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Chapter 1

Introduction

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1.1 Introduction

The economic and social progress of any nation worldwide depends on the service sector prevailing in its economy (Daniels & James, 2008). In India, the economic policy of 1991 was one of the significant milestones on the path of growth and prosperity of this sector. The inclusive growth of an economy depends upon banking services because it is considered the backbone of the financial system. The banking industry holds the savings of the public for channelising it for the productive purposes of the borrowers. Rapid changes occurred in this sector in the post-independent era, such as technology, economic instability, tough competition, customers demand etc. Nowadays, in addition to the basic banking activities, they provide many value-added services for their customers (Lakshmi & K, 2017). These services are destined

not only for satisfying customers but also as a survival strategy in the tight competitive market.

1.2 Banking Sector

The banking system shows a substantial role in the development of a nation. It is dominant to a nation's economy as it satisfies credit requirements for all segments of society. Banks support channel savings to investments and boost economic development by allocating savings to assets with a high yield of returns. India's banking sector is well synchronised and capitalised. The Indian banking system has in recent times observed the rollout of advanced banking models and small finance banks for payments. The Indian banking system is a robust one and categorised into commercial banks and cooperative credit institutions. Commercial banks include scheduled commercial banks and non-scheduled commercial banks. Scheduled commercial banks are further classified into public sector banks, private sector banks, foreign banks and regional rural banks. Cooperative credit institutions comprise various cooperative banks (Sharma & Sharma, 2014). The significant challenges that the banks face nowadays are to create customer closeness, without which all other activities towards operational excellence are worthless. The banks need to confirm that the customers come back to them through enhanced service quality. The banking institutions provide high-quality service to their customers to ensure maximum satisfaction. Satisfied customers are valuable assets of a banking institution. Satisfaction creates trust and loyalty.

1.3 Regional Rural Banks

Regional Rural Banks (RRBs) started its operation in India through the Regional Rural Banks Ordinance on the 26th of September 1975, which was replaced by the Regional Rural Bank Act, 1976. RRBs are regional based

state-sponsored, commercial banks to develop of rural economy by providing credit and financial facilities for the growth of agriculture, industry, trade, commerce and other economic and productive activities in the rural areas of the country, especially for small and marginal farmers, small entrepreneurs, artisans and agricultural labourers. RRBs had positive growth since its beginning in 1975. These financial institutions played an important role in terms of rural development and geographical coverage in the economy. The share capital of RRBs jointly held by Central Government, State Government and Sponsoring bank in the ratio of 50:15:35 (Manoj, 2015). Due to mergers and takeover, the number of RRBs came down to 45 in March 2020 from 64 as of March 2013. The RRBs in India extended their financial services to every corner of the country in development.

1.4 Kerala Gramin Bank

Kerala Gramin Bank (KGB) is the largest Regional Rural Bank in India, a government-owned scheduled bank sponsored by Canara Bank. KGB is the only RRB in Kerala formed on the 08th of July 2013, according to the sub-section (1) of section 3 of the RRB Act 1976 by the amalgamation of South Malabar Gramin Bank and North Malabar Gramin Bank. Even though KGB is a Regional Rural Bank, it provides all the financial services of a Public Sector Bank. The bank's main objective is to take the initiative to uplift people by providing financial assistance in agriculture, micro, small and medium enterprises, housing, education, weaker sections, backward communities, etc. In terms of branch network, it is the second-largest bank in Kerala.

1.5 Customer Service Quality

Service quality is a term used to explain the achievement in services. The purchasing behaviour of customers highly depends upon the quality of

service provided to them. Customers always have expectations towards the goods and services which they are going to have. From the point of view of a customer, quality means the fitness for use and the capacity to satisfy their needs. It is a significant component in the case of a highly competitive industry like banking. In trade, the customer's industry and service sector are essential for development and growth. The measurement of service sector quality, especially in the banking sector, is more challenging than in any other sectors. The banking institutions were trying to provide full service to their customers to compete in the market and retain existing customers. Therefore, they consider the quality of service as a tool for distinguishing themselves from competitors (Siddiqi, 2011).

Modern customers are ready to sacrifice anything other than their expectations. The banking institutions try to implement different strategies to compete to meet the customers' expectations. They focused their activities on developing unique strategies for differentiating themselves from competitors by providing quality services and highly innovative products in terms of technology. Due to tight competition and rapid changes in the banking industry, service quality and customer satisfaction are getting more important than any other strategy. However, the success of these strategies may not be achieved without addressing the wants and needs of customers while designing and delivering services (Zeithaml & Bitner, 1996). Modern marketing notions and tactics are giving importance to recognising the needs and expectations of the customers and providing high-quality services to customers. Available literature supports that the banking institutions could enjoy the competitive advantage over and above their competitors through effective measurement, management, and service quality improvement. However, the measure of

service quality is problematic in the service sector, particularly in the banking sector, than the manufacturing sector.

