6.1 Introduction

This chapter reviews and discusses the major findings of the study with respect to the research questions and expected outcomes discussed in Chapter 1. Towards the end of the chapter, the academic contribution made by the research work is noted with possible directions for future research.
6.2 Framing of Objectives of the Study

The overall aim of the study was to enhance knowledge of the process of customer switching in the retail banking industry. The focus was on understanding how switching triggers influence customers’ perceptions of service quality of their primary bank and how perceived service quality influences customers’ intentions to switch their primary account. In addition, the study also focused on how commitment plays a moderating role in the relation between perceived service quality and customers’ intention to switch. In retail banking, for a relationship to exist between a customer and the bank, the customer must have an account with the bank. The key account for customers is the main or primary account, the account into which salary or wages are paid and/or where most transactions take place. The primary account was the focus of the study due to the fact that this is where majority of transactions occur between the bank and the customer.

The retail banking sector has emerged as one of the major drivers of the Indian economy as is evident from the phenomenal growth in the size, spread and activities undertaken by the banks. The sector is in the grip of profound changes because of the dynamism of the social and economic environment. In the economic environment context, there are a lot of structural and regulatory changes taking place, in addition to all the rapid technological changes being made. The regulatory changes have resulted in the creation of a more integrated global banking market. The structural changes have made banks more competitive by allowing them a greater range of activities. The technological changes have resulted in making banks to rethink their strategies regarding their services. In the social environment context, the consumption
pattern of people has been undergoing a lot of changes because of rise in income growth, increase in disposable income, comfort with technology and increased spending on entertainment, education, and healthcare. There is a growing demand for financial products and the customisation of services is fast becoming the norm than a competitive advantage. It is also true that when compared with the past, consumers today, are more knowledgeable, expect quality service and are therefore, more than willing to switch from one service provider to another in search of better service or courtesy or for any other variety of reasons. The maturing markets and global competition are forcing banks to explore the trade-off between customer acquisition and customer retention. Minimizing of customer switching is a priority for most banks.

Under increasing competitive pressures, banks are directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. Service quality plays a significant role in banks and the importance of service quality in the development of relationships has been acknowledged in the relationship banking literature, as switching behaviour of bank customers is significantly influenced by the quality of a bank’s services. Customers of services observe and evaluate the process as they experience the service they receive and form perceptions about service quality. The banking sector is large enough to capture and represent all the critical aspects of service quality that customers may consider as indicators of perceived service quality. However, there appears to be no consensus among researchers regarding measurement of service quality as the measurement has to be culture and context specific.
Customers often experience certain situations that sensitize them to some negative aspect in their relationship with their banks. These situations could arise from changes in their own life situations or changes in the market or some incident of the bank having dealt poorly with a customer. The competitive environment has been encouraging banks to make every effort through their marketing activities to influence customers to switch over to them. Customers today experience a variety of situations in their lives such as changes in their family, living or working conditions. Customers no longer tolerate poor behaviour from the banks and they expect good service from their banks. Banking is an industry where banks traditionally have long term relationships with customers. The strength of relationship is affected by the degree of commitment between the customer and the bank. In the retail banking industry, relational and contractual bonds exist between the bank and customers due to the existence of their accounts. These bonds bind the customers to the banks.

It was in the light of this background that this study was undertaken with the following objectives:

1) To identify the service quality dimensions that form perceptions of service quality of banks in customers.

2) To identify the switching triggers that bank customers experience that make them consider switching to another bank and the influence of the triggers on perceived service quality.

3) To identify the linkage among switching triggers, perceived service quality, consumer commitment and switching intentions in the retail banking context.
By focusing on the banking sector and making use of this study as a reference, the results and findings can be extended to other service organizations as well. From a theoretical perspective, the study will help in understanding and managing customer switching behaviour. From a practical perspective, managing customer perceptions of service quality when customers experience triggers makes an effective tool in customer behaviour programmes.

6.3 Objective 1: Development of Scale to measure Perceived Service Quality

Although there have been a number of studies on service quality, much of the research has been carried out using the SERVQUAL or SERVPERF scale. It was found necessary to develop a scale that is able to include customer perceptions of service quality in the contemporary banking environment. In order to identify the dimensions of service quality that bank customers consider important, qualitative work was carried out in two stages. The first stage involved preparation of a list of indicators from extensive review of literature. An item pool was identified through extensive review of literature. During the second stage out of the 60 items identified from literature, eight selected bank managers and twenty four customers were each asked to rank 30 indicators that they thought were important in the present retail banking context. The 30 top ranked indicators were reduced to 28 after recommendation by two experts and were selected as indicators of perceived service quality. The Principal Component Analysis of the 28 indicators resulted in five service quality dimensions consisting of a total of 25 indicators.
On theoretical grounds, perceived service quality was conceptualized as a second order formative construct, the first order dimensions reflective. The scale was validated by testing the convergent and discriminant validities and the reliability which were all satisfactory. The validated perceived service quality scale had five factors: Human Interaction, Core Service, Convenience, Tangibles and Technology. The human interaction dimension had five items, core service seven items, convenience four items, tangibles four items and technology five items.

