2.1 Introduction

The participation of customers in the co-creation process of service entails that, besides the service outcome, the consumption process is important and affects service quality, service experience perceptions and behavioural intentions. This chapter presents a review on literature related to the research problem. The chapter will introduce the concepts of switching behaviour, consumer decision making, switching triggers, service quality and consumer commitment in order to give a clear idea about the research problem.

2.2 Service Switching

Service switching involves replacing the current service provider with another service provider (Bansal & Taylor, 1999; Bucklin & Srinivasan, 1991; Carpenter & Lehmann, 1985; Keaveney, 1995; Morgan & Dev, 1994).
Switching, also referred to as customer defection or customer exit (Hirschman, 1970; Stewart, 1994), happens when a customer transfers all or part of his purchases from one service provider to another. Switching may be complete or partial, depending on whether the transfer involves total loss of a customer or the loss of any portion of a customer’s business (Roos et al., 2004). Customers who close their accounts and shift all their businesses to another firm are clearly switching. This type of switching is referred to as total switching. Customers may also switch by transferring only a part of their business to another firm, while still maintaining their account with the firm. This type of switching, where a customer shifts some part of his purchase to another firm is referred to as partial switching. Partial switching which is determined as a loss of any portion of a customer’s business is difficult to detect (Siddiqui, 2011) while total switching is easy to detect since customers close all their accounts and switch their entire business to another service provider (Bolton & Bronkhorst, 1995; Boote, 1998).

When external switching i.e. total or partial is not an option, customers may also switch internally by deciding to stop using the product or service completely (Roos et al., 2004). Service industries present a more difficult situation to understand switching behavior compared to products. Services being intangible, heterogeneous, inseparable and perishable, the criteria by which customers evaluate services are less well articulated and the assessment of the value received is subjective (Berry, 1980; Keaveney, 1995) and it therefore becomes difficult to understand the basis of consumer choice in the case of services. It has been estimated that of all defecting customers, 35 per cent switch due to uncontrollable external factors from a customer satisfaction perspective; the remaining defections are caused by controllable internal
factors related to the organisation’s treatment of its customers (Kaur, Sharma & Mahajan, 2011). Controllable factors that cause customers to switch include price, product problems, poor service quality, problem resolution, merger and location/convenience (Trubik & Smith, 2000).

The customers’ consumption process leads to their decision of whether to stay with a provider or not (Roos & Gustaffson, 2007). As the service is consumed, the consumer compares actual perceptions of performance with expectations. When performance meets or exceeds expectations, satisfaction results. Customer dissatisfaction occurs when customer expectations exceed performance of product or service (Zeithaml, Parasuraman & Berry, 1990). When service experience exceeds expectation, customers form good impressions and may purchase the services from the provider again (Cina, 1989). When the service experience does not match with the expectation, customers experience cognitive dissonance and they respond by switching to a new supplier (exit), by attempting to remedy the problem by complaining (voice), or by staying with the supplier anticipating that the service experience will get better (Hirschman, 1970). Customer satisfaction is not necessarily a guarantee of loyalty because satisfied customers may also switch for reasons like a need for some variation (Storbacka & Lentinen, 2001) or hoping to receive even more satisfying results. Whatever the reason customers switch providers, customer switching, whether external or internal, total or partial, has significant impacts on a service provider’s bottomline as the effect of switching of satisfied customers is by no means a less severe loss to a service provider compared to the switching of dissatisfied customers. When customers stop their business transactions with a service provider or partly shift their business transactions from a service provider, they take away with them their
revenue generating potential. In services like banking and insurance where the service is delivered continuously, switching behaviour can be particularly serious (Keaveney & Parthasarathy, 2001). Customer loyalty and disloyalty constitute two entirely separate bodies of literature. Though switching is loosely considered as the opposite of loyalty, the study of switching process differs remarkably from the models explaining consumer loyalty or commitment. According to recent studies in services marketing, satisfied and loyal customers may also decide to end relationships (Mittal & Lassar, 1998). Moreover, the variables having positive outcomes as in the case of loyalty or retention, may have an asymmetric effect when negative outcomes like dissolution are examined (Bansal & Taylor, 1999).

A decrease in customer switching leads to both higher revenues and lower costs for a service provider and has been shown to be effective from both offensive marketing perspective (the revenue side) and the defensive strategic marketing perspective (the cost side) (Fornell & Wernerfelt, 1987). Continuing customers purchase higher volumes at higher margins (Reichheld & Sasser, 1990); increase their usage of service even at higher prices (Bolton & Lemon, 1999); incur lower serving costs for the service provider and result in higher operating efficiencies (Reichheld & Sasser, 1990). Retained customers attract new customers through positive word of mouth, thereby increasing market share and also generate increasingly more profits each year they stay with a company (Reichheld & Sasser, 1990). Customer retention also results in motivational, perceptual and behavioural consequences that are beneficial to the service provider (Bansal & Taylor, 1999). For subscription or membership based services such as insurance, banking, telecommunications, cable etc. where customers commit to ongoing relationships, customer
switching behavior can be particularly damaging as these services depend on customers to pay all or part of their charges on a fixed fee continuous basis (Keaveney & Parthasarathy, 2001).

Literature on customer switching has investigated its potential antecedents (Bolton et al., 2004; Dick & Basu, 1994; Keaveney, 1995) and also the process of switching (Bansal & Taylor, 1999; Colgate & Hedge, 2001; Roos, 1999; Stewart, 1998a). Researchers have used several terms for the service provider-consumer relationship ending: consumer switching behavior (Athanassopoulos, 2000; Bansal & Taylor, 1999; Keaveney, 1995; Mittal & Lassar, 1998; Roos, 1999); customer exit (Bolton, 1998; Stewart, 1998a; 1998b); termination (Hocutt, 1998; Roos, 1999); breakdown (Stewart, 1998a); customer defection (Colgate et al., 1996); dissolution (Hocutt, 1998); ending (Stewart, 1998a). Keaveney’s (1995) study across forty-five different services using critical incident technique (CIT) to understand customer switching in service industries identified eight factors related to service problems and non-service problems. The eight factors included pricing, core service failures, service encounter failures, inconvenience, employee responses to service failures, attraction by competitors, ethical problems and involuntary switching and seldom mentioned incidents. Six of the eight factors were service related factors, implying that these factors were controllable from a service firm’s side. Among these antecedents, pricing problem emerged as the most influential factor for switching, followed by service failures and denied services. Keaveney (1995) took a generalized view of investigating the antecedents of customer switching (Colgate & Hedge, 2001). According to Mittal and Lassar (1998), the unique characteristics of switching behavior may be masked when generalized models are directly applied. Stewart (1998a)
in her review on the exit process in retail banking mentioned four types of switching incidents: charges and their implementation, facilities and their availability, provision of information and confidentiality and service issues relating to how customers are treated. Gerrard and Cunningham (2004) identified six incidents namely; inconvenience, service failures, pricing, unacceptable behavior, attitude or knowledge of staff members, and lastly involuntary or seldom mentioned incidents and the attraction power of competitors. From the reviews, it appears the major switching factors are pricing, core service failures, service encounter and recovery failures, inconveniences and competitor attractions.