1.6 Research Problem

The banking industry in India faced a rapid change in competition, technology, economic uncertainties and changing demands of customers. The challenges faced by the banking institutions arise due to these changes happened in the industry. Being a customer-focused industry, customer service quality is considered an essential aspect of banks' success. In the competitive market condition, banks' service quality could be regarded as one of the significant factors that differentiate one banking institution. A banking institution cannot exist without satisfied customers. So they provide high-quality services by reducing the gap between customer expectation and experience.

The role of commercial banks in the modern economy is inevitable. The customer service quality and the post purchase behaviour of the customers decided the success of the banking institutions. Regional Rural Banks (RRB) have an essential role in the sustainable development and growth of a nation by providing vital financial services in the nooks and corners. In the tight competitive market, RRBs have to compete with the other banking institutions in the industry. They have to attract customers and retain them to ensure the existence in the economy. There are forty-five RRBs in India, out of which one regional rural bank, namely Kerala Gramin Bank (KGB) operating in Kerala. The KGB is the second-largest bank based on branch network in Kerala. The present study attempts to identify the quality of the services provided by the Kerala Gramin Bank, which is measured based on different variables that influence the customers' post service behaviour.

1.7 Research Questions

1. What is the level of service quality offered by the Kerala Gramin Bank?
2. What are the factors affecting the post service behaviour of customers' of Kerala Gramin Bank?
3. What are the effects of service quality on the behavioural responses of customers?
4. What are the factors influencing customer loyalty in Kerala Gramin Bank?
5. Is there any mediating role of customer satisfaction in the relationship between service quality and customer loyalty?
6. Is there any moderating effect of customers' trust on the effect of customer satisfaction on customer retention and word of mouth referrals?

1.8 Objectives of the study

The objectives based on the research questions of the present study are mentioned below:

1. To understand the level of service quality offered by the Kerala Gramin Bank.
2. To investigate the post service behaviour of customers' of the Kerala Gramin Bank.
3. To examine the linkage between service quality and post service behaviour of customers' of Kerala Gramin Bank.
4. To identify the factors influencing the customer loyalty in Kerala Gramin Bank.

5. To examine the mediating role of customer satisfaction in the relationship between service quality and customer loyalty.
6. To extract the moderating effect of customers' trust on the effect of customer satisfaction on customer retention and word of mouth referrals.

1.9 Hypotheses of the study

The following hypotheses were formulated to fulfill the objectives of the present study.

Objective 1: To achieve the first objective, the level of service quality offered by the Kerala Gramin Bank was assessed. Ranking on various service quality factors such as tangibility, reliability, responsiveness, assurance and empathy and its socio-demographic differences among the customers of KGB were studied. Gender, age, educational qualification, occupation, year of experience with the bank and account in other banks of the Kerala Gramin bank customers are taken as socio-demographic factors for the analysis.

H_{0.1}: The proportions of the level of tangibility factor offered by the Kerala Gramin Bank are equally distributed

H_{0.2}: The proportions of the level of reliability factor offered by the Kerala Gramin Bank are equally distributed

H_{0.3}: The proportions of the level of responsiveness factor offered by the Kerala Gramin Bank are equally distributed

H_{0.4}: The proportions of the level of assurance factor offered by the Kerala Gramin Bank are equally distributed

H_{0.5}: The proportions of the level of empathy factor offered by the Kerala Gramin Bank are equally distributed

H_{0.6}: There is no significant association between gender and level of tangibility

H_{0.7}: There is no significant association between age group of bank customers and level of tangibility

H_{0.8}: There is no significant association between educational qualification and level of tangibility

H_{0.9}: There is no significant association between occupation and level of tangibility

H_{0.10}: There is no significant association between customer's experience with bank and level of tangibility

H_{0.11}: There is no significant association between customers having and not having account with other bank and level of tangibility

H_{0.12}: There is no significant association between gender and level of reliability

H_{0.13}: There is no significant association between age group of bank customers and level of reliability

H_{0.14}: There is no significant association between educational qualification and level of reliability

H_{0.15}: There is no significant association between occupation and level of reliability

H_{0.16}: There is no significant association between customer's experience with bank and level of reliability

H_{0.17}: There is no significant association between customers having and not having account with other bank and level of reliability

H_{0.18}: There is no significant association between gender and level of responsiveness