The dimensions of human interaction provide support for the generally accepted idea that service quality is assessed according to customer evaluations of outcomes as well as interactions with service employees. Human interaction is a critical element of customer experience for most customers. The importance of the human interaction dimension in service delivery is consistent with the findings by other researchers. The classic dimensions in SERVQUAL such as responsiveness, reliability, assurance, and empathy mainly focus on the human aspects of service. There were five reflective indicators measuring human interaction dimension. These included ‘courteous and polite employees’, ‘sincere interest in solving problems’, ‘helpful employees’, ‘knowledgeable employees’ and ‘personalized services’. The inter item consistency reliability, measured by Cronbach’s alpha was 0.820, indicating good reliability. The role of humans as a clear differentiator in offering quality services to banking customers provides valuable insights for service delivery. The plot of relationship between human interaction and perceived service quality (Figure 6.1) also corroborates the finding that human interaction is important and as customers’ perception of the dimension increases, perceived service quality also increases.
The content of the service and the service features offered by the bank are as important as how the service is delivered. The importance of core service has also been highlighted in previous studies by researchers. The items constituting the dimension of Core Service in this study were: ‘employees take time to find the right service’, ‘quick and efficient services’, ‘competitive interest rates’, ‘handles transactions correctly’, ‘wide range of products and services’, ‘understands customer needs’ and ‘prompt and on time service’. Most of the indicators in the dimension relate to the banks’s ability to perform the service dependably and accurately and is therefore consistent with the reliability dimension of the SERVQUAL scale. The inter item consistency reliability measured by Cronbach’s alpha for the measure was 0.914 indicating...
good reliability. The plot of relationship between core service and perceived service quality (Figure 6.2) also corroborates the finding that core service is important and as customers’ perception of the dimension increases, perceived service quality also increases.

![Figure 6.2 Plot of relationship between Core Service and Perceived Service Quality](image)

The perception of service convenience affects consumers’ overall evaluation of service, including satisfaction of the service, perceived service quality and fairness. The results of the study is consistent with the findings by earlier studies that convenience dimension is a significant factor that contributes to service quality by making it easy and comfortable for the customers to do business with their banks on a regular basis. The convenience dimension had four indicators and included the following: ‘convenient
Discussions Findings and Conclusions

ATM/branch locations’, ‘convenient operating hours’, ‘no long queues’ and ‘reliable online system’. The inter item consistency reliability, measured by Cronbach’s alpha was 0.803, indicating good reliability. The plot of relationship between convenience and perceived service quality (Figure 6.3) also supports the finding that convenience is important to bank customers and as customers’ perception of the dimension increases, perceived service quality also increases.

![Figure 6.3 Plot of relationship between Convenience and Perceived Service Quality](image)

The dimension tangibles pertained to the physical facilities and materials associated with the service. The results of the study show that tangibles influence customers’ perception of service quality. Previous studies have shown that the tangible facets of service, ‘servicescapes,’ influence the
physiological, psychological, sociological, cognitive and emotional aspects of customers. The surroundings in which service is delivered can influence the way customers perceive the bank and the service it delivers. In the study, the tangibles dimension included four indicators: ‘visually appealing interiors’, ‘neat and professional staff’, ‘relevant information on website’, ‘up to date website’. The inclusion of the latter two indicators as indicators of tangibles is reflective of the contemporary banking scenario, where customers use the internet for carrying out their banking transactions and therefore perceive the information on website as communication material. The inter item consistency reliability, measured by Cronbach’s alpha was 0.831, indicating good reliability. The plot of relationship between tangibles and perceived service quality (Figure 6.4) also supports the finding that tangibles is important to bank customers and as customers’ perception of the dimension increases, perceived service quality also increases.
In the present banking environment, information technology plays a significant role in providing better customer service at presumably lower cost. Technology makes managing a bank account simpler, easier and more convenient and helps to streamline and simplify service delivery processes for customers. The emerging e-banking trends also support the inclusion of this dimension. The findings are consistent with the findings by other researchers that technology is an important dimension of customers’ perceived service quality of a bank in the contemporary retail banking context. The five indicators that measured the technology dimension were: ‘easy navigation’, ‘adequate security features’, ‘ease of completing transactions online’, ‘payment of utility bills’ and ‘mobile banking facility’. The inter item consistency reliability, measured by Cronbach’s alpha was 0.937, indicating good reliability. The plot of relationship between technology and perceived service quality (Figure 6.5) also supports the finding that technology is important to bank customers and as customers’ perception of the dimension increases, perceived service quality also increases.
6.4 Objective 2: Development of Scale to Measure Switching Triggers and the Influence of Triggers on Service Quality Dimensions

The study focused on switching triggers as that factor which sensitizes customers to reevaluate the service quality of their bank. The researches on switching triggers have used the Switching Path Analysis Technique (SPAT) which focused on capturing customers’ experience of switching triggers during their relationship with a service provider. Switching triggers were considered as the beginning element of the switching process and in this study, a scale was developed to measure customers’ perception of their likelihood of considering switching their primary account when they faced a trigger. The qualitative study carried out among eight bank managers and twenty four
customers helped to identify the various types of triggers customers may encounter. The reasons cited by the interviewees were compiled and they were categorized into situational, reactional or influential triggers by two experts. The scale was validated by testing the construct validity (convergent and discriminant validities) and reliability which were found to be satisfactory. The three triggers were situational trigger consisting of three items, reactional trigger consisting of three items and influential trigger consisting of three items.

