customers.

Michael D. Clemes, Christopher Gan and Dongmei Zhang (2010) in their study, stated that there is intense competition and increasing globalisation in financial markets. Bank management must develop customer-oriented strategies in order to compete successfully in the competitive retail banking environment. The longer a bank can retain a customer, the greater revenue and cost savings from that customer. China’s accession to the World Trade Organisation (WTO) has resulted in the liberalisation and deregulation of China’s financial services market. Chinese customers now have greater choices between domestic and foreign banks. This study aims to identify and analyse the factors that influence bank customers’ switching behaviour in the Chinese retail banking industry. The research findings reveal that price, reputation, service quality, effective advertising, involuntary switching, distance, and switching costs impact on customers’ bank switching behaviour. The findings also reveal that the young and high-income groups are more likely to switch banks.

Shirshendu Ganguli and Sanjit Kumar Roy (2011) in their study identified four generic service quality dimensions in the technology-based banking services - customer service, technology security and information quality, technology convenience, and technology usage easiness and reliability. It was found that customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction and customer loyalty. It was also found that technology convenience and customer satisfaction have significant and positive impact on customer loyalty. These dimensions of service quality should be viewed as the levers of improving perceived service quality with respect to technology-based banking in the minds of its current customers. Examining the service quality dimensions’ impact on customer satisfaction and customer loyalty for technology-based banking can offer banks valuable insights regarding which aspects of the service to focus on in order to improve customer satisfaction and loyalty towards the firms.

Rajat Gera (2011) in their study investigated the path 'perceived service quality - perceived customer value - customer satisfaction - behavioral intentions' in Indian retail
banking. The service quality attributes were identified from literature and finalized after interviews with bank managers. Two service quality dimensions were extracted using exploratory and confirmatory factor analysis of data. Lisrel version 8.5 software was used to compare two competing models, i.e. direct effects and indirect effects models. The direct effects model was of acceptable fit based on indices of fit. Perceived service quality, customer satisfaction and perceived value were significant antecedent variables of 'intention to recommend to others'. Customer satisfaction and perceived value were significant antecedents of 'intention to repurchase'. The two service quality dimensions had significant direct effects on customer satisfaction and perceived value. The results support the direct effects model of effect of perceived service quality on behavioral intentions in the Indian retail banking context.

Koushiki Choudhury (2011) in their study, reveals that the Indian banking industry is going through turbulent times. In this era of mature and intense competitive pressures, it is imperative that banks maintain a loyal customer base. To achieve this objective and improve their market and profit positions, many retail banks are directing their strategies toward increasing customer satisfaction and loyalty through improved service quality. In the present context, characterised by rapid change and sophisticated customers, it is important that banks in India determine service quality factors, which are pertinent to the customers’ selection process, as well as the dimensionality of customer-perceived service quality. If service quality dimensions are identified, service managers can improve the delivery of customer perceived quality during the service process and have greater control over the outcome. The author suggests that customers distinguish four dimensions of service quality in the retail banking industry in India. These dimensions of customer-perceived service quality are customer-orientedness, competence, tangibles, and convenience. The results of this study offer strong support for the intuitive notion that improving service quality increases favourable behavioural intentions, namely WOM (Word-of-Mouth) communications.

2.5. Identification of Research gap and contribution of the study.

This research study after inferring substantial empirical and theoretical evidence in the above cited literature, proposes to develop an integrated structural model in which the service quality dimensions will have a direct impact on banking customers’ behavioural intentions. Most of the research study in the past claims that customer satisfaction and other intermediating factors mediate in between service quality and behavioural intentions, but very
few studies in the globe had explored the direct influence of service quality on behavioural intentions which gave scope to the research gap. And those research claims is evidenced and supported by the following researcher and they suggest that there is a direct link between service quality and behavioural intentions (Bitner, et al. 1990; Bolton and Drew, 1991). Among the various behavioural intentions, considerable emphasis has been placed on the impact of service quality in determining repeat purchase and customer loyalty. As pointed out by Bolton (1998), service quality influences a customer’s subsequent behaviour, intentions and preferences. When a customer chooses a provider that provides service quality that meets or exceeds his or her expectations, he or she is more likely to choose the same provider again. Besides, Cronin and Taylor (1994) also found that service quality has a significant effect on behavioural intentions. Other studies which support repurchase and behavioural intentions are positively influenced by service quality include Zeithaml, Berry and Parasuraman (1996), Cronin and Taylor (1992, 1994), Cronin, Brady and Hult (2000), and Choi et al. (2004). Hence, the study primarily hypothesized that:

HI: Service quality factors or dimensions are positively related to customer behavioural intentions.