H_{0.19}: There is no significant association between age group of bank customers and level of responsiveness

H_{0.20}: There is no significant association between educational qualification and level of responsiveness

H_{0.21}: There is no significant association between occupation and level of responsiveness

H_{0.22}: There is no significant association between customer's experience with bank and level of responsiveness

H_{0.23}: There is no significant association between customers having and not having account with other bank and level of responsiveness

H_{0.24}: There is no significant association between gender and level of assurance

H_{0.25}: There is no significant association between age group of bank customers and level of assurance

H_{0.26}: There is no significant association between educational qualification and level of assurance

H_{0.27}: There is no significant association between occupation and level of assurance

H_{0.28}: There is no significant association between customer's experience with bank and level of assurance

H_{0.29}: There is no significant association between customers having and not having account with other bank and level of assurance

H_{0.30}: There is no significant association between gender and level of empathy

H_{0.31}: There is no significant association between age group of bank customers and level of empathy

H_{0.32}: There is no significant association between educational qualification and level of empathy

H_{0.33}: There is no significant association between occupation and level of empathy

H_{0.34}: There is no significant association between customer's experience with bank and level of empathy

H_{0.35}: There is no significant association between customers having and not having account with other bank and level of empathy

H_{0.36}: There is no significant difference between male and female customers with respect to dimensions of service quality of Kerala Gramin Bank

H_{0.37}: There is no significant difference between age group of customers with respect to dimensions of service quality of Kerala Gramin Bank

H_{0.38}: There is no significant difference between educational qualifications of customers with respect to dimensions of service quality of Kerala Gramin Bank

H_{0.39}: There is no significant difference between occupation of customers with respect to dimensions of service quality of Kerala Gramin Bank

H_{0.40}: There is no significant difference between customers' experiences with bank with respect to dimensions of service quality of Kerala Gramin Bank

H_{0.41}: There is no significant difference between customers having and not having account with other bank with respect to dimensions of service quality of Kerala Gramin Bank

Objective II: The level of post-service behaviours of the Kerala Gramin Bank customers was examined to fulfil the study's second objective. The relative ranking on various customers' post service behaviour factors and its socio-demographic differences among the customers of KGB were assessed.

H_{0.42}: The proportions of the level of customers' trust of the customers towards the Kerala Gramin Bank are equally distributed

H_{0.43}: The proportions of the level of customer satisfaction towards the services of Kerala Gramin Bank are equally distributed

H_{0.44}: The proportions of the level of perceived value getting from the services of Kerala Gramin Bank are equally distributed

H_{0.45}: The proportions of the level of customer retention in Kerala Gramin Bank are equally distributed

H_{0.46}: The proportions of the level of word of mouth referrals in Kerala Gramin Bank are equally distributed

H_{0.47}: There is no significant association between gender and level of customers' trust

H_{0.48}: There is no significant association between age group of bank customers and level of customers' trust

H_{0.49}: There is no significant association between educational qualification and level of customers' trust

H_{0.50}: There is no significant association between occupation and level of customers' trust

H_{0.51}: There is no significant association between customer's experience with bank and level of customers' trust

H_{0.52}: There is no significant association between customers having and not having account with other bank and level of customers' trust

H_{0.53}: There is no significant association between gender and level of customer satisfaction

H_{0.54}: There is no significant association between age group of bank customers and level of customer satisfaction

H_{0.55}: There is no significant association between educational qualification and level of customer satisfaction

H_{0.56}: There is no significant association between occupation and level of customer satisfaction

H_{0.57}: There is no significant association between customer's experience with bank and level of customer satisfaction

H_{0.58}: There is no significant association between customers having and not having account with other bank and level of customer satisfaction

H_{0.59}: There is no significant association between gender and level of perceived value

H_{0.60}: There is no significant association between age group of bank customers and level of perceived value

H_{0.61}: There is no significant association between educational qualification and level of perceived value

H_{0.62}: There is no significant association between occupation and level of perceived value

H_{0.63}: There is no significant association between customer's experience with bank and level of perceived value

H_{0.64}: There is no significant association between customers having and not having account with other bank and level of perceived value

H_{0.65}: There is no significant association between gender and level of customer retention

H_{0.66}: There is no significant association between age group of bank customers and level of customer retention

H_{0.67}: There is no significant association between educational qualification and level of customer retention

H_{0.68}: There is no significant association between occupation and level of customer retention

H_{0.69}: There is no significant association between customer's experience with bank and level of customer retention

H_{0.70}: There is no significant association between customers having and not having account with other bank and level of customer retention

H_{0.71}: There is no significant association between gender and level of word of mouth referral