The plots with the points as well as the regression curves that best approximate the relationships between switching triggers and dimensions of perceived service quality are presented in Figure 6.6, Figure 6.7 and Figure 6.8. As is seen in plots of situational triggers and perceived service quality dimensions, (Figure 6.6), situational triggers do not have an influence on customers’ perceptions of service quality dimensions of the bank except technology dimension. This means that the customers’ consideration of switching their primary account due to a change in their family, living or working conditions does not influence their perceptions of the quality of human interaction or core service or convenience or tangibles dimensions of the bank. However, situational trigger was found to have a small influence ($\beta=-0.17$) on the technology dimension. This means that as the situational trigger increases, the customers’ perception of quality of technology dimension of the bank reduces gradually. When a change in the life situations of a customer makes a customer to consider switching his primary account, then the customer’s perception of the quality of internet banking and mobile banking offered by the existing primary bank reduces. However, at higher values of the situational trigger from the mean, the graph flattens indicating
that when the situational trigger is high, then the customers’ perception of the technology dimension is seen to increase. This threshold value of the situational trigger is approximately two standard deviations to the right of the standardized data, after which the customers’ perception of the quality of technology dimension begins to gradually increase. On the five point Likert scale, the mean value of situational trigger is 2.19 (M=2.19) and standard deviation is 0.74 (SD=0.74) (see Appendix 12 for details) and hence the threshold value can be identified as 3.67. In other words, the graph shows a non linear relationship in which the customers’ perception of technology dimension of their primary bank reduces with increase in the situational trigger upto a value of 3.67 on the Likert scale, after which customers’ perception of technology dimension increases.
Discussions Findings and Conclusions

Figure 6.6a: Figure 6.6b: Figure 6.6c: Figure 6.6d: Figure 6.6e

Figure 6.6 Plot of relationship between Situational Trigger and Perceived Service Quality Dimensions
The Figure 6.7 show the plots of relationship between reactional triggers and service quality dimensions. Reactional trigger has a significant negative influence on all five dimensions of perceived service quality. Reactional trigger was found to be having the strongest influence on convenience ($\beta=-0.96$), followed by core service ($\beta=-0.42$), followed by tangibles ($\beta=-0.41$), then human interaction ($\beta=-0.31$) and least on technology ($\beta=-0.24$). This may be because customers have great expectations from banks and when the banks fail to deliver promised services, customers’ perception of all dimensions of service quality falls. Reactional triggers were measured as customers’ displeasure with service in terms of bank not meeting customers’ specific needs, not delivering services as promised and deterioration in quality of service. The high path coefficient for convenience dimension shows that when customers’ consider switching their primary account due to displeasure with the bank, then their perception of the convenience offered by the bank reduces. This is also indicated by the plot on Figure 6.7c. In the case of technology dimension and human interaction dimension, as the reactional triggers increase, their perception of the quality of technology dimension and human interaction dimension falls gradually, slowly flattening out at higher values from the mean value of reactional trigger. This threshold value in both cases is two standard deviations from the mean of the standardized data and corresponds to 4.23 on the Likert scale ($M=2.57$ and $SD=0.83$).
Discussions Findings and Conclusions

Figure 6.7 Plot of relationship between Reactional Trigger and Perceived Service Quality Dimensions
Influential triggers were found to have a significant negative influence on the dimensions of perceived service quality (Figures 6.8). Influential trigger had the strongest influence on core service and technology ($\beta=-0.34$) and the least influence on convenience ($\beta=-0.02$). The path coefficient for human interaction was $\beta=-0.29$ and that for tangibles was the least with $\beta=-0.16$. Influential trigger was measured in terms of competitor banks’ actions and the high values of path coefficients for core service and technology indicates that these two dimensions can be differentiators for banks. The plots of relationship as seen in Figures 6.8 c-e are non linear and show that the customers’ perception of the quality of convenience, tangibles and technology dimensions reduce with increase in influential trigger and gradually increasing at higher values from the mean of likelihood of considering switching. The threshold value of the influential trigger after which customers’ perception of the dimension increases in all three cases is approximately two standard deviations from the mean of the standardized data and corresponds to a value of 3.9 on the Likert scale ($M=2.36$ and $SD=0.77$).
Figure 6.8 Plot of relationship between Influential Trigger and Perceived Service Quality Dimensions
6.5 Objective 3: Linkage among Variables – Research Model