Models that depict service switching behaviour indicate that switching involves a gradual dissolution of relationships due to multiple problems encountered over time (Bejou & Palmer, 1998; Hocutt, 1998). While a single critical incident can make a customer exit immediately, most often switching happens due to multiple problems, numerous and complex, encountered over time (Colgate & Hedge, 2001; Keaveney, 1995). The multiple problems are often not evaluated in isolation by customers in their switching decision; the combinations of factors interact to cause switching behaviour in customers (Keaveney, 1995). The switching process starts with the customers’ awareness of some negative aspects in the relationship and ends in a switching decision (Roos, 1999). Along the switching path, there may be many incidents which may be made up of several episodes or acts which the customers encounter and these acts or episodes move the customer along the switching path.

Roos (1999) applied the switching path analysis technique (SPAT) to study the whole process of switching, that is, the critical path leading from the
trigger of the incident to the switching outcome. The various switching elements identified in the switching process were relationship length; switching determinants which comprised of pushers, swayers and pullers; emotions, voice; decision whether total or partial; and the length of switching process. The switching determinant is the customers’ own expression of the reasons why they switched from a provider (Roos et al., 2004). Roos (1999) identified three types of determinants in the switching process: determinants pushing customers to switch (pushers); determinants that encourage them to remain in the relationship (pullers); and determinants that after switching makes the customer revert back to the “switched from” provider. The pushing determinant is the switching determinant which the customer perceives as the reason for switching to another provider. A swaying determinant is one which either mitigates or prolongs the switching decision. It may act in either direction. The pulling determinant is the switching determinant which makes customers return back to the service provider from whom customers switched. The switching determinant explains what has occurred while the trigger explains why it has occurred (Roos & Gustafsson, 2007). In the case of services it is important to include ‘relationship’ when trying to understand switching because of the very nature of services. A central concept in the relationship-marketing paradigm is that of customer commitment. An examination of commitment helps in looking beyond transaction variables in understanding why consumers switch service providers (Bansal, Irving & Taylor, 2004). Coulter and Ligas (2000) identified three stages in the switching stage: the breakdown trigger i.e., any factor that initiates the switch; the breakdown phase i.e., the negative and positive experiences evaluated by the customers; and the determinant incident i.e., any factor that makes the
customer end the relationship. Halinen and Tahtinen (2002) argued for the need to categorize antecedents of switching in three levels: predisposing factors, precipitating factors and attenuating factors of switching intentions.

### 2.3 Consumer Decision Making Models

Consumer decision making has for a long time been a focal area of interest to researchers. A number of different approaches have been adopted in the study of decision making. These approaches draw on differing traditions of psychology and posit alternate models of man. These approaches include the economic man approach, psychodynamic approach, behaviourist approach, cognitive approach and humanistic approach. Since 1960s various models of consumer decision making process have been developed (Engel, Kollat & Blackwell, 1968; Howard & Sheth, 1969; Nicosia, 1966). Though they differ in approach, five similar decision process stages occur in all these models. These five stages include need recognition, search for information, evaluation of alternatives, purchase and post purchase behaviour.

Need recognition is the first and crucial stage of the consumer decision making process as the customer purchase happens because of this stage. This stage depends on the degree of homeostasis, the balance between the customer’s actual state and desired state. When there is a large deviation from homeostasis, a need or problem is recognized by a consumer. The second stage is the information search stage, during which the consumer actively searches for information, either internally or externally. Internal search involves information recall from memory and depends on the consumer’s existing knowledge and ability to retrieve relevant information (Engel, Blackwell & Miniard, 1995). External search involves information obtained
largely from personal interaction by word of mouth or mass market communication (Holbrook & Hirschman, 1982). During the third stage which is the alternative evaluation stage, the various alternatives are evaluated by the consumer and selected so as to meet the consumer’s needs. The consumer processes different competing alternatives and evaluates the value of each with respect to their attractiveness in terms of the extent to which the alternatives meet customer needs. The evaluation is both, cognitive and rational, where the individual compares the benefits of the alternatives (Solomon et al., 2010).

The cognitive approach views consumers as processors of information and attributes consumers’ behaviour to intrapersonal cognition. Cognitivism as an approach explains consumer behaviour in simple explanations of daily discourse and has the advantage of giving explanations in the same terms as consumers describe their experiences (Foxall, 1990). The two major types of cognitive models are the analytic models and the prescriptive models. The analytical models provide a framework of the key elements that explain the behaviour of consumers. They follow the traditional five step classification which include problem recognition, information search, alternative evaluation, choice and outcome evaluation as the key stages in consumer decision processes (Erasmus, Boshoff & Rousseau, 2001; Schiffman & Kanuk, 2007). The prescriptive models on the other hand, provide certain guidelines or frameworks as to organise how consumer behaviour is structured. The most widely referenced and used prescriptive models are the Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975) and the Theory of Planned Behaviour (TPB) (Ajzen, 1985).
Some of the best-known consumer decision-making models were developed in the 1960s and 1970s. Those consumer decision-making models that are still used today reflect consumer decision process in terms of the interrelationship of concepts and the flow of activities. Howard developed the first consumer decision-making model in 1963 and the model was developed further in 1969 by Howard and Sheth which came to be known as the ‘Theory of Buyer Behaviour’ (Howard & Sheth, 1969). The theory provides an integration of the various social, psychological and marketing influences on consumers’ choice into an organized, coherent sequence of information processing (Foxall, 1990). The Consumer Decision Model (Engel-Blackwell-Miniard Model) was originally developed in 1968 by Engel, Kollat, and Blackwell and went through numerous revisions. The Engel, Kollat and Blackwell Model, also referred to as the EKB model was proposed to organize and describe the growing body of knowledge/research concerning consumer behavior. A comprehensive model, it showed the various components of consumer decision making and the relationships among them. The model went through many revisions and modifications, with attempts to elaborate upon the interrelationship between the various components and sub-components; and, finally another model was proposed in the 1990s which came to be known as the Engel, Blackwell and Miniard (EBM) Model. The Engel, Blackwell and Miniard’s Model (1995) shows the complexity of consumer behaviour and also the observable relationships and influencing variables. The model (Figure 2.1) provides a clear depiction of the process of consumption. Belch, Belch, Kerr, & Powell (2012) modified the basic EKB model of consumer decision making and described the consumer decision making model with two parts (Figure 3.2 in chapter 3), one part showing the consumer decision making
process and the second part showing the corresponding psychological processes that complement each stage in the decision making process.

![Figure 2.1 Engel Blackwell Miniard Model](image)

Source: Engel, Blackwell and Miniard (1995)

The most influential work in the prescriptive area was by Martin Fishbein who proposed a model of attitude formation, the ‘Fishbein Model’ (Fishbein, 1967). The model proposed that a person’s overall attitude towards an object is derived from his beliefs and feelings about various attributes of the object. It was developed further, and extended significantly to not only assess attitudes, but also behaviour (Ajzen & Fishbein, 1980; Fishbein & Ajzen,
1975). Ajzen and Fishbein formulated in 1980 the Theory of Reasoned Action (TRA) (Figure 2.2). This resulted from attitude research from the Expectancy Value Models and Ajzen and Fishbein formulated the theory after trying to estimate the discrepancy between attitude and behaviour.