H_{0.72}: There is no significant association between age group of bank customers and level of word of mouth referral

H_{0.73}: There is no significant association between educational qualification and level of word of mouth referral

H_{0.74}: There is no significant association between occupation and level of word of mouth referral

H_{0.75}: There is no significant association between customer's experience with bank and level of word of mouth referral

H_{0.76}: There is no significant association between customers having and not having account with other bank and level of word of mouth referral

H_{0.77}: There is no significant difference between male and female customers with respect to dimensions of post service behaviour of bank customers

H_{0.78}: There is no significant difference among the various age groups of customers with respect to dimensions of post service behaviour of bank customers

H_{0.79}: There is no significant difference between educational qualifications of customers with respect to dimensions of post service behaviour

H_{0.80}: There is no significant difference between occupations of customers with respect to dimensions of post service behaviour

H_{0.81}: There is no significant difference between customers' experience with bank with respect to dimensions of post service behavioural factors

H_{0.82}: There is no significant difference between customers having and not having account with other bank with respect to dimensions of post service behaviour

Objective III: Developed a Structural Equation Model for Kerala Gramin Bank which links the service quality and customers' post service behaviour. For this, the following hypotheses were tested.

SM.H1: Service quality of Kerala Gramin bank has a positive effect on customers' trust

SM.H2: Service quality of Kerala Gramin bank has a positive effect on customer perceived value

SM.H3: Perceived value has a positive effect on customer satisfaction

SM.H4: Customers' trust has a positive effect on customer satisfaction

SM.H5: Customer satisfaction has a positive effect on customer retention

SM.H6: Customer satisfaction has a positive effect on word of mouth referral

Objective IV: identified the influence of branch ambience, employees' behaviour and product quality on customer loyalty of Kerala Gramin Bank.

The socio-demographic difference among the bank customers regarding the factors branch ambience, employee behaviour and product quality were measured.

SM.H7.1: Branch ambience has a positive effect on customer loyalty

SM.H7.2: Employees' behaviour has a positive effect on customer loyalty

SM.H7.3: Product quality has a positive effect on customer loyalty

H_{0.83}: There is no significant difference between male and female customers with respect to the factors of customer loyalty

H_{0.84}: There is no significant difference among the various age groups of customers with respect to the factors of customer loyalty

H_{0.85}: There is no significant difference between educational qualification of customers with respect to the factors of customer loyalty

H_{0.86}: There is no significant difference between occupation of customers with respect to the factors of customer loyalty

H_{0.87}: There is no significant difference between customers' experience with the bank with respect to the factors of customer loyalty

H_{0.88}: There is no significant difference between customers having and not having account with other bank with respect to the factors of customer loyalty

Objective V: Examined the mediating role of customer satisfaction in the relationship between service quality and customer loyalty of Kerala Gramin Bank.

MED.H8.1: Customer satisfaction has a mediating role in the relationship between service quality and customer loyalty of Kerala Gramin Bank

Objective VI: The moderating effect of customers' trust on the effect of customer satisfaction on customer retention and word of mouth referrals were evaluated, and a SEM model was developed, which explained the sixth objective of the study

MOH.9.1: A higher level of customer satisfaction in the KGB services will result in higher customer retention.

MOH.9.2: A higher level of customer satisfaction in the KGB services will result in higher word of mouth referrals.

MOH.9.3: A higher level of customers' trust in the bank will result in higher customer retention.

MOH.9.4: A higher level of customers' trust in the bank will result in higher word of mouth referrals

MOH.9.5: The strength of the relationship between customer satisfaction and customer retention is moderated by customers' trust.

MOH.9.6: The strength of the relationship between customer satisfaction and word of mouth referrals is moderated by customers' trust.

1.10 Scope of the study

The scope of the study confined to an in-depth analysis of service quality and customer's post service behaviour of retail customers of Kerala Gramin Bank. In this study, the researcher identified the different aspects of service quality provided by KGB, such as tangibility, reliability,

responsiveness, assurance and empathy. The influence of branch ambience, employees' behaviour and product quality on customer loyalty also measured. The mediating role of customer satisfaction in the relationship between service quality and customer loyalty and the moderating effect of customers' trust on customer satisfaction and customer retention and word of mouth measured through the study.