The selection of Partial Least Squares (PLS) over the covariance-based structural equation modelling was motivated for the reasons that PLS is not very sensitive to the distributional assumptions commonly made in covariance-based structural equation modelling and PLS does not require a large sample size: for testing moderating effects, and for estimating large number of parameters (variances, co-variances, error terms, and correlations) as is the case with covariance-based structural equation modelling. In the research model, both reflective and formative indicators were used based on theoretical justification. Perceived service quality was conceptualized as a second order formative construct. The covariance based approach in structural equation modelling, though it has been found to give good results may cause identification problems when formative indicators are present. The variance-based PLS (Partial Least Squares) approach has the capability to analyze both formative and reflective indicators without causing any identification problems. The analysis of the model revealed the linkages existing among the variables in the study. The results of hypothesis testing of the linkages among all variables are presented in Table 6.1. Hypotheses H1, H2, H3, H5, H6, H7 and H8 pertain to the research model.
### Table 6.1 Results of Hypotheses Testing

<table>
<thead>
<tr>
<th>S. No</th>
<th>Hypothesis No.</th>
<th>Hypothesis</th>
<th>Result</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
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<td>H2</td>
<td>Reactional Trigger - PSQ</td>
<td>Supported*</td>
</tr>
<tr>
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<td>H3</td>
<td>Influential Trigger - PSQ</td>
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</tr>
<tr>
<td>4</td>
<td>H4a</td>
<td>Human Interaction - PSQ</td>
<td>Supported*</td>
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<tr>
<td>5</td>
<td>H4b</td>
<td>Core Service - PSQ</td>
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<tr>
<td>6</td>
<td>H4c</td>
<td>Convenience - PSQ</td>
<td>Supported*</td>
</tr>
<tr>
<td>7</td>
<td>H4d</td>
<td>Tangibles - PSQ</td>
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</tr>
<tr>
<td>8</td>
<td>H4e</td>
<td>Technology - PSQ</td>
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</tr>
<tr>
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<td>H5</td>
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<tr>
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<td>H8</td>
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<td>Situational Trigger - Convenience</td>
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<tr>
<td>17</td>
<td>H1e</td>
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<tr>
<td>27</td>
<td>H3e</td>
<td>Influential Trigger - Technology</td>
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</tbody>
</table>

* All values significant at 0.01 level
** All values significant at 0.05 level
*** All values significant at 0.1 level
The significant observations from hypotheses testing of the research model (Hypotheses H1, H2, H3, H5, H6, H7 and H8) were the following:

- Situational trigger did not have a very significant influence on perceived service quality and is evident from Figure 6.9 a. This means that a consideration of switching their primary account due to change in family, living or working situation does not influence customers’ perceptions of the service quality of the bank. Though a customer may consider changing his primary account due to changes in his life situation, this does not influence his perceptions of the service quality of the bank. Reactional and influential triggers were found to have significant influence on perceived service quality as seen in figures 6.9 b and 6.9 c. The negative sign indicates that higher the trigger, lower the customers’ perceptions of the service quality of the bank. The negative influence of the triggers was expected as stronger the influence of the trigger, the larger the gap customers may perceive between their existing state and desired state and hence lower the perceived service quality. Customers today are unwilling to tolerate any deterioration in the quality of service from their bank and they look for value for money and better service from banks. No matter what their situations are, they expect quality service from the bank.
Among reactional and situational triggers, reactional trigger was found to have a stronger influence on perceived service quality ($\beta = -0.63$). The path coefficient for influential trigger was $-0.30$ ($\beta = -0.30$). This means that for every one unit increase in the reactional trigger, perceived service quality reduces by 0.63 units and for every one unit increase in influential trigger, perceived service quality reduces by 0.3 units. This
implies that a 100% increase in reactional trigger would cause a 63% decrease in perceived service quality and a 100% increase in influential trigger would result in 30% decrease in perceived service quality.

- The coefficient of determination, $R^2$ of the three associations: situational trigger to perceived service quality, reactional trigger to perceived service quality and influential trigger to perceived service quality was 0.61. This implies that 61% of the variation in perceived service quality is explained by the triggers. This significant portion of the variation (61%) in perceived service quality, accounted for by the model, is an indication of the sufficient adequacy of this model for estimating and predicting perceived service quality.

- Perceived service quality was found to have significant and negative influence on switching intentions ($\beta=-0.31, p<0.01$). This means that, a one unit change in perceived service quality changes switching intention by 0.31 units and implies that a 100% change in perceived service quality will change switching intentions by 31%. From Figure 6.10 it is evident that as perceived service quality increases, switching intention reduces indicated by the negative slope of the graph.
Figure 6.10  Plot of Relationship between Perceived Service Quality and Switching Intention

- The coefficient of determination for switching intention, $R^2$ is 0.23. This value implies that about 23% of the variation in switching intention is explained by perceived service quality. This value leads to the conclusion that there are other independent variables that are necessary for predicting switching intention besides perceived service quality in order to account for the remaining 77% of the variation in switching intention not explained by perceived service quality. This statistical inference about the adequacy of the perceived service quality-switching intention association seems logical because other antecedents of switching intentions were not considered.
Among the three dimensions of commitment, affective commitment and continuance commitment were found to have significant moderating influence on the Perceived Service Quality - Switching Intention link. Affective commitment was significant at 0.01 level of significance ($\beta=-0.29$) and the influence of continuance commitment ($\beta=0.13$) was significant at 0.05 level. Normative commitment was found to have no significant influence on the link.

