

Influence of Customer Experience on Change in Customer Outcome with Mediating Effect of Relationship Quality and Trust in Banking Sector

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Abstract: The main purpose of the study is to propose a model for better understanding role of customer experience and its impact on customer outcome in banking sector. In private banks, retail customer's experience with various banking services, which will highly influence the customer outcomes like brand equity, WOM, Satisfaction. Traditionally various studies tested this hypothesis in an independent manner, in presence of relationship quality and trust. In the present study, along with the direct effect between customer experience and customer outcome, indirect effect is also measured by considering relationship quality and customer trust as mediating constructs. The test results proved that the two mediators had partial mediation effect in the model. For the study, sample respondents have been chosen from twin cities of Hyderabad and Secunderabad. The results of the study indicating that bankers can adopt key strategies to overcome the threat caused by negative face of customer experience.

1. Introduction

This study is a thoughtful initiative of the researchers to study the customer experience in banking industry. However, it is observed that the significance of customer experience especially in service sector is gaining substantial momentum from past decade (Gentile *et al.*, 2007). As the companies in service sector generally offers intangible products (services) to the customers, they need to have special attention towards understanding how the customers perceive the offered services and what the post purchase behavioural intentions are. The customer experience generally benefits the firms in two

dimensions, one is the positive customer experience creates an opportunity for competitive advantage for the firms and the other side, it also results in brand equity, customer satisfaction and word of mouth. This reason made every service firm to go for customer based or customer centric approaches to enhance their image in customer's mind. It can be observed from the market that most of the service firms focusing more on customer experience which became one of the best weapons in competitive warfare. After products, goods and services; experiences acts as fourth economic offering for the organizations (Pine and Gilmore, 1998). The customer experience is acting as predatory element of customer satisfaction (Meyer and Schwager, 2007). The customer decision making or purchase intentions towards service products will be absolutely dependent on customer experience which is purely personal feeling of an individual. This experience affects the person's behaviour towards a product, emotional, rational and other sensory levels.

For over 30 years, researchers and academicians have tried to define what "customer experience" means? Their efforts have improved our knowledge of what customer experience is all about and how it affects our daily lives (Schmitt, 1999). All studies agree that the first customer experience is based on an emotional connection between the client and the business. In the second place, it is totally internal to the consumer. A lot relies on when you first touch with someone. When one think about customer experience, may wonder: What are the components that make up customer experience? Is there a way to assess customer satisfaction? Whether customer's experience has an impact on their satisfaction or not is unclear? As a result of the earlier studies, some customer experience scale had developed. By adopting those scales based on its suitability, the researchers can study the customer experience in the baking industry. For the present study, the researcher adopted customer experience scale from the literature survey (Fernandes and Pinto, 2019).

The study concentrates on how customer experience affects customer outcome. The customer outcome in the study is taken as combination of brand equity, customer satisfaction and word of mouth. The researcher intended to study the mediation effect of relationship quality and customer trust on the direct relationship between customer experience and customer outcome.

This paper is organized into five sections. First, the prior literature that has been carried out in this arena has been reviewed. Second, the factors of customer experience scale which is adopted have been discussed. Third, the measurement and structural model is applied to test the model. In the fourth section, the direct and indirect effect of customer experience on customer outcome is presented. In the last section, results and discussion is presented.

2. Motivation of the Study

There are plenty of studies tested the linkage between customer experience to relationship quality and customer outcome independently. In the same lines relationship quality in the banking sector was tested by many researchers with relation to trust and few studies examined the influence of customer trust on customer outcome. Thus, in the present study, the researchers made an attempt to develop a consolidated model to examine the impact of customer experience on customer outcome in the presence of relationship quality and trust, which are vital elements in banking sector.

3. Review of Literature

Fernandes and Pinto (2019) stated in their works as it's crucial for banks to cultivate long-term connections with their clients. As a result, there have been few attempts to analyse relationship quality (RQ) in the financial services industry. To better understand the influence of customer experience on RQ in retail banking, this study compares consumers with and without a dedicated account manager using data gathered from 227 retail banking clients and analysed using PLS-SEM. The banking industry's goal is to assess customer happiness, brand equity, and word of mouth (Chahal and Dutta, 2015). CAB (cognitive, affective and behavioural) components ranked top among consumers, followed by relationship experiences and sensory experiences. A strong link between customer happiness, brand equity, and word-of-mouth was demonstrated in this study, although caution should be used while generalising, given that the entire model is only moderately fit.

