Preface

Change is the only permanent fact of life. The passing phase of time has also brought about a fundamental revision in the operations of financial service sector. Financial institutions have undergone major changes over the last few decades. The decade of nineties have witnessed a significant change which forced the financial institution to expand their geographic diversity and size to achieve economies of scale or establish a bridge between different financial services in the hope of creating synergies. Simultaneously with consolidation in the financial service sector, many new financial services have been introduced the decade has also witnessed many new technologies coming to function especially in computers and communication.

There is little data comprising the impact of these changes on value creation by the financial institutions and consumers of financial service sector. This work aims at analyzing the positive and negative effects of these changes on the management of financial services. It sets an enquiry into the reasons for providing varied services, and its impact on profitability and image of financial institutions. It highlights the evaluation parameters used to evaluate the services and factors responsible to maintain service quality.

Further more this thesis tries to study the consumers view point also. Financial institutions around the world are concentrating on relationships: creating them, sustaining them, building them, continuously improving them and protecting them. Therefore it is essential to understand the factors which motivate the consumers to choose and avail services from particular financial institutions.

This thesis tries to clear the perception of consumers and match it with the management practices adopted by financial institutions. It tries to provide a basis to managers, academicians and students to understand the financial service sector in its totality.