

Impact of Banking Relationship Characteristic on Service Quality Dimensions and Customer Retention

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ABSTRACT

This research study is to find out the moderating impact of customer's relationship characteristics with each service quality dimension (Tangibility, Reliability, Responsiveness, Assurance, and Empathy) and customer retention, Respondents would be the users of a bank. Sample size of this research study is 500. The positivist research philosophy approached is used as the structured questioner was developed and distributed for the data collection. Personal administrated questionnaire was distributed and collect the questionnaire from them. Result showed that all service quality dimensions are also studies differently to test the customer relationship characteristics moderating role. The findings have shown that every dimension of service quality has significant positive relationship with customer retention in presence of customer relationship characteristics. Customer relationship characteristics is also tested as moderators with service quality (tangibility, reliability, responsiveness, assurance and empathy) and found significant.

Key words: Tangibility, Reliability, Responsiveness, Assurance, Empathy

1. Introduction

In the competitive world, service quality is a key factor to meet customer satisfaction which is followed by organizations. Customer satisfaction is one of fundamental principles of quality management. Loyal and satisfied customers bring about stable income for organizations. Thus organizations pay special attention to factors such as customer knowledge, customer relationships, and determination of methods for meeting customer satisfaction and for providing suitable goods and services to meet customer needs because Customer is the most important asset of organization. Customer satisfaction is the goal and aim of all activities. "Increased competition, meeting customer satisfactions are new concepts that have strongly affected current world in a way that one cannot compete or even survive according old ideas in

new world.” There is no doubt that development of technology has increased customers ‘expectations to receive quality and on time services. Service quality is increasingly becoming a major strategic variable. And this construct has received increased scrutiny during the last few decades discussed in their paper that at the center of the marketing concept is the idea of improving organizational performance by attracting and retaining satisfied customers.

Service quality is concepts that has aroused substantial interest and argue in research. There are difficulties defining and measuring it with no overall consensus emerging on either (Wisniewski, 2001). Service quality has been defined as the overall assessment of a service by the customers (Eshghi et al., 2008), while other studies defined it as the extent to which a service meets customer’s needs or expectations. Service is assumed to be quality when it consistently conforms to customer expectations (Asubonteng et al., 1996, Wisniewski, 1996). (Parasuraman et al., 1985a) argues that service quality is the measure of service delivered as against expected service performance. Service quality is defined as customer perception of how does a service meets or exceeds their expectations (Czepiel, 1990). Several practitioners define service quality as the difference between customer’s expectations for the service encounter and the perceptions of the service received (Munusamy et al., 2010). Customer expectation and perception are the two main ingredients in service quality. Customers judge quality as low if performance (perception) does not meet up their expectation and quality as high when performance exceeds expectations (Oliver, 1980).

Nevertheless, this retention strategy should be implemented very carefully because, on the one hand, retaining a customer is costly (Reinartz et al., 2005), and on the other hand, not all customers generate the same value for the firm (Woo and Fock, 2004). For this reason, it is not efficient to retain all the users from the customer base indiscriminately (Dowling and Uncles, 1997), since retention per se is not a sufficient condition to obtain greater profitability (Reinartz and Kumar, 2000). Rather, firms need to consider how much each individual customer is worth to them in order to optimally segment the market and allocate their marketing resources (Reinartz and Kumar, 2003b).

In this respect, the literature has shown that the longer customers stay in a relationship with the company, the more value they generate (Reichheld, 1996a), so the period of time a relationship is maintained is one of the fundamental factors determining the value that the customer provides to the firm (Berger and Nasr, 1998, Rosset et al., 2002). Customer switching behavior is consequently a serious threat to the achievement of long-term relationships (Ganesh et al., 2000). Hence banks need to study carefully the processes determining customers’ switching decisions if they are to manage their customer bases successfully (Bansal et al., 2005).

In the loyalty literature, **Customer retention** means the number of customers who stay with the service provider in the course of an established period, for example a year. Multiple benefits accrue from relationship characteristic (length, depth and breadth) in relation to quality services and customer retention. Tenure is the **length** of time a customer remains a customer. **Relationship breadth** is defined as the number of products/services the customer purchases from the firm, while, **Relationship depth** is defined as the frequency of the services a customer uses that create cross selling. Multiple benefits accrue from longer tenure and