Customer Experience Management (CEM) is a discipline, technique, and/or process used to manage a customer's cross-channel exposure, engagement, and transaction with a company, product, brand, or service in a complete manner across all channels (Sharma and Chaubey, 2014). From a variety of perspectives, this article aims to synthesis the results of a literature research on the customer's experience with bank's services. To examine the connection, factor analysis, mean, ANOVA, and structural equation modeling were used. The study shows a significant correlation between customer experience and overall feeling, trust, and contentment, which is useful in delighting the customer as a result of the study. Customers' happiness is measured by the effect of 14 aspects of customer experience (Garg *et al.*, 2014). When developing psychometric scales, researchers follow a process that includes item production and selection, scale refining (if necessary), and scale validation (if necessary). Fourteen experience variables and demographics of respondents are compared using a one-way ANOVA test to determine their connection. "Convenience" appears to be the most important element on the study's 41-item 14-factor customer experience scale (Van Tonder *et al.*, 2018). The purpose of this paper is to explore the proposed relationships between perceived usefulness (a dimension of perceived value), the relationship quality factors (competence trust and continuous commitment) and positive word-of-mouth intentions in an electronic banking setting. A survey was conducted among 511 electronic banking customers. Continuous commitment was found to mediate the relationships between perceived usefulness and competence trust with positive word-of-mouth intention, respectively. The results indicate the role of perceived value and relationship quality in contributing to positive word-of-mouth intention.

4. Objectives and Hypotheses of the Study

This section of the study presents the details of objectives and hypotheses of the study.

4.1. Objectives of the Study

This study has the following objectives:

- To identify the factors of customer experience towards banking services.
- To measure the direct effect of customer experience on customer outcome.
- To assess the effect of customer experience on customer outcome with the mediation effect of relationship quality and customer trust.

4.2. Hypotheses of the Study

- H₀₁: Customer experience has no significant and direct effect on customer outcome with respect to banking services.
H₀₂: There is no mediation effect on the relationship between customer experience and customer outcome.

5. Research Methodology

The following section presents a detailed picture of research methodology comprises of sample size, pilot study and statistical tools applied in the study.

5.1. Sample Size

For the study, the sample size is determined as 410. As the study is conducted in Hyderabad and Secunderbad region, the saving bank account customers of AXIS bank and HDFC were considered as population and Chochran's sample formula was used to determine the sample size. By adopting purposive sampling technique, the required sample were drawn from entire population. During the data collection, 556 questionnaires were distributed, out of which 87 questionnaires were incomplete and 59 were not returned by the respondents. A Structured Questionnaire is designed, tested, and adopted as primary data collection instrument to collect the data from the respondents.

5.2. Pilot Study and Reliability Test

In prior to take the prepared questionnaire in the final study, the same was tested with the sample size of 40. To find out reliability of the questionnaire, Cronbach Alpha test was adopted on the collected data i.e., from 40 respondents. As a part of pilot study, the degree to which the items of each construct in the model were consistent. In order to consider the questionnaire as reliable, the Cronbach's Coefficient should meet minimum threshold i.e. 0.7 (Nunnally, 1976; Robinson *et al.*, 1991). The Cronbach value of each construct can be observed in table 1 and the constructs met the criteria.

Table 1: Reliability of the Constructs

<i>S. No</i>	<i>Major Divisions</i>	<i>Type of questions Likert's scale & 5-point scale</i>	<i>Cronbach's Alpha</i>
1	Customer Experience	12	0.937
2	Customer Outcome	11	0.921
3	Relationship Quality	6	0.919
4	Customer Trust	4	0.951
Overall Score		33	0.922

Source: Authors' Own Compilation

5.3. Tools Used for Analysis

The Covariance based structural equation modeling was adopted to analyze the data. This CB based SEM is one of the best tool to test the proposed models which has theoretical evidence (Wong, 2013).

6. Data Analysis

In this section a detailed description of the constructs used in the study with supporting literature and results and discussion of CFA and SEM Models are presented.