Source: Ajzen and Fishbein (1969, 1980)

**Figure 2.2 Theory of Reasoned Action**

The Theory of Reasoned Action (TRA) suggests that a person's behavior is determined by his/her intention to perform the behavior and that this intention is, in turn, a function of his/her attitude toward the behavior and his/her subjective norm. The TRA was related to voluntary behaviour. However, it was assumed that behaviour is not always within the complete control of the consumer, and as such an additional variable mediating between
intentions and behaviour was necessary (Warshaw, 1980). Ajzen provided this additional variable in 1985 when he published the Theory of Planned Behaviour (TPB) (Ajzen, 1985) which is shown in figure 2.3. The Theory of Planned Behaviour is a theory which predicts deliberate behaviour, because behaviour can be deliberate and planned. In TPB, behavioural intention is controlled by attitude towards the behavior, subjective norms and perceived behavioural control. Actual behavior is derived largely from behavioural intention but is mediated to some extent by perceived behavioural control. Although there is not a perfect relationship between behavioural intention and actual behaviour, intention can be used a proxy measure of behaviour. This observation is one of the most important contributions of the TPB model compared to previous models of the attitude-behaviour relationship. Since its publication, the TPB has become the dominant expectancy-value theory and has been applied in a wide variety of behavioural domains.
2.4 Switching Triggers

Literature describes triggers of varying nature. In psychology, triggers indicate the factor which is the cause of a change of the conditional state. As cited by Edvardsson, Gustafsson and Roos (2002), medical literature explains triggers as the final reason for breaking down of defense against diseases (Eby, Deena, Michael, & Charles. 1999); in financial literature, trigger is sometimes used to explain for prompt capital outflows and rapid deterioration of stable economies (Paasche, 2001) and in marketing literature, trigger takes the role of alarm clocks (Gardial, Flint & Woodruff, 1996), providing signals for further actions in perception processes (Edvardsson & Strandvik, 2000; Roos & Strandvik 1997).
Process theories generally comprise three components: a set of starting conditions, an emergent process of change and a functional endpoint (Van de Ven, 1992). The identification of the triggers in the switching process offers a good starting point to understand the process of switching (Roos et al., 2004) as trigger events are crucial in the consumption process (Gardial et al., 1996). The cues that lead to trigger raise the customer’s awareness of the consumption process (Day, 1976) and may cause a devaluing of the current service (Woodruff, 1993). A trigger event is something specific that can be identified and that which causes a change in the customer’s response to a service and is seen from the point of view of the individual being alerted. Gardial et al. (1996) defined trigger as ‘a stimulus in the environment that is perceived by the consumer to be out of the ordinary and relevant to his/her product/service use and which results in some form of change in cognitive, emotional and/or behavioural evaluative response relative to the particular product/service/seller in question’ (p. 36). They consider triggers as events that lead to five different kinds of responses among customers (Figure 2.4) in satisfaction determination and post purchase evaluation process: a reevaluation of the service, a change in standards level, an emotional response, a change in values and a change in behaviour. Different triggers may evoke different responses in customers as attribution theory suggests that consumers respond differently depending on the source of event (Folkes, 1984; Swan & Trawick, 1994).
Based on the source of trigger, Gardial et al. (1996) classified triggers as consumer caused, vendor caused and environment caused. Previous studies have suggested that triggers can be classified in terms of the customers’ own lives (situational triggers), the market impact (influential triggers), and traditional critical incidents (reactional triggers) (Gustafsson, Johnson & Roos, 2005; Roos, 1999; Roos et al., 2004; Roos, Gustafsson & Edvardsson, 2006). Situational triggers are those reasons which are not related to the service provider but arise due to changes in the customers’ own lives like demographic changes, changes in the work situation or changes in the customers’ living conditions. A situational trigger is often linked to the customer’s private life. In a way, the service expires and no longer reflects the need of the customer (Gustafsson et al., 2005). Influential triggers are those reasons that arise due to competitive situations. These triggers arise due to
efforts or actions by competitors to increase their market share. Reactional triggers are triggers caused by critical incidents between customers and service providers. Such critical incidents redirect the customers’ attention to evaluate the performance of their service provider which may put them on a switching path (Gustafsson et al., 2005).

The customer relationship study in the Swedish telecommunication industry by Roos and Friman (2008) throws light on the three different types of triggers. Situational triggers cause sensitivity for switching in customer relationships and the factors are related to customers’ own lives and change the customers’ perspective of the value of the service received by them with implication for the relationship strength. ‘Situationally triggered’ customers are aware of the change and actively search for new alternatives. These triggers reflect a change in the customer’s own situation and the change provokes reconsideration of his or her relationship with the service provider. The influential-trigger situation occurs when competitors use different marketing strategies to sway customers into switching to their products or services by offering more attractive solutions. The competitors’ efforts to increase their market share comprise the most common influential trigger (Roos et al., 2004). Reactional triggers are factors that cause sensitivity for switching in customer relationships because of a reduction in the customers’ trust towards the service provider. The customer perceived deterioration in the relationships with the service providers can either be interaction-related or organization-related causing the customers to actively search for alternatives. Though mostly formed through critical incidents in service relationships (Edvardsson, 1988; Strauss, 1993), reactional triggers may also result from a slow deterioration in the level of service provided by the provider.
Halinen & Tahtinen (2002) classified triggers into three: predisposing elements, precipitating elements and attenuating elements. Predisposing elements and precipitating elements promote ending of relationship while attenuating elements hinder the process. Predisposing elements are fairly static and inherent to the relationship and they exist when customers enter into the relationship. Circumstances may have forced the two parties to enter into the relationship and the predisposing elements remain. Precipitating events bring change to the existing relation and function as impulses for the parties to take action to end their relationship. Attenuating elements moderate the effect of predisposing and precipitating elements and if the perceived importance of the attenuating elements is high, the customer will be more likely to continue the relationship.

Triggers represent the reasons why customers begin to consider switching and are the sensitizing factors that influence the customer behaviour change and provide the switching path with energy and direction (Roos et al., 2004). The trigger makes a customer more conscious and more sensitive to all perceptions of the relationship. The changes that trigger events evoke can give valuable insights into consumer behaviour (Gardial et al., 1986). Once customers perceive the trigger they enter a switching path and become more sensitive to all concerns of the particular company (Roos et al., 2004). The consequence is that the sensitiveness is not increased only regarding the source of the trigger, but regarding the whole service provider. Customers become more aware and they seem to be better at evaluating the service provider than those customers that have not perceived any trigger. The triggered customers have distinct and different characters concerning their awareness of their service providers’ quality compared to those customers who have not
perceived a trigger. Therefore, when customers are more sensitive towards the company they simultaneously become more aware of the option to switch.