1.11 Need and Significance of the study

Nowadays, attracting and retaining customers by providing quality service to the customers is a significant challenge for a commercial bank. Due to the high level of competition, banks offer various services and different strategies to satisfy the customers' needs. Therefore the banking institutions deliver extreme attention in preserving the relationship with the customers. Service quality influences customer satisfaction and creates loyalty. The regional rural banks ensure an economy's development by providing financial services to the unbanked sectors. They also need to provide quality service to the customers to exist in the highly competitive banking industry. Therefore it is significant to study the level of quality of services offered by the regional rural banks. In this research, the researcher tries to measure the quality of service provided by the Kerala Gramin Bank and identify the influence of different variables on customer loyalty. The customers' post service behaviour of Kerala Gramin Bank also needs to evaluate.

1.12 Research methodology

The present study titled 'Service quality and customers' post service behaviour of Kerala Gramin Bank' is descriptive and analytical in nature. To collect the responses, the study selected individual customers of Kerala Gramin Bank collected from different parts of the state of Kerala. The study collected

descriptive data about the characteristics of the population. Hence the study is descriptive. As the study formulated the hypotheses and tested them using various statistical tools, it is also analytical.

1.12.1 Sources of Data

Data required for the research work were collected and used from secondary and primary sources.

Secondary Data

Secondary data for the study were collected from various published sources like research journals, periodicals, books related to the area of study, various research publications, research dissertations and theses, study reports, KGB Annual Report 2020 and from websites of the Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), Kerala Gramin Bank (KGB), and other websites in the banking sector and Regional Rural Banks.

Primary Data

In this research, the researcher tries to analyse the quality of service provided by Kerala Gramin Bank and the customers' post service behaviour. Primary data required for this purpose was collected from Kerala Gramin Bank customers through a structured and validated questionnaire.

1.12.2 Sample Design and Sample Size

Population

The population of the study comprised of retail customers of 634 branches of Kerala Gramin Bank in Kerala State.

Sample

A sample of 642 retail customers was required for the study. The data were collected from 642 customers of Kerala Gramin Bank by applying multi-stage sampling.

1.12.3 Sampling technique

The researcher adopted multi-stage sampling method to measure the service quality of KGB and customers' post service behaviour. In the first stage, districts of Kerala state were classified into three groups based upon the number of branches in each district. For this purpose, the number of branches of Kerala Gramin Bank was identified in each district. Then, quartiles based on the number of branches were calculated. The 14 districts of Kerala were classified into three strata such as district having lower number of branches, moderate number of branches and high number of branches as shown in the Table 1.1.

Table 1.1: District-wise classification of branches of Kerala Gramin Bank

Districts having lower number of branches	Number of Branches	Districts having moderate number of branches	Number of Branches	Districts having large of branches	Number of Branches
Alappuzha	17	Eranakulam	34	Kannur	96
Idukki	14	Kottayam	37	Kasaragod	58
Kollam	25	Pathanamthitta	31	Kozhikode	81
Palakkad	24	Thrissur	46	Malappuram	94
		Trivandrum	46		
		Wayanad	31		

Source: Records of Kerala Gramin Bank

Note: Districts shown in bold represents the districts selected from each stratum and the number of branches in the selected districts.

From each of these strata, three districts such as Kollam, Thrissur and Kannur were selected through the lottery method. 64 branches were selected (10 percentage of 634 branches) in proportion to the number of branches in the selected three districts, which comprise 10 branches from Kollam district, 18 branches from Thrissur district and 36 branches from Kannur district by applying simple random sampling method. A total of 642 customers were selected proportionately, such as 100 from Kollam district (i.e. 10 customers from each of the selected branches), 180 from Thrissur district (i.e. 10 customers from each of the selected branches) and 362 from Kannur district (i.e. 10 customers from 34 branches and 11 customers from 2 branches) as shown in Table 1.2.

Table 1.2: Selection of sample of customers of Kerala Gramin Bank

	Districts			Total
Selected districts of Kerala Gramin Bank	Kollam	Thrissur	Kannur	3 Districts
Number of branches in the selected districts	25	46	96	167
Number of branches selected from selected districts	10	18	36	64
Total number of customers from selected districts	100	180	362	642
Number of customers selected from each branch	10	10	10 from 34 branches and 11 from 2 branches	642

Source: Combined by the researcher

1.12.4 Sample size determination

The sample size was determined using the standard deviation from the pilot study of the sample of 60 respondents and allowed the standard error at the 5% level. The sample size was calculated using the following formula:

$$\text{Sample size (n)} = (ZS/E)^2$$

Where, Z= Standard Value corresponding to confidence level of 95% = 1.96

S= Sample Standard Deviation from the pilot study of 60 sample = 0.646

E= Acceptable Error = 5% (i.e., 0.05)

Hence, the sample size (n) = $(ZS/E)^2 = (1.96*0.646/0.05)^2 = 641.10$

*The Sample size of the study were determined using the formula is 641.10. Therefore researcher finalised the sample size of the study as **642***

As the study's data analysis was based on CB- SEM techniques, the researcher also considered the sample size as per CB-SEM requirements. According to Tanaka (1987) Maximum Likelihood Estimation, 5:1 ratio of cases to free parameters are regarded as a sufficient sample size for performing SEM analysis. Therefore, 642 samples are considered adequate to run CB-SEM models perfectly.