As a matter of fact, standardized service quality delivered towards customers can be designed after understanding the customer needs. For which, service quality measurement can be exercised, service standards must be developed and maintained by marketers of banks and marketers able to periodically accommodate only little contemporary customer requirement changes in the service quality measurement construct. In case of customer satisfaction measurement construct which is comprehensive in nature, because of the fact that many other attributes like commitment, price, Image etc plays a mediating a role in bringing customer satisfaction which then leads to customer behavioural intentions. Research in the service marketing literature is an ongoing process, whereby new factors are discovered everyday which promotes customer satisfaction and then leads to customer behavioural intentions.

Understanding and accommodating these new factors is supposed to be a costlier affair for marketers because of the dynamic nature of Customer satisfaction, since customer expectations changes rapidly. Hence, this study attempts to develop an integrated structural SQ-BI Model which integrates standard and affordable service quality measurement construct developed by Sureshchander et al, 2002 (the link between service quality and customer
satisfaction has been investigated and the results have indicated that the two construct are indeed independent but are closely related which comprises most of the components of general customer satisfaction variables as well) with behavioural intentions battery developed by Zeithmal et al, (1996) and attempts to study, which dimensions/variables of service quality constructs impact favourable and unfavourable behavioural intentions of banking customers. No comparative study like this, ever attempted in Indian banking scenario describing the direct impact of service quality on behavioural intentions dimensions among public, private and foreign banks. Hence, this study fills the above said research gap and contributes to the service marketing literature and Indian banking industry in a novel way.

2.6. Operationalisation of service quality construct (Sureschandar et.al, 2002)

The research literature on service quality and satisfaction has indeed swelled enormously over the past two decades (e.g. Parasuraman et al, 1985, 1988, 1991, 1994; Zeithaml et al, 1988, 1990, 1996; Carman, 1990; Finn and Lamb, 1991; Cronin and Taylor, 1992, 1994; Babakus and Boiler, 1992; Brown et al, 1993; Teas, 1993, 1994). However, the SERVQUAL instrument of Parasuraman et al, (1988), 22-item scale that measures service quality along five factors, forms the cornerstone on which all other works have been built.

But a careful examination of the scale items divulges that most of the items focus on the component of human interaction/intervention in the service delivery and the rest on the tangibles facet of the service (such as the effect of atmospherics, design and decor elements, appearance of equipment, employee dress, etc.). The point to be underscored here is that the SERVQUAL instrument does not address certain other important constituents of service quality such as the features associated with a service, namely, the service product or core service, systematization/standardization of service delivery in order to establish the seamlessness in service and the image or goodwill a service firm could establish for itself in terms of being responsible to the society in which it operates. In this background, the current research work aspires to use an empirical model of service quality that could form the basis for a better understanding of the determinants of customer perception of service quality.

Buttle (1996) summarized the major criticisms of SERVQUAL in two broad categories - theoretical and operational.
Theoretical criticisms include:

- Process orientation (Mangold and Babakus, 1991; Cronin and Taylor, 1992; Richard and Allaway, 1993).
- Dimensionality (Carman, 1990; Saleh and Ryan, 1992; Bourman and van der Wiele, 1992; Babakus and Boiler, 1992; Babakus et al., 1993; Brown et al., 1993; Spreng and Singh, 1993; Ford et al., 1993; Gagliano and Hathcote, 1994).
- Operational issues comprise:
  - Expectations (Gronroos, 1993; Teas, 1993a, b).
  - Item compositions (Carman, 1990; Bourman and van der Wiele, 1992; Saleh and Ryan, 1992; Babakus and Mangold, 1992; Fort, 1993).
  - Polarity (Babakus and Boiler, 1992; Babakus and Mangold, 1992).
  - Scale points (Babakus and Mangold, 1992; Lewis, 1993).
  - Two administrations (Carman, 1990; Babakus and Boiler, 1992; Bourman and van der Weile, 1992; Babakus et al., 1993; Clow and Vorhies, 1993; Gronroos, 1993).
  - Variance extracted (Carman, 1990; Babakus and Boiler, 1992; Bourman and van der Weile, 1992; Saleh and Ryan, 1992).