6.1. Description of Constructs

To measure the impact of customer experience on customer outcome, the researcher introduced two more new latent construct to the model i.e., Relationship Quality and Customer trust. With the strong theoretical support, the newly taken constructs into the model were considered as mediating constructs. Here, the core intention of the study is to measure the direct and indirect effect of independent construct on dependent construct. In the model, the Customer experience was taken as exogenous construct and customer outcome as endogenous construct (Fernandes and Pinto, 2019; Chahal and Dutta, 2014).

6.1.1. Customer Experience

Customer experience is a critical combination of different experiences which a customer had with a seller or supplier of products / services over a period of time. With the intensive competition in the baking industry, the players of both public sector as well as private sector are offering wide variety of products to the customers in order to provide superior customer experience which leads to customer satisfaction. This further helps the bank to increase its customer base by acquiring new customers. The ever-changing market conditions made 'Customer Experience' as the focal point of all the players in achieving its objectives. The bankers involved in identifying various dimensions of customer experiences in order to have long term success. James Allen of Harvard Business School strongly felt that "3 D's" are most important to offer most exceptional customer experience. First 'D' is about designing of good incentives to customers, second 'D' focuses on ability of banker to concentrate on various functions in the process of delivering proposed customer experience and Third 'D' is developing consistency in execution of all the designed activities (Allen *et al.*, 2005). Building of good brand image and brand reputation will become a nightmare for the players in all industries without providing excellent customer experience (Meenakshi and Chaubey, 2014).

6.1.2. Customer Outcome

The customer outcome is the overall benefits which the customers are getting from the services offered by banks. With respect to banks, desired customers outcomes are customer satisfaction, enhanced brand equity and Positive Word of Mouth (Chahal and Dutta, 2014). In the present study, the researcher had considered three constructs as a barometer to customer outcome. There is strong theoretical support on impact of customer experience on customer outcome. Each element of the customer outcome considered in the present study varies purely based on customer experience.

The customer satisfaction is an outcome of customer attitude which formed based on customer experience (Schmitt, 2003). Satisfaction and dissatisfaction of customers are the cumulative result of series of customer experiences (Meyer and Schwager, 2007). Customer expectations and experiences are the two important predictors of customer satisfaction. The degree of matching between expectations and experience makes an individual to satisfy or dissatisfy (Chen *et al.*, 2008). In few earlier studies, the researchers found that the better experience leads to better satisfaction (Kim *et al.*, 2008). Along with the customer experience, the quality of services also proved its significant impact on customer outcome. This point made the researcher to take the relationship quality as one of the mediators in the study between customer experience and customer outcome.

The customer experience also acts as predator of brand equity. In the process of creating brand equity for service brand the customer experience plays a very vital role. A strong brand equity for a particular brand is the function of satisfaction and loyalty of a customer towards the brand (Keller, 1993). The stronger loyalty leads to stronger brand equity. A service brand will gain more positive and stronger brand equity when the customer favorably and positively reacts to the product or service. On the other hand, the customer negative feelings towards a brand lead to negative customer-based brand equity.

Through the earlier studies noted that the customer experience not only leads to satisfaction and good customer-based brand equity, but also leads to word of mouth (Keiningham *et al.*, 2007). Depends on customer experience the word of mouth may be positive or negative. The service firms should be very cautious towards the word of mouth. The positive word of mouth reflects the favorable behaviour of the customer towards the brand. This positive tendency among the customers will make them to share their positive experiences with their nears and peers. On the other hand, negative publicity comes as a result of bad customer experience towards the brand and leads to brand switching (Arnold *et al.*, 2005).

6.1.3. Relationship Quality

The Relationship quality reflects the nature of relationship between service firm and customer. When a firm succeeded in maintaining strong relationship with its customers, probably will have more chances to have more loyal customers (Hennig-Thurau *et al.*, 2002). The relationship quality is the main element of competitiveness (Vieira, 2013). The quality of relationship indicates how well the firm satisfied its customers (Crosby *et al.*, 1990). This construct will affect the trust among the customers towards the firms.

6.1.4. Customer Trust

The position of trust in company is critical in all marketing divisions. If a customer wishes to buy something, strongly relies on the confidence that staff can deliver this product and service effectively and satisfy all future customer needs. In the selling of resources, this is particularly so. Trust begins with a relationship between customers and companies that depends on many factors. When a service meets and satisfies the standards and requirements, consumer confidence is established. Superior service anticipations, a comparative edge over rivalry, reducing consumer gaps between preferences and experiences, the implementation of connection marketing and early confidence are all examples of techniques to create this trust between a company and its clients. A company is not confined to just those tactics, however.