broader relationship depth and breadth (e.g., (Reichheld, 1996b); (Reichheld and Jr, 1990); (Reichheld and Teal, 1996). The benefits of tenure include amelioration of acquisition costs, enhanced overall revenue arising from a longer relationship time period, easier servicing because of customer learning, more referrals, greater tolerance of higher prices, and less likelihood of customer defection in future years. The benefits of relationship breadth and depth are more revenue per customer, greater opportunity to learn about customer needs, and the potential to build switching costs that further strengthen the relationship (Kamakura et al., 2003). Many companies have recognized the above benefits of customer retention, length, depth and breadth. Most of the research studying relationship characteristics have analyzed their impact on different relational constructs like satisfaction (Bolton, 1998), number of services purchased and customer referrals (Verhoef et al., 2002), profitable lifetime duration (Reinartz and Kumar, 2003a) or trust and perceived quality (Grayson and Ambler, 1999). However, less attention has been paid to the study of the impact of customer relationship characteristics on customer retention in relation to services quality. Relationship characteristics have analyzed their impact on different relational constructs like satisfaction (Bolton, 1998), number of services purchased and customer referrals (Bolton et al., 2004), profitable lifetime duration (Reinartz and Kumar, 2003a) or trust and perceived quality (Grayson and Ambler, 1999). Relationship marketing has recognized the importance of building long-term relationships in increasing firms' profitability and guaranteeing their future viability. Owing to the damaging effects that customer switching behavior could have on the development of successful relationships, understanding customers' switching decisions can represent a key step in the process of establishing, developing and maintaining successful relational exchanges. However, less attention has been paid to the study of the impact of customer relationship characteristics on service quality dimensions and customer switching behavior and especially for service provider i.e., the Banking service provider. So this research paper focus on to find out the moderating impact of customer's relationship characteristics (breadth, length & depth) with each service quality dimension (Tangibility, Reliability, Responsiveness, Assurance, and Empathy) and customer retention.

2. REVIEW OF LITERATURE

There are five dimensions of service quality which can affect the service quality i.e., reliability, responsiveness, assurance, empathy and tangibles. These dimensions do not equally affect the service quality, some dimensions have more and some less affect on service quality. As reliability has more affect on service quality and tends to decrease in a manner responsiveness, assurance, empathy and tangibles. There are also other ways through which service quality can be analyzed like competence, courtesy, credibility, security, communication and understanding the customer (Webber et al., 2012).

Reliability means how a company complete and fulfill its promises with its customers or stakeholders because the consumer wants to know whether their service provider is able to provide its services consistently and effectively or not. Responsiveness means the dedication of the company to help its customers in providing them a good quality and fast service. This is

also very important because customer feels more valued if they get the best possible quality in service. Assurance means how much a company has skilled worker so that they can provide better services to its customer. If customers are satisfied, there is no chance that they would switch to any other product or service. Empathy means that individual attention of a company or a firm that it gives to its customer. For example an employee is working in a shop and doesn't smile but ask from his supervisor with an eye contact that if there is anything else to do. Task of that person is fully completed. But the customer didn't feel the employee cared. And it's not necessarily the employees' fault. They may not know that they're being judged. Tangibles have the least important dimension of service quality. Service providers will still want to make certain their employee's appearance, uniforms, equipment, and work areas on-site like service offices look good. The meaning of service quality can be inferred from the following references: Service quality differs from quality of goods, in that services are intangible. This presents a challenge to marketers; services cannot easily be communicated to customers, and hence quality may be difficult for customers to assess. Services are characterized as being intangible, perishable, produced and consumed simultaneously, and heterogeneous.

The tangible Service Quality Dimension refers to the appearance of the physical surroundings and facilities, equipment, personnel and the way of communication. In other words, the tangible dimension is about creating first hand impressions. A company should want all their customers to get a unique positive and never forgetting first hand impression, this would make them more likely to return in the future. This dimension is particularly important in service quality perceptions of new customers (Zeithaml and Bitner, 2003), with emphasis on hospitality industries such as restaurants, retail stores, telecom and entertainment organizations. The tangible dimension is mostly used in combination with other service quality dimensions to enhance quality perceptions (Wang et al., 2016).

The reliability Service Quality Dimension refers to how the company are performing and completing their promised service, quality and accuracy within the given set requirements between the company and the customer. Reliability is just as important as a goof first hand impression, because every customer want to know if their supplier is reliable and fulfill the set requirements with satisfaction. Of the five dimensions, reliability has been identified as the most important determinant of perception of service quality. Reliability means that the organization delivers on its promises, particularly promises about the service outcomes and core service attributes (Heskett: 2002).