1.12.5 Design of Questionnaire

The researcher used a paper-based questionnaire as the instrument for the survey, and it was in English and Malayalam. (Appendix A). The questionnaire consisted of three parts (Appendix A), which includes the following details:

Part 1: First part included questions to collect socio-demographic data of the respondents.

Part 2: Second part included questions for collecting the data for measuring the Service Quality provided by Kerala Gramin Bank with five constructs and level of Customer Loyalty with three constructs.

Part 3: The third part included questions for identifying Kerala Gramin Bank customers' post service behavioural responses with five constructs.

Demographic variables

The demographic variables of the present study includes gender, age, educational qualification, occupation, annual income, number of earning members in the family, number of years of relationship with the bank, type of services used, kind of account, kind of loans availed, association with other banks etc.

Customer Service Quality

Five dimensions of service quality (Parasuraman, Zeithaml, & Berry, 1985) are analysed, and the number of items in each construct analysed is mentioned in brackets.

1. Tangibility (4)
2. Reliability (4)
3. Responsiveness (4)
4. Assurance (4)
5. Empathy (5)

Customer Loyalty

Three factors are analysed, and the number of items in each construct analysed mentioned in brackets.

1. Branch Ambience (5)
2. Employee Behaviour (5)
3. Product quality (5)

Post Service Behaviour

Five factors are analysed, and the number of items in each construct analysed mentioned in brackets.

1. Customers' Trust (5)
2. Customer Satisfaction (5)
3. Perceived Value (3)
4. Customer Retention (4)
5. Word of Mouth Referral (4)

1.12.6 Pretesting of Questionnaire

The draft questionnaire was given to the experts in the field of research to know its content validity. To find out reliability and validity of the questionnaire, a preliminary survey was conducted. The draft questionnaire was given to 60 customers of Kerala Gramin Bank belongs to six branches in Thrissur District. Based on the pilot study, modifications and corrections were made, and the final questionnaire was prepared.

1.12.7 Reliability analysis

Table 1.3: Internal consistency analysis of the thirteen constructs by Cronbach's alpha for sample size 60 based on the pilot study

SI No.	Constructs	Cronbach's Alpha	No. of Items	No. of Items deleted
1	Tangibility	0.85	4	Nil
2	Reliability	0.92	4	Nil
3	Responsiveness	0.92	4	Nil
4	Assurance	0.91	4	Nil
5	Empathy	0.91	5	Nil
6	Branch Ambience	0.80	5	Nil
7	Employee Behaviour	0.94	5	Nil
8	Product Quality	0.87	5	Nil
9	Customers' Trust	0.98	5	Nil
10	Customer Satisfaction	0.96	5	Nil
11	Perceived Value	0.89	3	Nil
12	Customer Retention	0.96	4	Nil
13	Word of mouth referrals	0.95	4	Nil

Cronbach's Alpha values of the pilot study reveal that all constructs are reliable in their internal consistency. Generally, reliability coefficients of 0.70 or more are considered good (Nunnally, 1967). The coefficients 0.60 to 0.70 are desirable. Therefore, the researcher proceeds with further data collection.

Table 1.4: Internal consistency analysis of the thirteen constructs by Cronbach's alpha on the full-scale data

SI No.	Constructs	Cronbach's Alpha	No. of Items	No. of Items deleted
1	Tangibility	0.89	4	Nil
2	Reliability	0.92	4	Nil
3	Responsiveness	0.93	4	Nil
4	Assurance	0.93	4	Nil
5	Empathy	0.94	5	Nil
6	Branch Ambience	0.88	5	Nil
7	Employee Behaviour	0.95	5	Nil
8	Product Quality	0.92	5	Nil
9	Customers' Trust	0.96	5	Nil
10	Customer Satisfaction	0.94	5	Nil
11	Perceived Value	0.96	3	Nil
12	Customer Retention	0.94	4	Nil
13	Word of mouth referrals	0.96	4	Nil

Cronbach's Alpha values of the full-scale study reveal that all Cronbach's Alpha values are above 0.80. It means all constructs are reliable in terms of their internal consistency. Generally, reliability coefficients of 0.70 or more are considered good (Nunnally, 1967). The coefficients 0.60 to 0.70 are desirable.