A strong way to develop trust is when the customer meets for first time, customers want to decide whether or not to buy the service before they leave. Many consumers do their own homework on a brand before attempting to buy the service. A survey by Rapidan Inbound (2015) found that, before considering purchasing a service or good, the average customer makes 57 percent of his or her studies. Beverage (2015) concluded that a company can gain trust by sharing positive customer feedback, sharing relationships and approvals to identify its credibility and reliability.

6.2. Structural Equation Modeling

To find out the relationship between and within the constructs, Structural Equation Modelling was adopted. The researcher also intended to prove the impact of customer experience on customer outcome in presence of two mediating constructs considered in the study. The study tested second order SEM with the mediation analysis. In the study the SEM is executed in two stages, namely, measurement model and structural model (Gerbing and Anderson, 1988).

6.2.1. Measurement Model

As a part of Measurement model, the convergent and discriminant validities were measured and tested. The convergent validity is concern about the relationship between item and its respective construct. Whereas the discriminant validity reflects the relationship between the constructs. Both validities are at most important to confirm the model fit. Before validity concern, the researcher adopted Exploratory Factor Analysis to confirm whether the items are representing the construct or not. As the customer experience scale is adopted, the researcher wishes to confirm whether the scale will be suitable to the selected sample in the study area or not.

A. Exploratory Factor Analysis

This technique was adopted to test whether all the items are loading into the same construct or not as per the standard scale or proposed model (Habing, 2003; Ramanathan and Muyldermans, 2011). During this test, the items with high correlation will be formed as one group and represents a particular construct.

In prior to EFA, the sample adequacy needs to be according to threshold. KMO test and Bartlett test was used to meet the purpose. In order to apply the factor analysis, the KMO's sample adequacy should meet the minimum threshold i.e., KMO value should be more than 0.5 (Kaiser, 1974) and Bartlett test of sphericity must not above 0.05 (Field, 2013). The table 2 is portraying the result of KMO test.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.910
Bartlett's Test of Sphericity	Approx. Chi-Square	4347.217
	Df	66
	Sig.	.000

Source: Authors' Own Compilation

Table 2 reveals that KMO sampling adequacy meet minimum threshold i.e., greater than 0.5. and Bartlett test is also significant.

Table 3: Represents EFA Output for Constructs in the Model

<i>Rotated Component Matrix</i>				
	<i>Component</i>			
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Env3	.904			
Env2	.849			
Env1	.821			
Per2		.849		
Per3		.832		
Per1		.787		
POff2			.833	
POff3			.801	
POff1			.794	
MoT3				.837
MoT2				.788
MoT1				.769

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Source: Authors' Own Compilation

Based on the Eigen value, four factors had been identified with more than 85.967% of variance. With respect to indicators loadings, the indicators should load more than 0.5 will only be considered for the model (Hair *et al.*, 2010).

B. Confirmatory Factor Analysis

CFA is the second step of measurement model. This is adopted to test the internal validity of the constructs to confirm the factors which were extracted. This is the prerequisite to execute SEM. Here in this step, with the help of CFA, the convergent and discriminant validities were measured. In this study, total 4 constructs were considered and used in CFA to test its validity in order to move for further part of analysis. The following is the mixed order CFA with the proposed constructs of the model (Figure-1).

Figure 1 depicting the measurement model with the extracted factors. Through outer loadings or regression weights, the indicator / item reliability can be calculated.