The concerns raised in the above-mentioned works clearly indicate that there is still scope for further research in the subject of service quality, which is, by nature, an abstract concept that is difficult to comprehend.

Determinants of service quality—Notwithstanding its widespread impact on business and academia, SERVQUAL has been subjected to number of criticisms as well. But what is to be reexamined is the reality that in spite of disagreement over use of both the expectations and performance measures and the dimensionality of the SERVQUAL instrument across different industrial settings, researchers and practitioners seem to generally agree that the 22 items are good predictors of overall evaluation of service quality by consumers. The point worth mentioning here is that the completeness of the 22-item scale proposed by
Parasuraman et al. (1988) in addressing the critical dimensions of service quality is a subject of further investigation because a careful scrutiny of the scale items reveals that most of the items mainly focus on the human aspects of service delivery and the remaining on the tangibles of service (like the effect of atmospherics, design and decor elements, appearance of equipment, employee dress, etc.).

Human element-The importance of the element of human interaction/intervention in the service delivery has been recognized and reiterated by many other researchers as well (e.g. Mills and Morris, 1986; Norman, 1991; Harber et al, 1993a, b; Stebbing, 1993; Schneider and Bowen, 1992, 1993, 1995; Schneider et al, 1994, 1996). Of the five SERYQUAL's dimensions, four, namely, reliability, responsiveness, assurance and empathy, correspond to this factor of human element in the service delivery.

Tangibles-The fifth dimension, i.e. "tangibles", relates to the effect of physical facility, equipment, personnel and communication materials on customers. The effect of these atmospherics, popularly known as "servicescapes" (Bitner, 1992), does influence customers in numerous ways. Bitner (1992) explained how the employees and customers are influenced by these tangible facets of services in physiological, psychological, sociological, cognitive, and emotional ways. Many other authors have also discussed in detail the impact of these servicescapes on the service perceptions by customers (e.g. Kotler, 1973; Shostack, 1977: Booms and Bitner, 1982; Rapoport, 1982; Upah and Fulton, 1985; Zeithaml et al, 1985; Bitner, 1986; Berry and Clark, 1986; Baker, 1987) and their effect on employees (e.g. Becker, 1981; Davis, 1984; Steele, 1986; Wineman, 1986; Baker et al, 1988; Sundsstrom and Altman, 1989).

Although the importance and relevance of these two factors in predicting service quality is, without an iota of doubt, acclaimed by one and all, it should also be emphasized that the highly subjective concept of service quality is not only confined to the realms of these two factors, but also includes other critical aspects such as the service product or the core service; systematization/standardization of service delivery (the non-human element); and the social responsibility of the service organization. Hence, the service quality construct comprises the following essence and quality of services.

Service product or core service-The core service refers to the essence of a service. Whatever service features offered is as important as how it is delivered (Rust and Oliver,
1994). Schneider and Bowen (1995) explained that in a service business a lot of emphasis is usually placed on the procedures, processes, and contexts for service to the extent the organization tends to overlook that there is also something called the "core service". The authors also reasoned that fancy facilities, modern equipment, stylish uniforms, and terrific signs can never make up for bad/mediocre food, poor financial advice, an inappropriate will, or a lousy music.

For instance, the various varieties of food and other dishes a restaurant offers to its customers constitute a service product. Even though the restaurant's personnel are very friendly, pleasant and gentle to their customers, if the restaurant fails to offer a good quality and tasty food or a wide variety of recipes, customers may not attach a very high value to the quality of service it offers. Even if a lawyer is very considerate and kind to his/her clients, the clients may not perceive his/her service quality as high, if the lawyer lacks competence in making use of the key/subtle points in the law to the clients' advantage. Although an educational institution has good infrastructure and other supporting facilities, it will not get a high rating in the academic world if it lacks well qualified and knowledgeable teachers who can impart quality education to their students.

Schneider and Bowen (1995) summarized that the core service itself has perceivable, tangible, and multidimensional quality features that could distinguish services, and could predominate over other issues such as delivery and the like. The nature and quality of this core service largely influences the quality perceptions of the customers.

Systematization of service delivery: non-human element- Systematization of service delivery refers to the non-human element in the service delivery in contrast to the human element, which has been effectively captured by SERVQUAL. Service delivery processes should be perfectly standardized, streamlined, and simplified so that customers can receive the service without any hassles, hiccups or undesired/inordinate questioning by the service providers. A study of 1,500 consumers by Cambridge Reports, a Massachusetts-based research firm, found that 44 percent of the respondents indicated that "ease of doing business with" was the fundamental reason for choosing a financial firm (Zemke and Schaaf, 1990).