2.5 Service Quality

Parasuraman, Zeithaml & Berry (1988) defined service quality as a global judgment or attitude, relating to the overall superiority of the service. Bitner, Booms and Mohr (1994) defined service quality as the consumer’s overall impression of the relative inferiority/superiority of the organisation and its services. While service quality is viewed in some studies (Cronin & Taylor, 1994) as a form of attitude representing a long-run overall evaluation, Parasuraman et al. (1985) defined service quality as a function of the differences between expectation and performance along the quality dimensions. This has appeared to be consistent with Roest and Pieters’ (1997) definition that service quality is a relativistic and cognitive discrepancy between experience-based norms and performances concerning service benefits. Across service quality literature, there have been various definitions of the term service quality. A few of these definitions are listed in Table 2.1. All the definitions contain expectations or judgments, perception, and satisfaction and hence service quality could be specified as the degree to which a service can meet customer expectations that leads to the customer’s satisfaction or dissatisfaction.

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Lewis &amp; Booms, 1983</td>
<td>How well the service level delivered matches the expectations of the customer</td>
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Early conceptualization of service quality was formed by Gronroos (1982, 1984), who defined service quality by technical or outcome dimensions (what consumers receive) and functional or process related dimensions (how consumers receive the service). Gronroos’ model was general and without offering any technique on measuring technical and functional quality (Figure 2.5). Technical quality is the quality of what the consumer actually receives as a result of his or her interaction with the service firm and is important to him or her and to his or her evaluation of the quality of service. Functional quality is how the customer gets the technical outcome. This is important to the
customer and to his or her views of the service received. Image is very important to service firms and this can be expected to be built up mainly by technical and functional quality of service including the other factors like tradition, ideology, word of mouth, pricing and public relation.

Source: Goonroos (1984)

Figure 2.5 Goonroos Model of Service Quality (Nordic Model)
Parasuraman et al. (1985) developed a service quality model (Figure 2.6) and proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. According to this model, service quality is a function of perceptions and expectations. The model was based on the analysis of gap between customer expectations and service performance. Five gaps identified in the model were:

Gap 1: The difference between consumers’ expectations and management’s perceptions of those expectations.

Gap 2: The difference between management’s perceptions of consumer’s expectations and service quality specifications.

Gap 3: The difference between service quality specifications and service actually delivered.

Gap 4: The difference between service delivery and the communication to consumers about service delivery.

Gap 5: The difference between consumers’ expectation of service and the customer perceived service.
The exploratory research by Parasuraman et al. (1985) was refined with their subsequent scale named SERVQUAL for measuring customers’ perceptions of service quality (Parasuraman et al., 1988). The original ten dimensions of service quality were reduced to five dimensions: reliability, responsiveness, tangibles, assurance (communication, competence, credibility, courtesy, and security) and empathy. The SERVQUAL was revised in 1991 by replacing the word “should” with the word “would” and in 1994 by reducing the total number of scale items to 22, retaining the five dimensional structure. This led to the extended service quality model (Figure 2.7).
Figure 2.7 Extended Service Quality Model

Source: Parasuraman, Zeithaml and Berry (1988)
Rust and Oliver (1994) developed a three component model of service quality (Figure 2.8). The three components of the model were service product (technical quality), service delivery (functional quality) and service environment. The model was not empirically tested, but support has been found for similar models in retail banking (McDougall & Levesque, 1994).

![Figure 2.8 Three Component Model of Service Quality](source.png)

Dabholkar (1996) proposed two alternative models of service quality for technology-based self-service options. The attribute model (Figure 2.9a) is based on what consumers would expect from such option. It is based on a cognitive approach to decision making, where consumers would use a compensatory process to evaluate attributes associated with the technology based self service option in order to form expectations of service quality. The overall affect model (Figure 2.9b) is based on the consumers’ feeling towards the use of technology. It is based on an affective approach to decision making where consumers would use overall predispositions to form expectation of...
self-service quality for a technology-based self-service option. In both the models expected service quality would influence intentions to use technology-based self-service option.

Figure 2.9a Attribute Based Model & Figure 2.9b Overall Affect Model

Philip and Hazlett (1997), proposed a model (Figure 2.10) that takes the form of a hierarchical structure – based on three main classes of attributes – pivotal, core and peripheral. According to the model every service has overlapping of the above attributes, where majority of the dimensions and concepts used to define service quality are contained. The pivotal attributes, located at the core, are considered collectively to be the single most determining influence on consumer decision in selecting a particular
organization and they exert the greatest influence on the satisfaction levels. Core attributes, centered on the pivotal attributes, can best be described as the amalgamation of the people, processes and the service organizational structure through which consumers must interact and/or negotiate so that they can achieve/receive the pivotal attribute. The peripheral attributes are defined as the incidental extras or frills designed to add roundness to the service encounter and to make the whole experience for the consumer a complete delight.
The antecedents and mediator model (Dabholkar, Shepherd & Thorpe, 2000) is a comprehensive model of service quality (Figure 2.11) which provides a deeper understanding of conceptual issues related to service quality by examination of antecedents, consequences, and mediators of service quality.
Brady and Cronin (2001), proposed the hierarchical service quality model (HSQM) (Figure 2.12) where service quality was conceptualized as a multilevel construct consisting of three primary dimensions: interaction quality, physical environment quality, and outcome quality. Each of these three broad dimensions was composed of various lower-level dimensions. The interaction quality dimension comprised of attitude, behaviour and expertise of the service provider. The physical environment quality dimension comprised of ambient conditions, design, and social factors. The outcome quality dimension comprised of waiting time, tangibles, and valence.
There does not seem to be a well-accepted conceptual definition and model of service quality nor is there any generally accepted operational definition of how to measure service quality. However majority of models and definitions support the view of evaluating service quality by comparing customers’ service quality expectation with their perceptions of the service quality they have experienced (Seth, Deshmukh & Vrat, 2004). The SERVQUAL scale has been widely used for measuring service quality in various studies on service quality. The original SERVQUAL scale consisted of 22 pairs of items representing five service quality dimensions—tangibles, reliability, responsibility, assurance, and empathy. The 22 items were used to evaluate the level of the customers’ expectations over a service delivered by a service provider. The other 22 items were used to evaluate the actual level of the service performance as perceived by the customers (Parasuraman et al., 1988). While the SERVQUAL scale has been applied across a wide range of services, there has been lack of consensus on the same and SERVQUAL has been criticized on the applicability and the generalizability of the SERVQUAL
scale across different service industries (Carman, 1990) and other issues. Various researchers have criticized it over its use of gap scores, measurement of expectations, positively and negative worded items, problems with the reliability and the validity, and the defining of a baseline standard for good quality (Babakus & Boller, 1992; Brown, Churchill, & Peter, 1993; Carman, 1990; Cronin & Taylor, 1992; Oliver, 1993). The controversy centers around issues based on the dimensionality of the scale (Babakus & Boller, 1992; Mittal & Lassar, 1996; Peter, Churchill & Brown, 1993), the lack of constancy of factor structure across studies (Parasuraman et al., 1988), universal applicability across diverse industries (Carman, 1990), the lack of convergent validity especially when judged by factor loadings of scale items on the intended factors (Headley & Miller, 1993) and the measuring of expectations as well as perceptions, rather than just the perceptions (Cronin & Taylor, 1992). Subsequently, Cronin and Taylor introduced the SERVPERF scale, a performance-based approach as an alternative method for measuring service quality based on customers’ perceptions of service performance only. The researchers reported that the performance-based approach has a higher degree of model fit, and explains more of the variations in an overall measure of service quality than the gap-based SERVQUAL scale. Though Parasuraman, Zeithaml & Berry (1994) defended measuring customers’ expectations as appropriate in order for marketing practitioners to understand customers’ expectations, they (Zeithaml et al., 1996) later conceded that the performance-based approach is more appropriate if the primary purpose of a research is to explain the variance in a dependent construct.