The responsiveness Service Quality Dimension refers to the willingness of the company to help its customers in providing them with a good, quality and fast service. This is also a very important dimension, because every customer feels more valued if they get the best possible quality in the service. This dimension captures the notion of flexibility and ability to customize the service to consumer requirements, and emphasizes attentiveness and promptness in dealing with the consumer (Zeithaml and Bitner, 2003).

The assurance Service Quality Dimension refers to the company's employees. Are the employees skilled workers which are able to gain the trust and confidence of the customers? If the customers are not comfortable with the employees, there are a rather large chance that

the customers will not return to do further business with the company (Wang et al., 2016). This is a particularly important dimension for services with high risk perceptions. Relationship management forms an integral part of the assurance dimension (Peck et al: 1999).

The empathy Service Quality Dimension refers to how the company cares and gives individualized attention to their customers, to make the customers feeling extra valued and special. The fifth dimension are actually combining the second, third and fourth dimension to a higher level, even though the really cannot be compared as individuals. If the customers feel they get individualized and quality attention there is a very big chance that they will return to the company and do business there again. The essence of empathy is conveying to consumers that they are unique and special, via personalized or customized service offerings (Zeithaml and Bitner, 2003). Business- to-business services are particularly prone to the empathy dimension (Wang et al., 2016).

Measure lifetime value, once you recognize how much combined profit a customer represents to your business when they purchase from you again and again, over the months, you realize the critical importance of taking good care of your customers. And because you understand just how much time, effort and expense you can afford to invest in retaining that customer. It is widely acknowledged that well-designed customer-service programs enhance customer satisfaction, customer retention, market share, revenue, and profits (Paparoidamis et al., 2015). This is particularly true in the service sector, where it is often argued that customer attraction costs are significantly higher than customer retention costs (Ennew et al., 2015). Customers retention increased by enriching these service quality dimensions (George and Kumar, 2014).

Giovanis et al. (2015) argued that in today's highly competitive environment that is characterized by rapidly changing customer needs, losing customers is costly. Maintaining strong; sustainable, and mutually beneficial relationships with customers lies at the heart of the contemporary marketing paradigm and is considered to be a significant competitive advantage for firms (Athanasopoulou, 2009, Athanasopoulou, 2012, Wong et al., 2007). In services, the trend is even more evident. Service providers have switched their focus from transaction based strategies that can be easily copied by competitors, to more relational-based ones (Nguyen and Mutum, 2012, Rust et al., 2004). When customers develop relationships with providers they usually spend more; are enthusiastic advocates of firms; spread positive word-of-mouth; refer service providers to family and friends (Harris and Goode, 2004), and steadily support the profitability of firms (Hayes, 2008). Research has shown that relationship quality can even replace service quality and customer satisfaction as the key superior performance driver (Palmatier et al., 2006, Rauyruen and Miller, 2007). On the other hand, various recent studies have questioned the linear effects of strong relationships on customer loyalty and positive/negative word-of-mouth generation, raising the issue of the dark side of relationships (Ranaweera and Menon, 2013). For example, Raimondo and Costabile (2008) find that as relationship equity increases, older customers are more loyal than newer customers, while as satisfaction increases older customers are less loyal than newer ones. Also, Homburg et al. (2003) arrive at the same result regarding the impact of relationship age on the satisfaction-loyalty relationship for business customers. Ranaweera and Menon (2013) find that when

satisfaction increases older customers generate less positive referrals about their own service provider than newer customers and when satisfaction decreases older customers generate more negative referrals about their own service provider than newer ones. Other variables that affect the nature of the relationship between satisfaction and negative customers' referrals generation are the recommendations received about competitors and the presence of critical incidents during previous service encounters (Ranaweera and Jayawardhena, 2014). However, although the effects of relationship quality on different customer responses may differ with the presence of certain variables, the direct effects of relationship quality on market responses, such as customer loyalty; word of mouth and referrals continue to be very important for firms' survival and prosperity.