The moderating effect was tested to see if the three dimensions of commitment moderate the effect of perceived service quality on switching intention. In other words, the test was to check if the impact of perceived service quality on switching intention depends on consumer commitment, forming an interaction term between perceived service quality and switching intention. The result of this test revealed that affective commitment does have a negative and significant influence ($\beta=-0.29; p<0.01$) on the link and continuance commitment has a significant and positive influence ($\beta=0.13, p<0.05$) on the link. This result indicates that commitment contributes useful information for the link between perceived service quality and switching intention. In the case of affective commitment, it is a negative moderating link influencing a negative link between perceived service quality and switching intention. The effect of the negative moderating link is that as affective commitment increases, it makes the link between perceived service quality and switching intention go down in value. In other words, as affective commitment increases, switching intention moves more towards the negative. In the case of continuance commitment, since the path coefficient of the moderating link is positive, as continuance
commitment increases, the link between perceived service quality and switching intention goes up in value. This means that continuance commitment moves switching intention more towards the neutral side or positive. The presence of interaction implies that both terms, perceived service quality and consumer commitment are important. Normative commitment was found to have no significant moderating influence.

The plots of moderating relationships refer to low and high values of the moderating variable, and show the relationships of the variables connected through the direct link in those ranges. The sign and strength of the path coefficient for a moderating relationship refers to the effect of the moderating variable on the strength of the direct relationship. In the case of low levels of affective commitment, the effect of perceived service quality is lower on switching intention than in the case of high levels of commitment (Figure 6.11). As affective commitment increases, switching intention moves more towards the negative than at lower levels of affective commitment. In the case of low levels of continuance commitment, the effect of perceived service quality is higher on switching intention than in the case of high levels of continuance commitment (Figure 6.12). In both cases, switching intention reduces as perceived service quality levels increase.

Affective commitment was measured in terms of customers’ affection towards the bank. The level of affective commitment that the customer has towards the bank moderates the relationship perception of service quality of the bank and customers’ switching intention. The plot shown in Figure 6.11 shows that when affective commitment is low, perceived service quality has a
lesser influence on switching intention. Customers’ intention to switch does not reduce much with increase in perceived service quality. When customers have high affective commitment towards the bank, perceived service quality has a stronger influence on switching intention. For customers having low affective commitment towards their bank, their perception of service quality of the bank does not influence their switching intentions as much as that of customers with high affective commitment. When a customer has more feelings of affection towards the bank, the customer tends to have greater expectations of service from the bank. The switching intention would be lesser when perceived service quality is high compared to a customer who has low levels of affection towards the bank and not too many links with the bank. Perceived service quality seems to be a more important driver of switching intentions for customers with higher affective commitment than for customers with lower affective commitment with the bank.
Continuance commitment was measured as the difficulty perceived by customers to switch in terms of time and effort. The plot in Figure 6.12 shows that when continuance commitment is low, at low levels of perceived service quality, switching intention is high as customers do not perceive any exit barriers to switch. At high levels of continuance commitment, the link between perceived service quality and switching intention becomes weaker. For customers with low levels of continuance commitment, as their perception of the service quality of the bank reduces, they have a stronger intention to switch. At high levels of continuance commitment, the perceived service quality of the bank does not influence customers’ intention to switch their bank. Customers perceive more difficulty to switch because of time and effort they will have to spend and perceived service quality has lesser influence on customers’ intentions to switch, as customers continue to stay because of the perceived exit barriers and not because of quality. Perceived service quality seems to be a more important driver of switching intentions for customers with low continuance commitment than for customers with high continuance commitment.
6.6 **Influence of Demographic Variables on Switching Triggers, Perceived Service Quality and Switching Intention**

- No significant difference was found between men and women in their perception of situational trigger, \( t (383) = -1.43, p = 0.15 \). On the scale, men averaged 2.14 (SD = 0.76) and women averaged 2.25 (SD = 0.72).

- No significant difference was found between men and women in their perception of reactional trigger, \( t (383) = -0.60, p = 0.55 \). On the scale, men averaged 2.55 (SD = 0.84) and women averaged 2.60 (SD = 0.81).

- No significant difference was found between men and women in their perception of influential trigger, \( t (383) = -0.29, p = 0.78 \). On the scale, men averaged 2.35 (SD = 0.78) and women averaged 2.37 (SD = 0.76).
Discussions Findings and Conclusions

- No significant difference was found between men and women in their switching intentions, $t (383) = -0.49$, $p = 0.62$. On the scale, men averaged 2.39 ($SD = 0.78$) and women averaged 2.43 ($SD = 0.74$).

- No significant difference was found between men and women in perceived service quality of banks, $t (383) = 0.32$, $p = 0.15$. On the scale men averaged 3.75 ($SD = 0.59$) and women averaged 3.73 ($SD = 0.54$).