In spite of criticisms, researchers and practitioners agree that the 22 items are good predictors of overall evaluation of service quality by
customers. Sureshchandar, Rajendran, and Anantharaman (2002) claimed that most of the items of the SERVQUAL scale focus on human aspects of service delivery and the remaining on the tangibles of service. Though there is lack of consensus on the conceptualization and measurement of service quality, various academics agree that service quality is a multidimensional, higher order construct (Brady & Cronin, 2001; Carman, 1990; Dabholkar, Thorpe, & Rentz, 1996; Gronroos, 1984; Parasuraman et al., 1988). Brady and Cronin’s (2001) and Dabholkar et al.’s (2000) findings revealed that service quality as perceived by customers is a multi-dimensional hierarchical construct consisting of customer’s overall perception of service quality; the primary dimensions; and the sub-dimensions. The sub-dimensions are treated as first-order factors of the service quality construct, and the primary dimensions are treated as second-order factors of the service quality construct. The hierarchical approach has been adopted by a number of marketing academics for measurement of service quality in various service contexts such as agribusiness (Gunderson, Gray & Akridge, 2009), airport services (Fondness & Murray, 2007), education (Clemes, Gan & Kao, 2007), electronic services (Fassnacht & Koese, 2006), health services (Dagger, Sweeney & Johnson, 2007), mobile communication services (Kang, 2006; Lu, Zhang, & Wang, 2009), recreational sport industries (Alexandris, Kouthouris & Meligdis, 2006; Ko & Pastore, 2005), transport services (Martínez & Martínez, 2007), travel services (Martínez & Martínez, 2008) and a variety of other service businesses (Liu, 2005).

2.6 Service Quality in Banking Industry
Customers’ perceptions of service quality is influenced by the service encounter and covers all aspects of the service provider with which the customer interacts, both human and non-human (Meuter, Ostrom, Roundtree & Bitner, 2000) and includes all the physical facilities, employees and other tangibles (Bitner, 1992; Bitner, Booms & Tetreault, 1990). The role of service quality in retail banking and its measurement has been the focus of a number of studies. In retail banking services, Zeithaml and Bitner (2000) initially suggested that service quality includes perceptions of multiple factors and is not a unidimensional concept. The number of dimensions identified by researchers subsequently varied from two (McDougall & Levesque, 2000); to six dimensions (Bahia & Nantel, 2000); to eighteen by Johnston (1997). Most of the service quality studies in traditional face-to-face retail banking have adopted the five dimensional SERVQUAL model (Parasuraman et al., 1985, 1988) or SERVPERF approach (Cronin & Taylor, 1992) or some customized version of it (Angur, 1999; Chi-Cui, Lewis & Park, 2003; Dash, 2006; Lassar et al., 2000; Yavas & Benkenstein, 2007).

The measures of service quality assessment in retail banking have been developed by many researchers. Bahia and Nantel (2000) proposed BSQ (Bank Service Quality) as an alternative to SERVQUAL by developing a 31 item six dimensional scale (effectiveness and assurance; access; price; tangibles; service portfolio; and reliability) by adapting the SERVQUAL scale items. Adlaigan and Buttle (2002) developed a 21 item scale SYSTRA-SQ to measure perceptions of service quality among bank customers. The scale consisted of four dimensions of service quality- system quality (refers to the service organization as a system and included such attributes as listening to customers, ease of availability and accessibility, speed of response and
organizational appearance); behavioural SQ (refers to how the service was performed by employees); machine SQ (the reliability and performance of machines) and service transactional accuracy (assessed perceptions of the accuracy of transactions in terms of both system output and employee output). They proposed that customers evaluate service quality at two levels: organizational and transactional and they reported that the parsimony, reliability and validity of SYSTRA-SQ suggest that the measure is of high utility to the banking industry.

Sureshchandar et al. (2002) developed a 41 item scale with five dimensions (the Human-Societal model) of perception-only in Indian context consisting of core service or service product (5 items), human element of service delivery (17 items), systemization of service delivery (6 items), tangibles of service (6 items) and social responsibility (10 items). Among the five dimensions identified, two dimensions (namely, the human element of service delivery and tangibles of service- the servicescape) were primarily based on SERVQUAL and the other three dimensions (namely, core service, systemization of service and social responsibility) were newly added. Jabnoun and Al-Tamimi (2003) examined perceived services quality in commercial banks in the United Arab Emirates and emphasized the importance of service quality to maintain market share. The study of consumers of commercial banks in United Arab Emirates revealed three dimensions of service quality: human skills, tangibles and empathy and identified human skills as the most significant dimension in service quality. Al-Hawari, Hartley and Ward (2005) developed a comprehensive model for measurement of automated service quality by incorporating the unique attributes of automated service delivery channels. They proposed a five dimensional scale consisting of dimensions of
ATM service; internet-banking service; telephone-banking service; core service; and customer perception of price. Karatepe, Yavas and Babakus (2005) developed a 20 item four dimensional measure of service quality for retail banking in Northern Cyprus context. The construct consisted of dimensions of service environment (four items); interaction quality (seven items); empathy (five items); and reliability (four items). Vanniarajan and Anbazhagan (2007) identified seventeen important service quality attributes in retail banking and using factor analysis results these variables were then grouped into four important service quality factors namely reliability, responsiveness, assurance and tangibles. Guo, Duff and Hair (2008) conducted a study to measure service quality in the Chinese Corporate Banking and concluded that service quality contained two higher-order constructs (functional quality and technical quality) and four lower-order dimensions (reliability, human capital, technology and communication).

Tsoukatos and Mastrojianni (2010) developed a 27-item BANQUAL-R scale consists of 12 SERVQUAL items, seven BSQ items, two items common in SERVQUAL and BSQ and six setting-specific items in context of Greek banking. Ravichandran, Bhargavi and Kumar (2010) conducted a study in Indian banking context to identify the influence of service quality on customer satisfaction using SERVQUAL Model and found that customers were satisfied with the quality of banks’ services (all the five dimensions) but in varying degrees. It was further identified that with respect to overall satisfaction of banks services, responsiveness was the only significant dimension. Mittal and Gera (2012) identified two dimensions of service quality in their study on the relationship between service quality dimensions and behavioural intentions in
the public sector retail banks in India. The two dimensions identified were service system (human and technology) and core service or service product.