Service quality and customer retention is an important and critical aspect in service providing industry (Zhuang and Babin, 2015). (Lam and Burton, 2006) investigated that the learning of customer retention has also extensively been an area of attention in the field of consumer exchanging. An amount of reasons other than contentment have been identified as important in retention of customers in telecom industries. For example, corporate image has also been found to have an impact on customer satisfaction and customer loyalty in the telecom and e-businesses. With an increasing center of attention on offering exceptional services and meeting the needs of customers, call centers need to have a good consideration of their customer behavior so that correct marketing approaches going towards relationship construction and customer retention can be developed. (Chen and Quester, 2006) argued that business can accomplish a longer long-term business performance if creating better-quality customer value in the way to achieve a maintainable competitive advantage. Examples of this can obviously be seen in carry out: the top retailers, convenience store (USA), and Tesco supermarket (UK) provide convenience for late night customer shopping by as long as 24 hours and year around opening hours. Every one of them accomplishes their outstanding business position by a maintainable competitive advantage of conveying higher customer value in their business approach. This work compete that the requirement of customer retention is customer contentment, but that customer satisfaction does not essentially effect in customer retention. These efforts are related to control of various psychological reasons associated to personal arrangement with business activities, and their combinative effect, such as the influence of customers' emotional dedication to a particular service employee, or their brand or service loyalty. (N'Goala, 2007) studied that customers react to "situational pressures and marketing efforts" which have the prospective to cause changing behavior. The further customers oppose changing in a variety of significant situations, the more they must be truly loyal to the central service provider. As an outcome, the idea of relationship loyalty (calculative/affective) has to be renowned from the concept of brand promise (CSR). Evaluative and emotional loyalty, refer to customer inspiration to maintain a connection (awareness of extinction costs versus recognition and attachment), whereas CSR submits to behavioral intentions. Consequently, it turn out to be important to approximate the effects of each relationship dedication component (evaluative/affective) on customer's intentions to refuse to accept changing to another service provider. (Leverin and Liljander, 2006) examined that service industry is relational by nature. Within a business of telecom locations, define RM

or BM as “the activities carried out by telecom sectors in order to catch the attention of, cooperate with, and retain more profitable or high net- value customers.” BM thus seeks at mounting customer profitability while providing better services for customers. Within a telecom background, it was found that England telecom, in contrast to American telecom, managed to maintain a stable market position during the 1980s and early 1990s as a result of relationship oriented customer policies. Advertising oriented sales people were consider formalizing the success of an instant sale at the price of customer needs. Succeeding research has revealed that the amount of customer point of reference certainly has a consequence on a firm’s interactions with its customers. (Yu and Cai, 2007) examined that in conservative customer marketing, customer targeting normally proceeds as follows. First, advertising programs, such as mailings, online conversations etc, are intended for at a limited section of customers to test their feedback by means of a definite period of time, say three to six months. Second, a percentage of the reaction dataset is owed to training and the residue used for testing. Third, if the achievement rate goes above a determined entrance, the outcomes are used for targeting. This is at least partially since customer buying behavior is virtually straightforward in this situation. In business-to-business marketing (or “developed marketing”), on the advance offer the importance is on interactions relatively then dealings. At the equivalent instant, other relations among companies and their customers have to be handled. As an alternative of marking customers who will react or buy in the short term, it is further sensible for business-to-business marketers to intention customers who are more possible to enter into a quicker relationship with the company, equally mannerly and expressively. Consumer aim in business-to-business is marketing fear not only future but also on hand customers. For that reason, our customer targeting channel representations broaden the conservative structure to the situational sales time in which customer retention is the main focal point. (Jane and Chakraborty, 2009) investigated that retention is demonstrated by three range or mechanism. One measurement of loyalty is Behavioral Response (e.g., buy, repay money for). The link between airline service quality and passenger satisfaction has been established empirically, the exact nature of the relationships that exist among the constructs of airline service quality, passenger satisfaction, and loyalty remains unclear (Paparoidamis et al., 2015). Grönroos (1984) and Parasuraman et al. (1985b) assume that service quality is a client judgment where he compares his expectations with the actual delivery in each service dimension (attribute). This notion encompasses the commonly accepted elements of a definition for service quality. This vision of service quality leads to the idea that a procedure must be carried out in order to have an accurate measurement of this concept. First, both expectation and delivery must be measured separately. Then the two measurements have to be compared so that the gap between them can be quantified (Parasuraman et al., 1985b). However, only the delivery performance can be measured. This can be understood as service performance – how well a service is delivered (Cronin and Taylor, 1992). This contrasts with the broadly accepted notion of service quality. In any case, service quality and service performance can be considered very intimate constructs. Therefore measuring service performance can be considered a valid method for measuring service quality (Brady et al., 2002).

Service quality and its measurement have been defined as a multidimensional phenomenon where the fulfillment of certain aspects (attributes) important for the client must be measured (Parasuraman et al., 2002). Thus, a common point of departure for the measurement of service quality is the identification of relevant attributes for the customers. These attributes are used as variables in a scale in order to measure their accomplishment. Service quality and its measurement have been defined as a multidimensional phenomenon where the fulfillment of certain aspects (attributes) important for the client must be measured (Parasuraman et al., 2002). Thus, a common point of departure for the measurement of service quality is the identification of relevant attributes for the customers. These attributes are used as variables in a scale in order to measure their accomplishment.