1.12.8 Normality of data (distributional assumption)

Kolmogorov-Smirnov test was conducted to test whether the data are normally distributed or not (Sarstedt & Mooi, 2014).

Table 1.5: Normality of data by Kolmogorov-Smirnov test

SI No.	Constructs	Kolmogorov-Smirnov test		
		Statistic	DF	Sig.
1	Tangibility	0.018	642	0.200*
2	Reliability	0.017	642	0.200*
3	Responsiveness	0.016	642	0.200*
4	Assurance	0.015	642	0.200*
5	Empathy	0.019	642	0.200*
6	Branch Ambience	0.018	642	0.200*
7	Employee Behaviour	0.019	642	0.200*
8	Product Quality	0.017	642	0.200*
9	Customers' Trust	0.016	642	0.200*
10	Customer Satisfaction	0.020	642	0.200*
11	Perceived Value	0.017	642	0.200*
12	Customer Retention	0.016	642	0.200*
13	Word of mouth referrals	0.017	642	0.200*

* This is a lower bound of the true significance

It can be inferred from the above table that all P values of the Kolmogorov-Smirnov test are greater than 0.05. It means that the data of each construct possess normal distribution properties.

1.12.9 Statistical tools and software packages used for data analysis

1. To study the service quality factors offered by Kerala Gramin Banks, Mean, Standard deviation, One sample t test, Independent t test, Analysis of Variance (ANOVA), Tukey HSD Post hoc test, Quartile Deviation, Percentage Analysis, and Chi-Square tests are used with the help of IBM SPSS 21 software package

2. To investigate the post service behaviours of the Kerala Gramin Bank customers, Mean, Standard deviation, One sample t test, Independent t test, Analysis of Variance (ANOVA), Tukey HSD Post hoc test, Quartile Deviation, Percentage Analysis, and Chi-Square tests are employed with the help of IBM SPSS 21 software package
3. To develop a Structural Equation Model for Kerala Gramin Bank which links the service quality and customers' post service behaviours, Co-variance Based Confirmatory Factor Analysis (CB-CFA) and Structural Equation Modelling (CB-SEM) techniques were adopted with the help of IBM SPSS AMOS 21 software package
4. To explore the influence of branch ambience, employees' behaviour and product quality on customer loyalty of Kerala Gramin Bank, Mean, Standard deviation, Independent t test, Analysis of Variance (ANOVA), Tukey HSD Post hoc test and Structural Equation Modelling (CB-SEM) techniques were used with the help of IBM SPSS & AMOS 21 software package
5. To examine the mediating role of customer satisfaction in the relationship between service quality and customer loyalty, Structural Equation Modelling techniques and Sobel's test for significance of mediation testing were employed with the help of IBM SPSS AMOS 21 software package.
6. To extract the moderating effect of customers' trust on the effect of customer satisfaction on customer retention and word of mouth referrals, Structural Equation Modelling (SEM) techniques and Simple slop test of two-way interaction effect for unstandardised variables for moderation effect were employed with the help of IBM SPSS AMOS 21 software package and MS excel statools package.

1.13 Operational definitions

Service quality: It is the extent to which the service meets the expectations of the customers. Service quality is a careful evaluation that replicates the customer's perception of specific dimensions of service, namely reliability, responsiveness, assurance, empathy, and tangibility.

Post service behaviour: Post service behaviour means the opinion of the customer after experiencing the service. It is the reaction of the consumer after enjoying the services provided by Kerala Gramin Bank.

Loyalty: Customer loyalty specifies the extent to which customers are devoted to the services of the bank. A customer tends to continue with the bank's services on a repeated and exclusive basis and recommend the services to friends and relatives.

Tangibility: Tangibility means the physical appearance of the bank such as facilities available, equipment, appearance of the people and neatness of physical environment.

Reliability: Reliability is the capacity of the bank to address the needs of the customers' promptly without any mistakes and the ability to solve the problems they face.

Responsiveness: Responsiveness means the willingness of the bank to provide attentiveness and promptness in dealing with customer's requirements, enquiries, grievances and difficulties.

Assurance: It is the bank's ability to provide the services quickly and efficiently. It includes the behaviour of the employees and their knowledge to answer the queries of the customers.

Empathy: Empathy means the ability of the employees to provide individual attention to the customers. It is the ability of the bank to maintain a strong customer relationship.

Branch Ambience: It means the facilities available in the bank branch. It includes the number of counters, parking facility, the layout of the branch, comfort and easiness in dealings.