### Table 2.2 Dimensions of Service Quality used in a few Banking Studies

<table>
<thead>
<tr>
<th>Author</th>
<th>Year</th>
<th>Context</th>
<th>No. of Dimensions</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avkiran</td>
<td>1994</td>
<td>Banking (Australia)</td>
<td>4</td>
<td>staff conduct, credibility, communication and access to teller service</td>
</tr>
<tr>
<td>Johnston</td>
<td>1995</td>
<td>Banking (UK)</td>
<td>18</td>
<td>commitment, attentiveness, friendliness, care, courtesy, responsiveness, flexibility, competence, comfort, communication, availability, access, cleanliness, security, reliability, functionality, integrity and aesthetics</td>
</tr>
<tr>
<td>Stafford</td>
<td>1996</td>
<td>Banking</td>
<td>7</td>
<td>bank atmosphere, customer-employee relationship, interest rates and charges, available and convenient services, availability of ATM, reliability, adequate tellers.</td>
</tr>
<tr>
<td>Levesque and McDougall</td>
<td>1996</td>
<td>Banking</td>
<td>3</td>
<td>core dimension, relational dimension, bank dimension</td>
</tr>
<tr>
<td>Oppewal and Vriens</td>
<td>2000</td>
<td>Banking (UK)</td>
<td>4</td>
<td>accessibility, competence, accuracy &amp; friendliness, tangibles</td>
</tr>
<tr>
<td>Bahia and Nantel</td>
<td>2000</td>
<td>Banking (Canada)</td>
<td>6</td>
<td>effectiveness and assurance, access, price, service portfolio and reliability</td>
</tr>
<tr>
<td>Othman and Owen</td>
<td>2001</td>
<td>Banking (Kuwait)</td>
<td>6</td>
<td>compliance with Islamic law, reliability, responsiveness, tangibles, assurance and empathy</td>
</tr>
<tr>
<td>Authors</td>
<td>Year</td>
<td>Country</td>
<td>Industry</td>
<td>Study</td>
</tr>
<tr>
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</tr>
<tr>
<td>Aldaigan and Buttle</td>
<td>2002</td>
<td>Banking</td>
<td>(UK)</td>
<td>5</td>
</tr>
<tr>
<td>Sureshchandar, Rajendran and Anantharaman</td>
<td>2002</td>
<td>Banking</td>
<td>(India)</td>
<td></td>
</tr>
<tr>
<td>Gounaris Stathakopoulos, Antreas and Athanassopoulos</td>
<td>2003</td>
<td>Banking</td>
<td>(Greece)</td>
<td>6</td>
</tr>
<tr>
<td>Joshua and Koshi</td>
<td>2005</td>
<td>Banking</td>
<td>(India)</td>
<td>6</td>
</tr>
<tr>
<td>Bhat</td>
<td>2005</td>
<td>Banking</td>
<td>(India)</td>
<td>5</td>
</tr>
<tr>
<td>Elango and Gudep</td>
<td>2006</td>
<td>Banking</td>
<td>(India)</td>
<td>10</td>
</tr>
<tr>
<td>Al Hawari and Ward</td>
<td>2005</td>
<td>Banking</td>
<td>(Australia)</td>
<td>5</td>
</tr>
<tr>
<td>Ibrahim, Joseph and Ibeh</td>
<td>2006</td>
<td>Banking</td>
<td>(UK)</td>
<td>5</td>
</tr>
</tbody>
</table>
Banking through digital channels has been growing rapidly around the world and technology has played an extraordinary role in the growth of service delivery options (Dabholkar & Bagozzi, 2002) and has had a deep effect on service marketing (Bitner, Brown, & Meuter, 2000). Banks have been increasing their technology based service options so as to develop sustainable competitive advantage and this increase in technology adoption has resulted in

<table>
<thead>
<tr>
<th>Name</th>
<th>Year</th>
<th>Country</th>
<th>Service Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nam</td>
<td>2008</td>
<td>Banking (US and South Korea)</td>
<td>4 trustworthiness, functionality, appearance and helpful employees(4)</td>
</tr>
<tr>
<td>Guo, Duff and Hair</td>
<td>2008</td>
<td>Banking (China)</td>
<td>5 reliability, technology, communication, technical quality and human capital</td>
</tr>
<tr>
<td>Kumar, Kee and Manshor</td>
<td>2009</td>
<td>Banking (Malaysia)</td>
<td>4 tangibility, reliability, convenience and competence</td>
</tr>
<tr>
<td>Dutta and Dutta</td>
<td>2009</td>
<td>Banking (India)</td>
<td>4 tangibles, assurance, empathy, reliability</td>
</tr>
<tr>
<td>Ravichandran, Bhargavi and Kumar</td>
<td>2010</td>
<td>Banking (India)</td>
<td>6 reliability, tangibles, assurance, empathy and price</td>
</tr>
<tr>
<td>Bedi</td>
<td>2010</td>
<td>Banking (India)</td>
<td>4 assurance, reliability, empathy, tangibles</td>
</tr>
<tr>
<td>Mittal and Gera</td>
<td>2012</td>
<td>Banking (India)</td>
<td>2 service quality dimension1(listening staff, availability of enquiry desks, overdraft charges) and service quality dimension 2 (queue length, availability of counters at busy times, ability of staff to answer queries in English)</td>
</tr>
</tbody>
</table>
reduced costs, the creation of value added services for customers (Zhu & Chen, 2002) and the provision of self-service options for customers (Dabholkar & Bagozzi, 2002). In the area of retail banking, service providers have integrated electronic service delivery channels to bring banking services to customers and this is said to be influencing how banks interact with their customers in the market space (Bauer, Hammerschmidt & Falk, 2005; Parasuraman & Zinkhan, 2002). Extensive research on traditional service quality has been conducted during the past 20 years but in contrast, only a limited number of articles deal directly with how customers assess electronic service quality and its antecedents and consequences.

Studies have categorised electronic banking (e-banking) mostly into internet banking, telephone banking and automated teller machines (Ibrahim, Joseph, & Ibeh, 2006; Joseph & Stone, 2003) and most recently mobile banking has also made its foray into electronic banking. For banks, delivering a superior quality of service as compared to that of competitors, offers an opportunity to achieve competitive differentiation (Ranganathan & Ganapathy, 2002). Given the lack of geographical or other physical constraints associated with electronic banking, attracting, and retaining customers is largely determined by the quality of service delivered (Liao & Cheung, 2002). Telephone banking provides services such as account balances, instruction to issue bank cheque s, account payments. Mobile banking is an application of mobile computing which provides customers with the support needed to be able to bank anywhere, anytime using a mobile handheld device and a mobile service such as Short Message Service (SMS). Mobile banking facility removes the space and time limitations from banking activities. The ATM which is the most frequently used electronic distribution channel, allows
customers to perform their main banking transactions, such as deposits and withdrawals, 24 hours a day (Davies, Moutinho, & Curry, 1996). Internet banking allows consumers to check account balances, conduct credit card payments/transfers, transfer funds and account payments (Jun & Cai, 2001). The growth of internet-based services has changed the manner in which service providers and consumers interact. Internet banking has become increasingly popular, and banks have limited avenues to exploit in terms of establishing a differentiation (Jayawardhena & Foley, 2000). Customers’ ability to subscribe to the internet-based banking services depend on several factors such as user-friendly interface, level of internet experience, types of services provided, attitude and perception, access and delivery time and experience with the Internet.