According to Spreng and Mackoy (1996), service quality has previously been proposed as a construct that is different from customer satisfaction, and at the same time it is an important antecedent of the latter. With a factor analysis, these authors empirically determined that the service quality attributes are statistically different from satisfaction measured as the overall disconfirmation of expectations.

Service quality has also been proposed as an antecedent to brand loyalty where positive non-linear statistical association may exist. In this relation service quality tends to have an impact on different loyalty and perceived value measurements, such as buying intention, disposition to change brands, disposition to pay more for the brand, and repurchasing in some cases (Chao, 2008, Devaraj et al., 2001, Fullerton and Taylor, 2002). Based on the aforementioned relation, a direct connection can be suggested between the fulfillments of service quality attributes and customer retention.

Customer retention implies satisfaction and loyalty. The importance of measuring the loyalty to a particular brand stems from the fact that the literature on the topic has established that there is, up to a certain point, a relation between client satisfaction and loyalty and the business financial performance (Storbacka et al., 1994). In a study on the banking sector, Hallowell (1996) proposes that satisfaction and loyalty may have a certain impact in bank utility. This author (Hallowell, 1996) retakes the idea that a higher satisfaction can cultivate greater loyalty, which may result in an increase in profit. He finds some evidence of this relationship, though not with a high degree of statistical determination. These links can be extended to service quality. Mukherjee et al. (2003) present evidence that connects superior service quality with a bank's overall financial performance. They sustain that a bank capable of converting their operational capabilities and resources into better service performance can obtain a better financial performance than a bank which does not.

Zeithaml (2000) also argues that service quality could have a positive effect on business profitability, which is due mostly to two effects. One, service quality may enhance client retention; plus, it could also improve the attraction of new customers as a result of a better business reputation gained through an acceptable service quality delivery. Nevertheless, Zeithaml (2000) also addresses that the link between service quality and profit is not clearly established, and it could have many moderators yet to be discovered. Plus, this link can only be confirmed in the long term.

Even though the aforementioned five dimensions have been widely used to measure service quality, several researchers have criticized the validity of the SERVQUAL instrument. For example, (Cronin and Taylor, 1992) indicated that service quality could be best measured based on three factors namely, expectations, performance and importance of several service characteristics such as equipment and service environment, employees appearance and performance and service delivery. In the context, of the banking sector, Gounaris et al. (2003) argued that the SERVQUAL model mostly assesses customer perceptions about employees and service environment while it does not account for other critical elements of the service quality such as product innovativeness and price. Hence, Gounaris et al. (2003) based on the SERVQUAL model suggested that perceived service quality in the context of the banking sector should be consisted of six dimensions namely, employee competence, bank's reliability, and product innovativeness, value for money, physical evidence and proximity convenience of the bank.

Regardless of the way service quality has been measured, its impact on several aspects of consumer behavior is evident. Service quality influences strongly customers' perceived value, satisfaction, re-visit (Cronin et al., 2000) as well as word-of-mouth intentions (Harrison-Walker, 2001, Yavas et al., 2004). As previously mentioned, most of the researchers agree that service quality impacts indirectly loyalty via satisfaction (Beerli et al., 2004, Caruana, 2002, Jamal and Anastasiadou, 2009, Lewis and Soureli, 2006) whereas a number of studies have proved the direct impact of service quality on loyalty. For example, Zeithaml et al. (1996) in an early study, investigating several services companies found a strong association between service quality and service loyalty. According to the meta-analysis conducted by Carrillat et al. (2009), service quality impacts purchase intentions and thus customers' loyalty in a direct as well as in an indirect way through satisfaction. In the context of banking services, Bloemer et al. (1998) revealed that the reliability and efficiency of a service impacts on the level of customers' loyalty. Similarly, Kheng et al. (2010) found a direct positive link between quality factors such as reliability, empathy and assurance and customer loyalty. However, Bloemer et al. (1999) highlights that the relationship between service quality and customer retention is unclear and needs further investigation.

3. MODEL & HYPOTHESIS

3.1 Model

Five dimensions of the service quality (tangibility, reliability, responsiveness, assurance and empathy) taken as the construct while the three relationship characteristics (C.R.C) (length, depth and breadth) taken as the moderation. Customer retention (C.R) was taken as the dependent variable in this model. As shown above wal et al, (2002) measure the service quality by using five dimensions as tool for customer retention. Narayandas (1998) developed scale for the measurement of the customer retention. Dawes (2009) investigated the relationship characteristics in relation to the customer retention. Theoretical model can be divided into four models for the purpose of achieving the objective of the research. These models can be explained as follows;

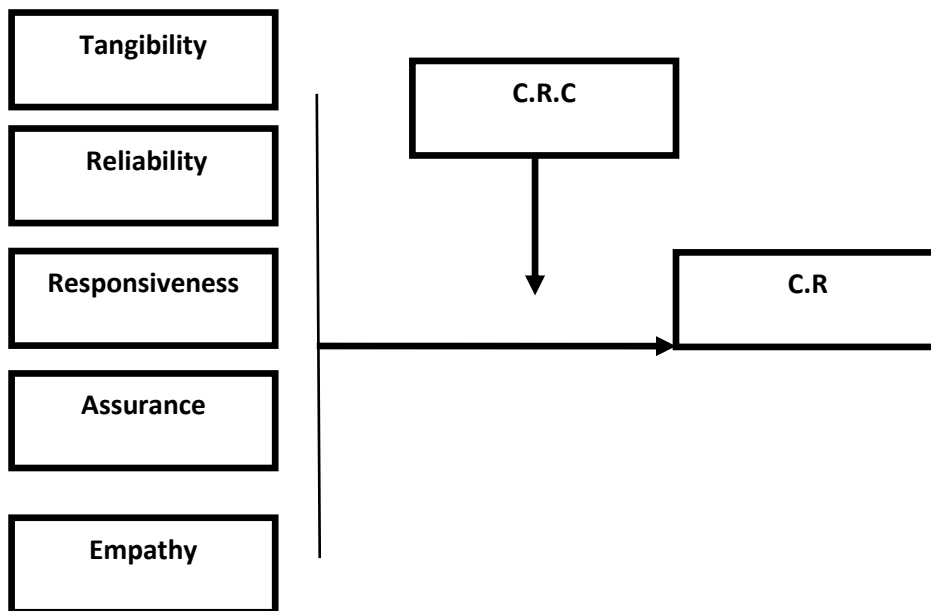


Fig: Moderating impact of Customer relationship characteristics (C.R.C) on the relationship of each SERVQUAL (tangibility, reliability, responsiveness, assurance and empathy) with the customer retention.

3.2 Hypothesis

Based on the above discussion, following hypotheses are developed:-

H₁: Customer relationship characteristics has a moderating role on the relationship of tangibility (dimension of service quality) provided by the banks on the customer retention.

H₂: Customer relationship characteristics has a moderating role on the relationship of Reliability (dimension of service quality) provided by banks s on the customer retention.

H₃: Customer relationship characteristics has a moderating role on the relationship of Responsiveness (dimension of service quality) provided by banks on the customer retention.

H₄: Customer relationship characteristics has a moderating role on the relationship of Assurance (dimension of service quality) provided by the banks on the customer retention.

H₅: Customer relationship characteristics has a moderating role on the relationship of empathy (dimension of service quality) provided by the banks on the customer retention.

3.3 Data collection & Scale

Respondents would be the users of a bank. Sample size of this research study is 500. The positivist research philosophy approached is used as the structured questioner was developed and distributed for the data collection. The qualitative deductive approach is used in this research. The research used primary data and there are many techniques to collect data like observation, Interviews and questioners, in this research paper data is collected through questioners. The questioner is distributed only to those people who use the services of a bank. The language used in the questioner is English.

Convenient sampling would be used where questionnaires were distributed among respondents directly as well as indirectly. The users of the service provider of bank are the respondent for this study. Self-administrative questionnaire was distributed among the students, professionals, house wife’s etc.

Following questionnaires will be used for the collection of data.

1. 20 items service quality questionnaire (Wal et al, (2002) will be used to measure the service quality.
2. 7 items customer retention scale developed by Narayandas, Das (1998) will be used to measure customer retention.
3. A Three-item version (Dawes, John (2009) will be used to measure relationship characteristics

4. DATA ANALYSIS

Deceptive analysis is the snap short that shows the description of the whole data. In descriptive analysis means, standard deviation, skewness and kurtosis were the tools which are used to describe the data. The table-1 below described that description of the data. Table included no of variables i.e. dependent, independent, interacting, and demographics.