- There was a statistically significant difference among age groups in situational trigger as determined by one-way ANOVA ($F (4, 380) = 2.702$, $p = .030$). Previous studies have shown that customers’ age, income and education have influence on switching behavior. The LSD post-hoc test revealed that the situational trigger was statistically significantly lower for the 18-25 age group ($2.02 \pm 0.71$, $p = .004$) and 26-35 age group ($2.12 \pm 0.74$, $p = .010$) compared to the 36-45 age group ($2.36 \pm 0.77$). This may be because 36-45 is the age when people begin to become more aware of family responsibilities and also about the need to save and invest for future family obligations and hence when there is a change in their family, living or working conditions they consider switching their account to a bank which will give them better services to save more for their future needs. There were no statistically significant differences among the other age groups.

- There was a statistically significant difference among age groups in reactional trigger as determined by one-way ANOVA ($F (4, 380) = 2.603$, $p = .036$). The LSD post-hoc test revealed that the reactional trigger was statistically significantly lower for 18-25 age group ($2.58 \pm 0.98$, $p = .0048$), for 26-35 age group ($2.57 \pm 0.82$, $p = .026$), 36-45 age
group (2.60 ± 0.77, \( p = .0042 \)) and 46-59 age group (2.33 ± 0.79, \( p = .014 \)) compared to the above 60 age group (2.97 ± 0.002). The above 60 age group comprises of customers who probably have been having long relationships with their banks and they may be expecting the banks to be courteous and warm to them. They constituted only about 6.2% of the sample. There is a possibility that they become very intolerant of any behavior from the bank which they deem as deterioration in the quality of service or services offered not as promised or meeting their specific needs. This finding also suggests that the more experiences and better knowledge that people have, the greater their expectations of service from the bank. Hence the likelihood of considering switching their primary accounts due to reactional triggers was higher in the above 60 age group compared to all other age groups. There were no statistically significant differences among the other age groups.

- There was no statistically significant difference among the age groups in their perception of influential triggers as determined by one way ANOVA.

- There was no statistically significant difference among the age groups in their switching intentions as determined by one way ANOVA.

- There was no statistically significant difference among the age groups in their perceived service quality of banks as determined by one way ANOVA.
Discussions Findings and Conclusions

- There was no statistically significant difference among the occupation groups in their perception of situational triggers as determined by one way ANOVA.

- There was a statistically significant difference between occupation groups in the reactional trigger as determined by one-way ANOVA ($F (4, 380) = 2.715, p = 0.030$). The LSD post-hoc test revealed that the reactional trigger was statistically significantly lower for the not employed group ($2.41 \pm 0.82, p = 0.046$) and the full time employed group ($2.45 \pm 0.81, p = 0.009$) compared to the self employed group ($2.74 \pm 0.87$). The self employed group comprises of people whose occupation is business and constituted 20.8% of the sample. The self employed group can be expected to carry out a larger number of transactions in banks compared to other groups, especially when compared with the not employed and full time employed group. They may be expecting good service from the bank and hence the likelihood of considering switching their primary account may be higher for them when they perceive deterioration in the quality of service being offered to them by the bank or when they feel that their bank is not satisfying their specific needs. The reactional trigger was statistically significantly lower for the full time employed group ($2.45 \pm 0.81, p = 0.030$) compared to the part time employed group ($2.71 \pm 0.80$). The part time employed group constituted 17.7% of the sample and the full time employed group constituted 43.4% of the sample. The reactional trigger was higher in the case of the part time employed group. This may be because unlike the full time employed group, the part time employed do not have a steady stream of income and hence when their bank does not
satisfy their specific needs, they may consider switching their primary account. The full time employed group comprised of professionals and salaried people who can be expected to have more realistic expectations from the banks because of their increased awareness and knowledge about standard operating procedures of the bank. There were no statistically significant differences among the other occupation groups.

- There was a statistically significant difference between different occupation groups in the influential trigger as determined by one-way ANOVA \( F(4, 380) = 2.567, p = .038 \). The LSD post-hoc test revealed that the influential trigger was statistically significantly lower for the not employed group \( (2.26 \pm 0.59, \ p = .033) \) and the full time employed group \( (2.27 \pm 0.75, \ p = .008) \) compared to the retired group \( (2.65 \pm 0.80) \). The retired group is a group who depend on their savings for meeting their daily needs and a substantial part of their savings is for meeting any medical needs. When they find that another bank is offering higher interest rates on deposits or charging lower fees or charges, they may consider switching their primary account hoping that they can save more. The same may also be attributed as the reason why the likelihood of considering their primary account due to influential triggers was higher in the part time employed group compared to the full time employed group. The influential trigger was statistically significantly lower for the the full time employed group \( (2.27 \pm 0.75, \ p = .035) \) compared to the self employed group \( (2.5 \pm 0.81) \). There were no statistically significant differences among the other occupation groups.
Discussions Findings and Conclusions

- There was no statistically significant difference among the occupation groups in their switching intentions as determined by one way ANOVA.

- There was a statistically significant difference between different occupation groups in the perceived service quality of banks as determined by one-way ANOVA ($F(4, 380) = 3.282, p = .012$). Previous studies have shown that perceived service quality of customers differ by occupation. The LSD post-hoc test revealed that the perception of the service quality was statistically significantly lower for the part time employed group ($3.67 \pm 0.53, p = .035$), the self employed ($3.61 \pm 0.59, p = .003$) and the retired ($3.62 \pm 0.51, p = .042$) groups compared to the full time group ($3.84 \pm 0.57$). The full time employed group comprises of salaried and professional groups and constituted 43.4% of the total sample. Their perception of service quality of banks was found to be higher than that of other groups. The salaried and professionals can be expected to be more knowledgeable and having better awareness of standard operating procedures of banks. Their expectations of service from the banks will be based on this and hence the gap between their expectations from bank and performance by the bank will not be much unless the banks fail to deliver. Their expectations and perceptions of performance may be more realistic and hence positive disconfirmation may be expected to occur compared to the other groups. The perceived service quality was also statistically significantly lower for the the self employed group ($3.61 \pm 0.59, p = .047$) compared to the not employed group ($3.84 \pm 0.57$). In the case of the self employed group, the carry out a very large volume of transactions through the bank compared to the not employed group who do not have too many links with the bank. This
being the case, the self employed group can be expected to have larger expectations of service quality from the bank and this may be the reason why the perceived service quality of the self employed group was found to be lower than that of the not employed group. There were no statistically significant differences among the other occupation groups.

- There was no statistically significant difference among different income groups in their perception of switching triggers, their perceived service quality and switching intention as determined by one-way ANOVA.

- There was no statistically significant difference between switchers and non switchers in their perception of switching triggers, perceived service quality and switching intention as determined by independent sample t test. This means that past switching behaviour does not influence customers’ likelihood of considering switching their primary account when they face a switching trigger; their past switching behaviour does not influence their intention to switch their primary account and also does not influence their perceptions of service quality of the bank. Previous studies have shown that customers who have switched service providers because of dissatisfaction seem to differ significantly from other customer groups in their satisfaction and loyalty behaviors but however, the study could not confirm any significant differences between switchers and non-switchers with respect to the variables in the study.

6.7 Conclusions and Managerial Implications
Discussions Findings and Conclusions

The study attempted to develop and validate a multidimensional construct of service quality for retail banking from the consumer’s perspective. A major conclusion from the empirical research was the confirmation of the multidimensional construct for perceived service quality in the banking context. The five service quality dimensions were: Human Interaction, Core Service, Convenience, Tangibles and Technology. Instead of 22 items used in the SERVQUAL instrument, the validated scale for perceived service quality of banking services in Kerala contained 25 items categorized into five service quality dimensions. The dimensions of human interaction and core service provide support that service quality is assessed according to customer evaluations of outcomes as well as interactions with service employees. The three dimensions of Tangibles, Convenience and Technology reflect their emerging importance in the provision of superior service quality.

The ability to improve understanding of the service quality construct will enhance the understanding of service encounter related outcomes such as service value, customer satisfaction and behavioural intentions. The scale developed in this study can be used to examine each primary dimension of service quality in greater depth. The scale developed provides managers of retail banks with a valid and reliable instrument for measuring and improving service quality perceptions of their customers. The study will help banks envision and understand those aspects of banks that consumers perceive as high quality and what levels of these aspects are required to deliver high levels of service. The model would also allow managers to measure and improve the relevant dimensions of service quality to enhance overall service quality perceptions. The study thus helps managers address the following three issues: What defines service quality perceptions; how service quality perceptions are
formed and how important are the dimensions of service quality. From a managerial perspective, the information provides bank managers with a framework to enhance customers’ overall banking experience.

In their day to day life, customers invariably encounter switching triggers. These triggers refer to those stimuli that can initiate customer switching process without itself directly causing the switching in the relationship. There was a pressing need to develop a scale that systematically and psychometrically measures switching triggers, serving as a measurement foundation for the customer perspective. With respect to triggers, the objectives of this study were two-fold. The primary objective was to develop a multi-item scale for measuring perceptions of triggers from the customer perspective in the Indian banking context. The second objective was to test the relationship of the scale developed for triggers with perceived service quality. A multi item scale with three items each measuring the customers’ likelihood of considering switching their primary account due to each of the three triggers was developed. The validated switching trigger scale can be used by banks to understand customers’ perception of their likelihood of considering switching their primary account if faced with a trigger. This knowledge can be used by banks to tailor their offerings to meet customer requirements. It is important for banks to have a holistic picture of switching rather than focusing on the effect of one trigger alone or service quality alone. Consistently reviewing quality of service alone may have little effect if the customers’ likelihood of considering switching their primary account due to triggers is high because they could outweigh the potential benefits of improved service. The results of the study suggest that each of the three triggers have different influences on the different dimensions of perceived service quality. Analyzing
markets based on customer perceptions, designing a service delivery system that meets customer needs and improving the level of service performance are very important objectives for banks to survive and succeed by maintaining a competitive edge. Customers can be regularly profiled on the triggers that they experience and on the basis of this banks can focus their resources on particular dimensions of perceived service quality.

As customers move through their life cycle, they become more profitable and banks therefore need to work on a long term customer management strategy. The study identified that affective, normative and continuance commitment are distinct constructs within service relationships. Affective commitment was found to moderate the link between perceived service quality and customers’ intention to switch. Given the importance of this dimension of commitment, banks are advised to understand affective commitment and its bases in order to focus their efforts on increasing it. The loyalty of a customer with affective commitment is due to positive feelings towards the service provider. This kind of commitment has a predominantly emotional basis and not much to do with cognitive evaluations. For customers with affective commitment, the relationship has its own value and they are less motivated to switch when the perceived service quality of banks is high. Continuance commitment on the other hand is purely rational and happens when customers perceive lack of alternatives or potentially significant personal monetary sacrifice. Continuance commitment is based upon the perceived costs associated with terminating the relationship. These costs may be manifested in the time to search for another alternative provider or the loss of the benefits that may have accrued over the tenure of the relationship. To
build continuance commitment banks need to focus on establishing that their service has few suitable alternatives to which customers can switch.

Findings from previous research suggest that in long-term and lasting relationships the affective component is stronger and plays a more important role than the other two components. A relationship founded on affective commitment is based on common values, confidence and trust. The normative component which has a moral basis is very weak or insignificant in the study. A conclusion is thus that the presence of a strong affective component does not necessarily generate a strong normative component. Customers can have affection towards the bank but this affection need not necessarily generate an obligation towards the bank.

Switching can be viewed as an optimization problem for customers; customers review the potential gains of switching to another service provider against the costs of leaving the service provider. As banks do not provide tangible products, their service quality is usually assessed through service provider’s relationship with customers. Thus, banks should pay attention towards their employees’ skills and knowledge; assessing customers’ needs and offering fast and efficient services. There is also a need to train bank employees on relationship marketing skills. Such trainings would build a customer-oriented climate in which employees can deliver services more efficiently and effectively. This will result in the development of relational bonds and commitment in personal relationships, which ultimately builds commitment for the bank. Only when banks understand how the service is being perceived by the customer, would they be able to direct these assessments in the preferred direction. To prevent customers from switching,
banks need to understand customer needs, which can be achieved through a meaningful customer feedback on a continuous basis. Hence, banks should have a separate research department that can pursue market surveys on continual basis.

6.8 Academic Contribution

The study provides valuable insights to researchers on the intricacies of customer switching behaviour in the service industry. A contribution of this work to literature is the fact that it has developed two validated scales, one to measure perceived service quality incorporating the emerging trends in retail banking context and the other scale to measure the customers’ likelihood of considering switching their primary account due to switching triggers from a customer perspective. A scale to measure the customers’ likelihood of considering switching their primary account due to switching triggers is perhaps one of the few attempts in this area. The study uncovered critical dimensions of service quality that include those dimensions which are addressed by extant literature and also those that are overlooked by literature and perceived as important by customers. The study provides empirical evidence about the process by which consumers switch banks, a phenomenon that seems to be more complex than expected. However, the model developed has helped to simplify the process. There is little research that deals with a relationship perspective in switching. Service providers are usually caught in the narrow belief that service quality and satisfaction are the only tools available to them to retain customers. The study has empirically demonstrated the role played by triggers in customer switching behaviour and has provided empirical evidence to the fact that the triggers which customers experience
influence their perceptions of service quality. Empirical evidence to demonstrate how the different dimensions of commitment mitigate consumers’ intention to switch is also a contribution of the work.

6.9 Limitations of the Research Work

Though the underlying theme of the scales developed for switching triggers and perceived service quality address the issues of the service sector, the study has been conducted in the retail banking context due to time constraints and practical considerations. The findings of the study can be generalized in other service sectors where relational and contractual bonds exist, but may not be completely relevant, consistent and applicable to other service sectors due to the limitation of its focus exclusively on the retail banking industry. Hence caution must be exercised in extending the conclusions of this study to other sectors. The study has only explored the relationship among switching triggers, perceived service quality, commitment and switching intentions. Other variables which influence customer switching behavior were not considered. The measures used in the study have captured self stated attitudes, perceptions and intentions rather than actual behavior. The study was restricted to the state of Kerala in India and was based on perceptions of banking customers in the state and therefore extrapolating the results to entire India may not prove to be significant because of the geographic and cultural diversity of the country. A larger and more representative sample from the country may give broader representation to the measurement of perceptions of the customer. The sample for the study included both bank switchers and non switchers as identification of switchers alone had practical difficulties in implementation.
6.10 Scope for Further Research

Further research can focus on studying the effect of the variables used in the study on other sectors of the economy. The scales developed for measuring the customers’ likelihood of considering switching their primary account due to switching triggers and perceived service quality are with reference to the retail banking sector. Instruments to suit other sectors can be developed to give a clearer understanding of the switching process. The study focused on the influence of customers’ likelihood of considering switching their primary account due to triggers only on their perceived service quality of the bank. The influence of their likelihood of considering switching due to triggers on other variables like satisfaction, trust and commitment can be studied to understand better the role played by triggers. The study has only focused on how perceived service quality influences customers’ intentions to switch. The influence of other antecedents of switching intention has not been considered. Future research can also focus on simultaneously addressing other factors such as subjective norms, trust, satisfaction, alternative attractiveness that affect customer switching intentions. Analysis of the effect of switching intention on actual switching behaviour needs to be investigated. In such type of analysis, longitudinal studies would be more useful, as they would give a clearer picture of the process consumers follow towards switching, thereby providing further insights on the switching process.