Joseph, McClure and Joseph (1999) identified 6 dimensions of internet banking service quality: convenience and accuracy, feedback and complaint management, efficiency, queue management, accessibility and customization. Jun and Cai (2001) identified seventeen dimensions of service quality in Internet banking grouped in three categories customer service quality, online systems quality, and banking service product quality. Zeithaml, Parasuraman and Malhotra (2001) identified 11 dimensions for measuring service quality in the online context after a series of focus group interviews. These were access, ease of navigation, efficiency, flexibility, reliability, personalization, security, responsiveness, assurance/trust, site aesthetics, and price knowledge. Cox and Dale (2001) proposed that traditional service quality dimensions, such as competence, courtesy, cleanliness, comfort, and friendliness, are not relevant in the context of online retailing, whereas other factors, such as accessibility, communication, credibility, and appearance, are critical to the success of
online businesses. Jayawardhana (2004) used 21 items to assess service quality in e-banking by transforming the original SERVQUAL scale. The study identified five quality dimensions: access, web site interface, trust, attention and credibility. Siu and Mou (2005) examined the customers’ service quality perceptions in Internet banking in Hong Kong and identified four key dimensions - credibility, efficiency, problem handling and security.

2.7 Consumer Commitment

The nature of services is such that it is particularly important that practitioners and researchers consider relationship marketing phenomena (Berry, 1995; Bitner, 1995). Consumer commitment is a central concept in marketing literature. Research has identified customer commitment as a powerful predictor of various metrics related to customer retention, like switching/staying intentions and repurchase intentions (Bansal et al., 2004; Fullerton, 2003; Venetis & Ghauri, 2004). However, there is a lot of debate on the nature of the construct. It has been defined as a desire to maintain a relationship (Morgan & Hunt, 1994); pledge of continuity with a party (Dwyer, Schurr & Oh, 1997); forsaking of alternative options (Gundlach, Achrol & Mentzer, 1995); resistance to change (Pritchard, Havitz & Howard, 1999) and a type of attitude strength (Ahluwalia, Burnkrant & Unnava, 2000); a force that binds an individual to a course of action of relevance to one or more targets (Meyer & Herscovitch, 2001). Commitment has often been defined according to the definition by Morgan and Hunt (1994) that is, as the desire to maintain a relationship and was viewed as a unidimensional concept (Garbarino & Johnson, 1999; Morgan & Hunt, 1994).
In organisational behaviour literature, the attempts to distinguish the theoretical basis of commitment have taken two distinct directions: behavioural and attitudinal commitment (Meyer & Allen, 1997; Meyer & Herscovitch, 2001). The behavioural approach focuses on the impact of behaviour on changing attitudes, searching for patterns of attitude changes in dealing to remain committed to a taken decision. The attitudinal approach on the other hand, focuses on commitment within psychological states, and their impact on behaviour relying on the theory of reasoned action (Meyer & Allen, 1991; Meyer & Allen, 1997). In the literature of marketing and organisational behaviour, attitude-based commitment is most frequently used. All definitions of commitment that appear in psychology, organizational behaviour and marketing reflect that commitment to a relationship involves both a psychological state (a binding force) and a motivational factor (to maintain a relationship) (Jones, Fox, Taylor, & Fabrigar, 2010). Research findings suggest three generalizations about the commitment construct (Allen & Meyer, 1990; Bansal et al., 2004; Gruen, Summers & Acito, 2000): commitment is directed at a specific target; commitment has multiple dimensions and the different dimensions of commitment generate different effects on relationship related outcomes (Jones et al., 2010). The first generalization implies that people become committed to different things. Studies in marketing have distinguished between commitment to the person who provides the service and commitment to the organization (Hansen, Sandvik & Selnes, 2003). The second generalization about commitment implies that people experience commitment in different forms. The three dimensions of commitment typically discussed in literature are loosely known as want to stay, should stay and have to stay and they denote the emotional,
moral and rational forms of commitment (Johnson, 1991). The third
generalization implies that the different dimensions of commitment have
different effects on focal and discretionary consumer responses. In marketing,
repurchase intentions and relative attitude are considered focal responses and
word of mouth, willingness to pay more, altruism are examples of
discretionary outcomes (Jones & Taylor, 2007).

Marketing scholars and practitioners recognize that customer
commitment is a complex, multidimensional construct in the services
marketing literature (Gruen et al., 2000; Harrison-Walker, 2001). The number
of dimensions used across studies has only been moderately consistent, with
many studies suggesting two dimensions of commitment – affective and
continuance. There has been substantial research done on commitment in the
field of organizational behaviour. Allen and Meyer (1990) developed and
tested a three-component model of commitment to the commitment of an
employee to an organization. More recent studies (Bansal et al., 2004; Gruen
et al., 2000) have used the three dimensional model originating from the
organization behaviour literature. The three components of the model, as
formulated by Allen and Meyer (1990), are continuance, normative, and
affective. The continuance component of commitment refers to the employees’
perception of the costs of leaving the organization as opposed to the benefits
of remaining. The term calculative is more commonly used in consumer
behavior research for the continuance component of commitment. The
affective component operates when employees are loyal because they want to
be. These are employees who feel very connected and have strong affective
feelings toward the organization. Allen and Meyer (1990) later suggested a
third distinguishable component of commitment, normative commitment,
which reflects a perceived obligation to remain in the organization. The normative component occurs when employees are loyal to the organization because they feel that it is the moral and correct thing to do—that they have a responsibility to the organization. Normative commitment has been well established in organisational behaviour domains (Meyer & Allen, 1991; Wiener, 1982) and is believed to be linked to turnover intentions (Chang, Chi & Miao, 2007; Herscovitch & Meyer, 2002; Meyer & Allen, 1991) and desirable work behaviour (performance, attendance, citizenship) (Herscovitch & Meyer, 2002).

There is sufficient evidence in organizational behaviour to show that all three bases of commitment are negatively related to employee turnover. Irrespective of the underlying psychological state that reflects the nature of commitment, it reduces the likelihood of employees leaving their organizations. Meyer and Herscovitch (2001), in a comprehensive review of workplace commitment literature established support for the three dimensions of commitment proposed by Meyer and Allen (1997) regardless of the target of commitment. They suggested that the three dimensions of commitment reflect different underlying psychological states concerning an employee’s relationship and therefore, these develop in different ways and have potentially different implications for behaviour. It is also recognized that different forms of commitment in the employment relationship have different consequences (Mathieu & Zajac, 1990).

Bansal et al., (2004) applied the three component model of customer commitment to switching intentions in the services context. Just as employee turnover involves termination of relationship between the employee and
employer, switching involves a termination of the relationship between the customer and the service provider. In marketing relationships, a consumer is likely to be committed to a relationship through continuance commitment if he or she faces concrete switching costs or if the benefits that he or she receives from the partner are not easily replaceable from other potential exchange partners (Bendapudi & Berry, 1997; Dwyer et al., 1987; Gundlach et al., 1995). Although the affective commitment construct was developed as a means of explaining employee attachment to work groups and organizations, it can be applied in situations when there is a consumption relationship between a consumer and an organization (Gruen et al., 2000). Affective commitment arises from feelings of attachment and identification and is very different from continuance commitment which stems from feelings of dependence and entrapment. However, although affective and continuance commitments are distinct components of commitment, they are not necessarily mutually exclusive conditions (Allen & Meyer, 1990). Researchers who have examined the dark side of marketing relationships (Fournier, Dobscha & Mick, 1998; Grayson & Ambler, 1999) have implicitly recognized that commitment can have an effect on consumer behaviour via both feelings of positive affection and feelings of continuance. A single relationship could be based on either affective or continuance commitment, both forms of commitment, or (if it was a very weak relationship) neither form of commitment. The person who has a strong normative commitment feels that one should continue the relationship for moral or duty-related reasons (Bansal et al., 2004; Gruen et al., 2000). To date, there has been limited research conducted in marketing explicitly investigating normative commitment. Bansal et al. (2004) in an auto-repair
setting found normative commitment, among the three dimensions of commitment, to score the highest negative impact on switching intention.

Researchers have opined that the three components of commitment should be regarded as components and not as different types of commitment (Anderson & Weitz, 1992; Martin, 2008; Rylander, Strutton & Pelton, 1997). Roxenhall and Andresen (2012) argue that an individual has elements of all the components at one and the same time of commitment and it is therefore not meaningful to regard them as separate forms but only as components. According to the researchers, a committed person may, for example, have both an emotional (affective) and business (calculative) commitment to preserve a particular relationship, but at the same time may not feel a particular moral duty (normative) to the relationship; another person may be less committed in terms of business, but all the more so emotionally and morally (Roxenhall & Andresen, 2012). Considering commitment in this perspective implies that variations of commitment affect the relationships in question in different ways (Meyer & Allen, 1991).

Recent examinations of the nature and role of commitment in marketing relationships have identified at least a partial mediating role of commitment on relational intentions (Garbarino & Johnson, 1999; Gruen et al., 2000; Morgan & Hunt, 1994; Pritchard et al., 1999). Even in those studies that have employed a multicomponent perspective on commitment, there has been no attempt to determine the existence of the interactive effects of various types of customer commitment (Gruen et al., 2000). The identification of interactive effects between the components of commitment may help in explaining the mixed feelings that consumers have about their relationships with
organizations (Fournier et al., 1998). The existence of a moderating relationship between components of commitment may also explain the mixed effectiveness of customer loyalty enhancement programs in services industries (Bolton, Kannan & Bramlett, 2000; Rigby, Reicheld & Schefter, 2002).

2.8 Behavioural Intention

The intention to perform a specific behavior is believed to predict actual behavior (Ajzen, 1991). Intentions have been defined as subjective judgments about how a person will behave in the future and usually serve as dependent variables in many service research and satisfaction models (Boulding et al., 1993; Soderlund & Ohman, 2003). Intentions are explicit decisions to act in a certain way, and they concentrate on a person’s motivation towards a goal in terms of direction and intensity (Sheeran, 2002). Triandis (1980) defined behavioral intention as instructions that people give to themselves to behave in a certain way. Ajzen (2002) defined behavioral intention as an indication of an individual's readiness to perform a given behavior. Warshaw and Davis (1985) defined behavioral intention as the degree to which a person has formulated conscious plans to perform some specified future behavior.

The importance of customers’ behavioural intentions to predict customer retention has been recognised by researchers (Norman & Smith, 1995; Patterson, 2004). Intentions are considered as proxy for behaviour and as immediate predictor of behaviour. They have been at the centre of research for many years and find an important place in the theories of planned behaviour and reasoned action (Ajzen, 1991). An intention materializes when an individual makes a proposition that connects him/her with a future behavioural act (Soderlund & Ohman, 2003). Intentions may be viewed as basic units in a
network of propositions that emerge when customers engage in future oriented cognitive activities such as mental simulation, planning, imagination and thoughts. All these cognitive activities are consumers’ windows on the future. Behaviour intention can be defined as an affirmed likelihood to engage in a specific behaviour (Oliver, 1997). In the absence of measuring the actual behaviour, Zeithaml et al. (1996) view behavioural intention as an indicator that predicts whether consumers will remain with or switch from the company. An important consideration is that intention is only expected to predict an individual’s attempt to perform a specific behavior and high intention does not necessarily guarantee that the individual will perform the behavior (Ajzen, 1991). The general rule is that when individuals have high control in performing specific behaviors, i.e. high perceived behavioral control, intentions can be predicted with good accuracy (Ajzen, 1991). It has been mentioned that it is hard to find an effective measurement for future behaviour; research suggests that past behaviour could be used as a good predictor for future behavior (Shiu, Hair, Bush & David, 2009). Minami and Dawson (2008) suggested that behavioural intentions of the customer contribute to profitability of the firm. Boulding et al (1993) reported that overall service quality perceptions were positively related with willingness to recommend and negatively related with switching and complaining behavior (Kelley, Hoffman, & Davis, 1993). Empirical studies based on composite models show evidence of direct and indirect effects of service quality on behavioural intentions mediated by value and satisfaction (Cronin, Brady, & Hult, 2000). Yavas, Benkenstein and Stuhldreier (2004) in their study on private bank customers in Germany showed that service quality is at the root
of customer satisfaction and is linked to behavioural outcomes as word of mouth, complaint, recommending and switching.

According to the Theory of Reasoned Action (TRA), behavioural intention explains the most immediate determinant of any social behaviour but only under conditions where the behaviour in question remains under volitional control and behavioural intention remains unchanged. The theory proposes that an individual’s intention is determined by attitudes and subjective norms regarding the performance of the behaviour. Attitude towards the behaviour accounts for beliefs about the outcomes of the behaviour and evaluations of those outcomes. Subjective norm is determined by perceived pressure from specified significant others to carry out the behaviour and motivation to comply with the wishes of those significant others.

Ajzen (1991) extended the theory of reasoned action to better account for behaviours which are not fully under volitional control by introducing the Theory of Planned Behaviour (TPB). The theory of planned behaviour, in addition to the original components of the reasoned action model, includes a perceived behavioural control variable, defined as, the perceived ease or difficulty of performing the behaviour. According to Ajzen where behaviours are not fully under volitional control of the individual, perceived behavioural control and behavioural intention together account for behaviour, at least when perceptions of control are accurate reflections of actual control over a behaviour. The theory of planned behaviour also proposes that, along with attitude and subjective norm, perceived behavioral control is a determinant of behavioural intention.
2.9 Conclusion

Service switching involves the customers’ decision to replace an existing service provider with another service provider. Switching is a dynamic process that culminates over time and is often the result of multiple problems encountered over time. The customers’ consumption process leads to the decision of whether to stay with an existing provider or to switch. The switching process begins with the experience of a sensitizing factor or a trigger which puts the customer on a switching path. Service quality plays a critical role in customer retention. It is the customers’ overall impression of the relative superiority or excellence of an organization’s service. The nature of services makes it important to consider customer commitment in relationships as customer commitment has been identified as a powerful predictor of a customers’ switching or staying reasons with a service provider.

The next chapter discusses the theoretical framework of the study.