Variables	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Age	1	6	2.54	1.030	.365	.160	-.340	.320
Education	2	5	3.30	.650	1.529	.160	1.646	.320
Experience	1	4	1.65	.754	.982	.160	.471	.320
CR	1.00	5.00	3.3870	.68164	-.329	.160	.507	.320
CRC	1.83	5.00	3.4703	.62358	-.032	.160	-.102	.320
SQ	2.00	5.00	3.5275	.53891	-.115	.160	.071	.320

Table 1: Descriptive Analysis

It also included number of respondent means sample size for this study that is 460, minimum number observed against each variable and maximum numbers as well. Similarly, mean, standard deviation, skewness and kurtosis id also measured and presented. Like age is categorized in 6 different groups and therefore minimum is 1 and maximum is 6. The mean of age lies in between second and third group means average age in this study belongs to 2nd and

3rd group. Standard deviation showed that there is a variance from the mean to 1 next group above and below. The graph of age is slightly right skewed. All demographics variables can be described in the same way. "Cronbach's alpha is used to measure reliability that ranges from 0 to 1, with values of .60 to .70 deemed as the lower limit of acceptability." Service quality has the reliability of 0.7 which fall in the acceptable range for the twenty items. The reliability of the customer retention of the seven items falls in the acceptable range of the reliability which is 0.7. It is also evidence from the literature that the reliability of the customer retention is present. The reliability analysis procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationships between individual items in the scale. So, all the variables and the items are in reliability acceptable range.

Below is the model summary analysis for second model used in this study. The model summary is showing that two models explanatory powers that are almost 62% without moderation and 64% with moderation. Which means variance in dependent variable in model without moderation effect is explained 62% only and 38% variance in the model is unexplained that can be explained by adding other relevant variables in the model. Variance in dependent variable in model with moderation effect is explained 64% only and 36% variance in the model is unexplained that can be explained by additional variables. The value of R-square explains the model explanatory power. Value of Durbin-Watson lies between 1.5 - 2.5 is showing that there is no first order autocorrelation in the model. Below the table predictors in model 1 are SQ1, SQ2, SQ3, SQ4, SQ5 and intercept (constant) with dependent variable CR of this model and predictors of model 2 are SQ5, SQ1, CRC, SQ4, SQ2, SQ3, ZCRCSQ1, ZCRCSQ3, ZCRCSQ5, ZCRCSQ4, ZCRCSQ2 and intercept (constant) with dependent variable CR.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.791 ^a	.625	.615	.42285	
2	.810 ^b	.656	.639	.40962	1.932

Table 2: Regression Analysis of C.R.C on the Relationship of Dimensions of SERVQUAL & C.R

The ANOVA analysis discussed the analysis of variance in the model. Regression is showing variance explained by predictors in the model and intercept from the regression line and it sum of squares with degree of freedom (df) 6 because there are 7 parameters in model and $df=K-1$ where K is total number of parameters. F value explains the model 1 significance. The cutout point for significance of model is 4. This model is significant as F-value 62.010 > 4 and p-value is also >0.05. This model is stating the facts of without moderation effect.

Whereas, model 2 column showing regression, residual and total. Regression is showing variance explained by predictors in the model and intercept from the regression line and it sum of squares with degree of freedom (df) 11, because there are 12 parameters in model and $df=K-1$ where K is total number of parameters. F value explains the model 2 significance. The cutout

point for significance of model is 4. This model is significant as F-value 37.010 > 4 and p-value is also >0.05. This model is stating the facts of with moderation effect.

4.1 Moderation of C.R.C on the Relationship of Dimension of SERVQUAL (Tangibility) & C.R

The below table is labeling the impact of moderating variable which is CRC among the relationship of Customer Retention and Service Quality (tangibility) Characteristics by applying Andrew F. Hayes test of moderation. Results indicated that for ZCRCSQ1 (CRC * Tangibility), the value of P is 0.000 which is less than 0.05 so it supports that CRC significantly moderate the relationship between Customer Retention and Service Quality (tangibility).

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
(Constant)	3.064	.719			4.263	.000		
SQ1	-.694	.201	-.753		-3.452	.001	.241	2.217
CRC	.077	.210	.070		.365	.716	.453	1.795
ZCRCSQ1	.203	.057	1.150		3.535	.000	.219	3.906

Table 3: Moderation Analysis of C.R.C on Tangibility& C.R

4.2 Moderation of C.R.C on the Relationship of Dimension of SERVQUAL (Reliability) & C.R

The below table is labeling the impact of moderating variable which is CRC among the relationship of Customer Retention and Service Quality (Reliability) by applying Andrew F. Hayes test of moderation. Results indicated that for ZCRCSQ2 (CRC * Reliability), the value of P is 0.014 which is less than 0.05 so it supports that CRC significantly moderate the relationship between Customer Retention and Service Quality (Reliability).

