ABSTRACT

Service Quality has been the most researched area in services marketing. Most of the studies were based on the Perceived Service Quality model (Gronroos 1984) and the Gap Analysis Model of Service Quality (Parasuraman, Berry and Zeithaml 1985)

The perceived service quality model conceptualises the customer's evaluation of a service as a comparison of the customer's prior expectations of the service with the perceptions of the performance. The gap analysis model defines perceived service quality from the customers perspective and also identifies key service provider gaps potentially responsible for poor service. Parasuraman et al (1988b) developed a multiple item scale called SERVQUAL to measure perceived service quality based on the five dimensions of Reliability, Assurance, Tangibles, Empathy and Responsiveness Later studies focused on the relationship between service quality and satisfaction and their impact on behavioural intentions

Although these studies found correlation between the service quality, satisfaction and behavioural intentions, they were unable to fully explain the process of evaluation of a service by a consumer and the influence of this evaluation on the consumer's behavioural intention.

It is only recently that researchers have focused on the concept of Service Value which takes into account the benefits and the sacrifices inherent in the purchase and consumption of a service. Studies have shown that the Service Value concept is a better predictor of the behavioural intentions of the consumers(Bolton and Drew 1991b; Taylor 1992, Zeithaml 1988).The benefits include Service Quality and Satisfaction and the sacrifices include the Objective Price and the Perceived Risk in a service.

The current research builds upon the concept of service value through an empirical study in the context of the retail banking services The primary objective of the research is to investigate the relationship between Service Quality, Customer Satisfaction, Sacrifice and Service Value and the causal ordering of these constructs in the determination of behavioural intentions.

Data was collected from the customers of four banks - two each from the Public and Private sectors by adopting the questionnaire method of survey The analysis was done through Two Stage Least Square (TSLS) estimates and LISREL based structural analysis techniques. The results provide support to the hypothesis that Service Value plays a key role in determining the Behavioural Intentions like intention to repurchase, increase usage, intention to use other offerings, and intention to recommend the service The findings also suggest the possibility of an extension of the operationalization of the Disconfirmation (i.e comparison of the perceived Performance with the Expectations) construct to include elements of Sacrifice Such an extension is found to improve the explanatory power of the model of Service Value

The study will potentially contribute to marketing theory by providing a better explanation of the process of the consumer's evaluation of service and the prediction of their behavioural intentions It will help managerial practice by identifying and explaining the facets of individual decision making which can be used profitably to develop marketing strategies. Additional contribution is a cross cultural validation of the measures of service quality i e SERVQUAL and scale development for measures of Objective Price and Perceived Risk These measures can be used by the service providers as tools for collecting feedbacks from the customers to help monitor and control the service experience of the customers