The effectiveness of the total quality service (TQS) movement relies on understanding and utilizing the process as a tool to respond to customers faster than the competitors (Milakovich, 1995). Ahire et al (1995) reasoned that the overall quality of the products or
services could be made better by improving the quality of the processes either directly or indirectly. Enhancement of technological capability (e.g. computerization, networking of operations, etc.) plays a crucial role in establishing the seamlessness in service delivery.

Social responsibility-Social responsibility is an important concept, which is probably missed out completely in the quality management literature, though it has repeatedly found due recognition and representation in the Malcolm Baldrige Model (US Department of Commerce and Technology Administration, 1997, 1998, 1999, 2000). A study conducted by "Consumer Reports" on customers of non-banking financial companies (Zemke and Schaaf, 1990) found that one of the predominant consumer concerns on service quality was: "Equal treatment tempered by pragmatism, stemming from the belief that everyone, big or small, should be treated the same". They were also concerned about getting good service at a reasonable price, but not at the expense of quality. With the entire business community undergoing a service quality revolution this subtle aspect helps an organization to lead as a corporate citizen in encouraging ethical behaviour in everything it does. For instance, a hospital that gives free treatment to the economically downtrodden, an educational institution that grants scholarships for the poor, or a financial institution that provides loans to needy ones with less rigid loan conditions, would certainly be revered and valued by the customers. Although this factor sounds highly complex and imperceptible, it improves an organization's image and goodwill thereby influencing customer perceptions of service quality.

Five factors

To put everything in a nutshell, customer perceived service quality is based on essentially five factors, namely:

1. Core service or service product;
2. Human element of service delivery;
3. Systematization of service delivery: non-human element;
4. Tangibles of service (servicescapes);
5. Social responsibility.
An already empirically validated instrument consisting of 41 items from five factors has been developed in this study and the details of the 41 items are well depicted in research methodology chapter.

2.7. Operationalisation of Behavioral Intentions Construct (Zeithmal et al., 1996).

The primary instrument used to measure willingness to recommend was posted by Zeithaml et al., (1996). Zeithaml et al., (1996) developed the Behavioral Intentions Battery (BIB) instrument to measure customer behavioral intentions. The premise of their research was based on the paradigm that since service quality relates to the retention of customers at the organizational level, the evidence of the impact of service quality on behavioural responses should be measurable (Zeithaml et al., 1996).

Previous research conducted on service quality and the measurement of behavioral intentions was conducted on a single-item scale (Cronin & Taylor, 1992) and a two-item scale (Boulding et al., 1993). They reported that this research has not fully captured the range of potential behaviours likely to be triggered by service quality. Therefore they developed a 13-item battery in order to more accurately assess the impact of service quality on a wider range of behaviours. The 13 items are grouped into a framework of four categories: (a) word-of-mouth; (b) purchase intentions; (c) price sensitivity; and (d) complaining behaviour. After factor analysis was conducted to examine the dimensionality of the items, it was determined that a five-factor framework would produce an unambiguous factor pattern. The 13 items were configured into five dimensions: loyalty to company, propensity to switch, willingness to pay more, external response to a problem, and internal response to a problem (Bloemer, 1999; Zeithaml et al., 1996). But after the pilot study in this research, on requirement of reliability test and application of Analysis of Movement of structure, the 13th variable belong to 5th factor - internal response to a problem merged into the 4th factor namely external response to a problem. Hence, this constructs reconstructed into four dimensions namely 1) loyalty to company 2) propensity to switch 3) willingness to pay more 4) external response to a problem and internal response to a problem considering the statistical viability.

2.8. Framework of analysis: Proposed research Model

The present study aims at integrating the already existing two models namely Service Quality by Sureshchander et al. (2002) and Behavioral Intention battery by Zeithaml et al. (1996). The whole edifice of the research work is based on the integration of the two models.
The very purpose of the integration of the two models is to unearth the direct impact of Service Quality on Behavioral Intention dimensions, which were not done extensively by others. By doing this study, the findings will contribute to enhancement of service quality and behavioral intention literature, to the banking practitioners and to the society at large.

Figure: 2.1 Proposed Research Model
References cited for chapter two:


