

## **ABSTRACT**

“Quality is never an accident; it is always the result of intelligent effort”.

(John Ruskin)

Quality of service is of critical importance to providers of various services due to reasons such as emerging significance offered to it by the present customers and due to quest of organizations in finding suitable parameters, which are capable of differentiating the service offer from its competitors. The pertinent intangible nature of services makes it more confusing and complicated for the customers to evaluate the quality of service and it is an established fact that perceived service quality varies from customer to customer. Quality is defined as “the totality of inherent characteristics of a product or service that bear on its ability to increase the demand for that product or service at a fixed price” and can best be measured by capturing customer perceptions on performance of those characteristics.

Although significant studies were conducted regarding issues and factors contributing to service quality in the banking industry, the scope further existed to explore whether the concept has relevance in the localized setting like Kerala which can be considered as a cross –section of India as a whole. The purpose of this study was to describe an accomplished research to determine whether perceived service quality and its dimensions relate to customer expectations and satisfaction in Kerala context. The study was also aimed to ascertain whether various behavioral intentions reported are having

significant relationships with major factors such as satisfaction and service quality perceptions of the customer.

The task of improving Service quality begins with efforts to effectively measure it. This thesis had attempted to develop a scale for measuring service quality as perceived by the customers of Kerala Banking Context. The factors having significant relation to the service quality perceptions in the banking context were also identified and their relative importance was evaluated. To examine these relationships suitable hypotheses were proposed and tested using latest statistical tools. To arrive at valid conclusions all the constructs relevant for the study were conceptualized on the strength of the theory and were measured using suitable indicators based on the responses of the respondents by conducting a survey using structured questionnaire.

A three level approach was adopted to analyze the data after screening the data for missing values, outliers, normality etc. The first attempt was to identify the existence of five distinct factors with regard to service quality construct by performing an exploratory factor analysis of 28 indicators used for measurement. The second attempt was to develop measurement models for all latent constructs to find out final indicators capable of measuring the constructs were finalized. The structural model for Service quality construct was found to represent the data with 21 indicators belonging to five distinct dimensions based on goodness of fit criteria. Thirdly, the structural model with all the constructs which were measured either as reflective or formative were tested for its ability to represent the data as per guidelines for testing using WarpPLS 2.0. The significant paths in the model

are utilized for drawing various conclusions in the study. The major findings of the study were

- The research identified major dimensions contributing to service quality in Kerala banking context as Image, Human, Convenience, Products and Services and System.
- The study identified significant relation with all constructs considered for the study except for two relations namely desired expectations and perceived service quality as well as perceived service quality and negative behavioral intentions.
- The SERVPERF analysis identified that with regard to service quality, new generation banks are ahead of other types of banks followed by private sector banks and public sector banks respectively
- The desired expectation even though very significant with customer satisfaction doesn't have a significant relation with perceived service quality.
- This research has identified the structure of the service quality construct as multidimensional second order formative construct with five first order Reflective dimensions and "customer satisfaction" as a multidimensional second order formative construct with three first order formative constructs..
- The system dimension and human dimension bear significant relation directly to customer satisfaction. The human dimension

and convenience dimension directly have significant relation with positive behavioral intentions of the customer at 0.05 levels.

- The technical quality and employee interaction quality were the strongest satisfaction developers. Similarly consistency in service quality was found as strongest satisfaction retainer and industry concerns were the strongest satisfaction reducer in the banking context.
- Type of the bank had significant relation with both perceived service quality and customer satisfaction at 0.01 levels and the strength of relation was more towards satisfaction. The length of association with the bank also significantly affect both perceived service quality and customer satisfaction at 0.05 levels.

A significant contribution of this study was the use of formative indicators for developing measurement models for constructs of interest on the strength of theoretical considerations. The study concluded that to enhance positive behavioral intentions the final word is customer satisfaction and improvements in service quality are positive steps in that direction. Also to have sustained results apart from developing satisfaction, it has to be retained through value perception, cultivation of trust, consistency of service quality and generating delight among customers and by keeping the impact satisfaction reducers under control. The emergence of technical quality and human interaction quality as strongest developers of satisfaction underlines the need to have perfect co-ordination between man and machine for developing customer satisfaction in the banking context.