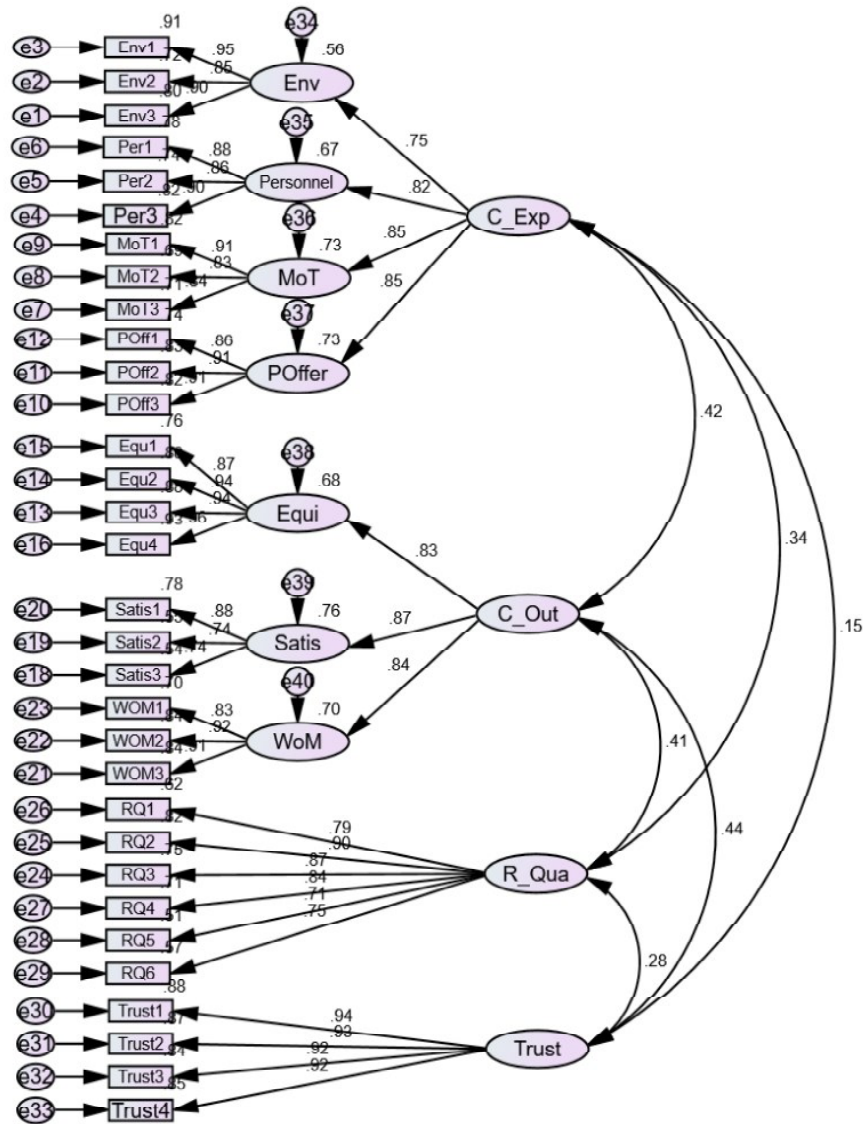


Figure 1: Measurement Model

Source: Authors' Own Compilation

In the above model, the regression weights of all the items and constructs met the threshold i.e., 0.7 (Hulland, 1999). Through the Composite Reliability and Average Variance Extracted, the convergent validity will be tested. The values of CR and AVE were presented in table 4.

Table 4: Convergent Validity through CR & AVE values

<i>S. No</i>	<i>Constructs</i>	<i>Items</i>	<i>Std. Regression Weight</i>	<i>Composite Reliability (CR)</i>	<i>Average Variance Extracted (AVE)</i>
1	C_Exp	Env	0.75	0.890	0.670
		Personnel	0.82		
		MoT	0.85		
		POffer	0.85		
2	C_Out	Equi	0.83	0.883	0.715
		Satis	0.87		
		WoM	0.84		
3	R_Qua	RQ1	0.79	0.921	0.662
		RQ2	0.90		
		RQ3	0.87		
		RQ4	0.84		
		RQ5	0.71		
		RQ6	0.75		
4	Trust	Trust1	0.94	0.961	0.861
		Trust2	0.93		
		Trust3	0.92		
		Trust4	0.92		

Source: Authors' Own Compilation

Table 4 presents regression results of constructs with CR and AVE of each construct can be observed. The threshold values for CR and AVE are 0.7 (Nunally and Bernstein, 1994) and 0.5 (Bagozziand Yi, 1988) respectively. Through CR and AVE values internal consistency i.e., convergent validity can be measured. From the above table, it is observed that all the values of CR and AVE are above the threshold values. Hence, convergent validity is examined, and no validity issues found. The convergent validity is proved.