Employee behaviour: employee behaviour means the behaviour of the employees of the bank towards the customers. Employee's willingness to help customers, quick and efficient customer service, speed of response and quality of service are considered in the employee behaviour.

Product quality: The availability of the products of the bank to meet the needs and wants of the customers at an affordable price.

Trust: Trust the confidence of customers in the overall activities of the bank.

Customer satisfaction: The ability of the bank to meet the expectations of the customers.

Perceived value: Perceived value means the customers' judgment on the services delivered by the bank based on their ability to meet customer expectations and the price they paid for the same.

Customer retention: Retention means the customers' willingness to continue with the bank's services and keep a strong customer relationship.

Word of mouth referrals/ Intention to recommend: It means the readiness and aptitude of the customer to recommend the services of the bank to friends, relatives and other people he knows.

Customer: A customer is a person who makes regular transactions with a bank and who has at least one year of experience with the bank. It includes only retail customers of the bank. Retail customers are members of the general public taking care of their personal financial needs. The retail customers in this study include the individual customers who opt for retail banking services like saving account, cash credit holders, fixed deposits, recurring deposits, loan account holders and availing facilities of the locker. It excludes the current account holders.

1.14 Limitations of the study

1. The present study covers only five dimensions, but there can be the possibility to study more dimensions of the service quality scale.
2. Respondents might not have been able to put forward their views, as per their wish, because of the structured form of the research instrument.
3. The present study has relied mainly on the quantitative methodology of data collection and is therefore restrictive. The methodological assumption is that all respondents will have the same exposure to the intervening external variables, which may not be accurate in practice. Thus, the effects of these variables may not be familiar to all customers that may influence how they respond in the perception of service quality
4. As the market dynamics keep on changing and so the consumer behaviour. Hence, the results obtained with the help of this questionnaire may not remain applicable in the future.
5. The present study focused only on the retail customers of the Kerala Gramin Bank. Other types of customers are excluded entirely. Hence it

is not possible to generalise the outcome of the research to all customers of the bank.

1.15 Scheme of work:

Chapter 1: Introduction

The first chapter includes the introduction, research problem, scope of the study, significance of the study, research questions, research objectives, hypothesis, research methodology, operational definitions, and limitations.

Chapter 2: Review of literature

A detailed literature review conducted by the researcher in the area of study is drafted in the second chapter. The reviews include the studies done in service quality, customer satisfaction, customer loyalty and consumer behaviour. In addition, the studies conducted in the regional rural banks by different researchers are also included in the review of the literature.

Chapter 3: Theoretical framework

The third chapter of the present study includes the basic information related to the development of Regional Rural Banks and Kerala Gramin bank. The fundamental theoretical framework was about customer service quality, consumer behaviour, customer loyalty and customer satisfaction.

Chapter 4: Customer service quality

The fourth chapter covers the first objective of the research, to study the service quality offered by Kerala Gramin Bank. It also examines the level of service quality provided by the Kerala Gramin Bank and its socio-demographic association among the bank customers. Besides this, mean rank

comparison and its socio-demographic difference among the bank customers were also examined.

Chapter 5: Post service behaviour of customers

The fifth chapter contains the second objective of the study. It includes the post service behaviour of the Kerala Gramin Bank customers and its association with various socio-demographic profiles of the customers.

Chapter 6: Structural Equation Model

The sixth chapter covers the third objective of the study. The linkage between the service quality and post service behaviour of customers of the Kerala Gramin Bank described.

Chapter 7: Customer loyalty

The seventh chapter covers the fourth objective of the study to explore the influence of branch ambience, employees' behaviour and product quality on customer loyalty of Kerala Gramin Bank.

Chapter 8: Mediating role of customer satisfaction in the relationship between service quality and customer loyalty

The eighth chapter explains the mediating role of customer satisfaction in the relationship between service quality and customer loyalty of Kerala Gramin Bank.

Chapter 9: Moderating effect of customers' trust on the effect of customer satisfaction on customer retention and word of mouth referral

The ninth chapter deals with the final objective of the study to extract the moderating effects of customers' trust on the effect of customer satisfaction on customer retention and word of mouth referral.

Chapter 10: Summary of findings, Recommendations and Conclusion

The final chapter covers the vital part of the thesis – the study's significant findings, recommendations based on the analysis, and finally, concluding remarks of the study. Results are presented based on the objectives of the study. Besides these, the major limitation of the study and directions for future research were also included.

1.16 Conclusion

A blueprint of the study is mentioned in the first chapter. It includes the research questions, objectives of the study, scope, need and significance, research methodology and operational definitions. The objective wise formulated hypotheses are also mentioned. The present chapter ends with the chapterisation of the study.

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