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
(Constant)	2.611	.723			3.613	.000		
CRC	.056	.218	.051		.258	.796	.049	0.589
ZCRCSQ2	.196	.061	1.085		3.211	.002	.517	5.298
SQ2	-.524	.211	.514		2.488	.014	.045	2.216

Table 4: Moderation Analysis of C.R.C on Reliability & C.R

4.3 Moderation of C.R.C on the Relationship of Dimension of SERVQUAL (Responsiveness) & C.R

The below table is labeling the impact of moderating variable which is CRC among the relationship of Customer Retention and Service Quality (Responsiveness) by applying Andrew F.

Hayes test of moderation. Results indicated that for ZCRCSQ3 (CRC * Responsiveness), the value of P is 0.015 is less than 0.05 so it supports that CRC significantly moderate the relationship between Customer Retention and Service Quality (Responsiveness).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	1.349	.684		1.973	.050		
	CRC	.414	.210	.379	1.973	.050	.054	1.533
	SQ3	-.123	.201	-.118	-.612	.541	.054	1.661
	ZCRCSQ3	.083	.058	.475	1.431	.015	.048	4.341

Table 5: Moderation Analysis of C.R.C on Responsiveness & C.R

4.4 Moderation of C.R.C on the Relationship of Dimension of SERVQUAL (Assurance) & C.R

The below table is labeling the impact of moderating variable which is CRC among the relationship of Customer Retention and Service Quality (Assurance) by applying Andrew F. Hayes test of moderation. Results indicated that for ZCRCSQ4 (CRC * Assurance), the value of P is 0.001 which is less than 0.05 so it supports that CRC significantly moderate the relationship between Customer Retention and Service Quality (Assurance).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	1.477	.884		1.670	.096		
	CRC	.290	.262	.265	1.109	.269	.033	3.348
	SQ4	-.114	.245	-.108	-.467	.641	.035	2.558
	ZCRCSQ4	.103	.070	.597	6.478	.001	.012	4.373

Table 6: Moderation Analysis of C.R.C on Assurance & C.R

4.5 Moderation of C.R.C on the Relationship of Dimension of SERVQUAL (Empathy) & C.R

The below table is labeling the impact of moderating variable which is CRC among the relationship of Customer Retention and Service Quality (Empathy) by applying Andrew F. Hayes test of moderation. Results indicated that for ZCRCSQ5 (CRC * Empathy), the value of P is 0.027 which is less than 0.05 so it supports that CRC significantly moderate the relationship between Customer Retention and Service Quality (Empathy).

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.493	.863		.571	.569		
CRC	.559	.246	.511	2.274	.024	.036	1.938
SQ5	.189	.256	.192	.740	.460	.027	2.232
ZCRCSQ5	.025	.070	.145	3.350	.027	.311	4.522

Table 7: Moderation Analysis of C.R.C on Empathy & C.R

5. CONCLUSION

It is evident from the results, Customer relationship characteristics has the moderating effect on the dimensions of service quality and customer retention. So all the hypothesis: H₁: Customer relationship characteristics has a moderating role on the relationship of tangibility (dimension of service quality) provided by the banks on the customer retention. H₂: Customer relationship characteristics has a moderating role on the relationship of Reliability (dimension of service quality) provided by banks s on the customer retention. H₃: Customer relationship characteristics has a moderating role on the relationship of Responsiveness (dimension of service quality) provided by banks on the customer retention. H₄: Customer relationship characteristics has a moderating role on the relationship of Assurance (dimension of service quality) provided by the banks on the customer retention. H₅: Customer relationship characteristics has a moderating role on the relationship of empathy (dimension of service quality) provided by the banks on the customer retention cannot be rejected. These dimensions are tangibility, reliability, assurance, responsiveness and empathy. The mean score for each dimension is greater than 3 indicating good performance at every factor of the service quality. But, still there is a room for improvement as on likert scale the performance in service quality can be measured up to 5. Frontline employees must be trained regularly to develop the necessary and required skills keeping up to date with the demands of customers. This helps employees in providing support and care as well as prompt service to customers. Positive relationship of service quality and customer retention is found in this study. Keeping into

account the results of this study, it is confirmed that there is a positive relationship between service qualities with all its dimensions with customer retention as guided by the literature. The research also validated the role of customer relationship characteristics in helping securing the retention of customers for long term basis. Customer relationship characteristics play moderating role in service quality and customer retention. All service quality dimensions are also studies differently to test the customer relationship characteristics moderating role. The findings have shown that every dimension of service quality has significant positive relationship with customer retention in presence of customer relationship characteristics.

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