The next step is to measure the validity between the constructs i.e., Discriminant Validity. In the form of correlation matrix, the result is presented in the following table. To achieve Discriminant validity, the correlation should be less among the constructs (Campbell and Fiske, 1959).

Table 5: Discriminant Validity

	<i>MSV</i>	<i>ASV</i>	<i>R_Qua</i>	<i>C_Exp</i>	<i>C_Out</i>	<i>Trust</i>
R_Qua	0.166	0.104	0.814			
C_Exp	0.176	0.179	0.341	0.818		
C_Out	0.192	0.121	0.408	0.419	0.846	
Trust	0.192	0.098	0.276	0.154	0.438	0.928

Source: Authors' Own Compilation

To confirm that the model is not suffering with Validity issues, all the diagonal elements in the table 5, should be greater than its respective non-diagonal elements (Fornell and Larcker, 1981). The diagonal values are the square root of its respective AVE. From the table 5, it is observed that the above said criteria is satisfied. Further it is also noted from the statistical result of discriminant validity is that the values which were derived for MSV and ASV are less than AVE (Fornell and Larcker, 1981). Hence, discriminant validity is accepted. The convergent Validity and discriminant validity were successfully achieved.

As it is found that the CFA is not having any validity issues. Then the model fit of all constructs in CFA should be examined. Various model fit indices should be greater than threshold values as per Hair *et al.*, (2006).

In the measurement model, for mix order constructs all the extracted indices through AMOS were presented below.

Table 6: Model Fit Indices for Measurement Model

<i>CMIN/df</i>	<i>GFI</i>	<i>AGFI</i>	<i>CFI</i>	<i>NFI</i>	<i>TLI</i>	<i>IFI</i>	<i>RMSEA</i>	<i>RMR</i>	<i>PGFI</i>	<i>RFI</i>
2.122	0.873	0.852	0.959	0.919	0.955	0.959	0.052	0.029	0.746	0.919

Source: Authors' Own Compilation

Table 6 describing values of different model fit indices which were extracted during the analysis. As per the fit indices presented in table 6, GFI and AGFI values are close to 0.9 (threshold Value). Even though they do not exceed 0.9 but still the values are in the acceptable limits (Baumgartner and Homburg, 1996, and Doll *et al.*, 1994). It is observed that all the goodness of fit indices had perfectly satisfied the recommended criteria (Schreiber *et al.*, 2006). Hence, the measurement model is empirically fit (Hair *et al.*, 2006). Theoretically majority of the researchers proved both the constructs viz, customer experience and customer outcome as second order constructs (Fernandes and Pinto, 2019; Chahal and Dutta, 2014). For both of this second order constructs, measurement models were presented in Appendix- I.

6.2.2. Structural Model

As the validity and model fit is proved in CFA, next step is Structural Model. This model need to be tested in order to examine the impact or relationship among four constructs. This is the most reliable tool in a situation when the researcher wants to test the effect among more than one independent variables (Urbach and Ahlemann, 2010). The structural model is presented in figure 2.

The Model fit indices for the above structural model is portrayed in the table 7.

Table 7: Model Fit Indices for Structural Model

<i>CMIN/df</i>	<i>GFI</i>	<i>AGFI</i>	<i>CFI</i>	<i>NFI</i>	<i>TLI</i>	<i>IFI</i>	<i>RMSEA</i>	<i>RMR</i>	<i>PGFI</i>	<i>RFI</i>
2.152	0.872	0.850	0.958	0.925	0.954	0.958	0.053	0.035	0.748	0.917

Source: Authors' Own Compilation

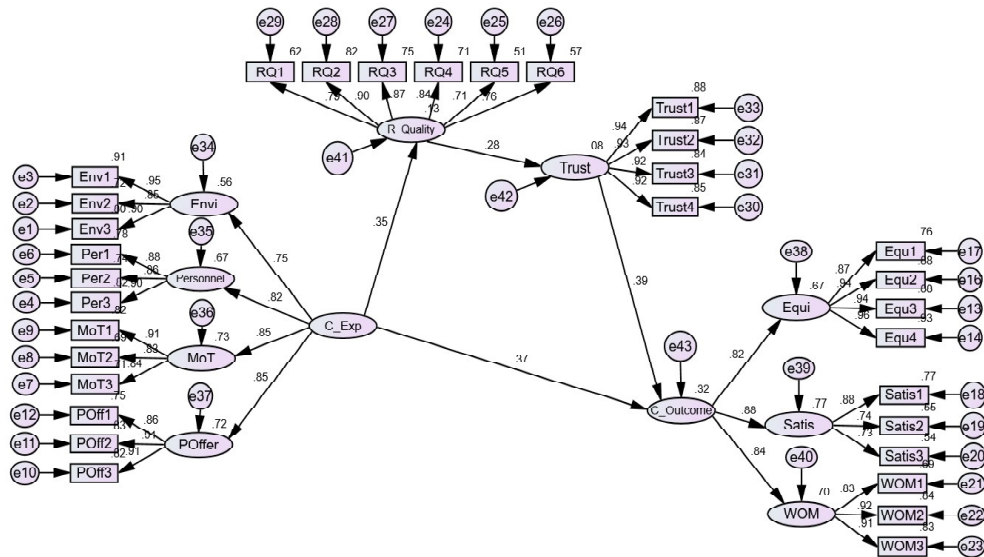


Figure 2: Structural Model

Source: Authors' Own Compilation

The model fit indices for structural equation model shown in the table 7 and the indices values were met the suggested and recommended threshold (Hair *et al.*, 2006; Baumgartner and Homburg, 1995; and Doll *et al.*, 1994; Schreiber *et al.*, 2006). Hence, the structural model is considered as a best fit. In the structural model, the independent construct C_exp (Customer Experience) had significant positive effect on R_quality (Relationship Quality) ($\beta = 0.35, P=0.001$) and on C_outcome (Customer Outcome) ($\beta = 0.37, P=0.001$). R_quality had significant effect on Trust (Customer Trust) ($\beta = 0.28, P=0.001$) and Trust had significant impact on C_outcome (Customer Outcome) ($\beta = 0.39, P=0.001$). From this model it is clear and proved that the C_outcome significantly influenced by all the constructs considered in the study.

6.2.3. Trust

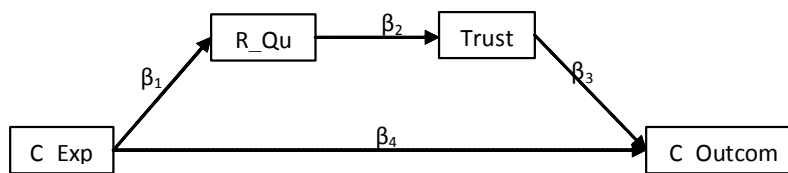


Figure 3: Mediation Analysis: Path Diagram

Source: Authors' Own Compilation

According to Baron and Kenny (1986), through distinct regression equations the effect of mediation was examined. In three levels, the researcher attempted to study whether the model is having partial or full mediation effect or not. In level 1, the impact of C_Exp (X) on C_Outcome (Y) is measured in the absence of mediators and it is noted that X is having significant impact on Y ($\beta=0.48, p<0.001$).

Table 8: ‘ β ’ Values of Path Analysis

<i>Level 1</i> $X \rightarrow Y$ <i>(In the absence of Mediators)</i>	<i>Level 2</i> $X \rightarrow M1 \rightarrow M2 \rightarrow Y$			<i>Level 3</i> $X \rightarrow Y(\beta_4)$ <i>(In the Presence of Mediators)</i>
	$X \rightarrow M1 (\beta_1)$	$M1 \rightarrow M2(\beta_2)$	$M2 \rightarrow Y(\beta_3)$	
0.48*** (0.000)	0.388*** (0.000)	0.298*** (0.000)	0.254*** (0.000)	0.22*** (0.000)
	$X \rightarrow M2$ 0.0476 (0.3205)		$M1 \rightarrow Y$ 0.0476 (0.3967)	

Source: Authors’ Own Compilation

In level 2, the impact of X on Y is measured in the presence of two mediating variables. To measure the indirect effect, the researcher identified that X (C_Exp) has significant effect on M1 (R_Qua) ($\beta=0.388, p<0.001$). The impact of M1 on M2 is also tested and resulted in positive significant effect ($\beta=0.298, p<0.001$). Further, the impact of M2 on Y is also proved its significant positive relationship ($\beta=0.254, p<0.001$). Hence, through the result of second level, it can be noted that the mediation effect is there on the relationship between X and Y in the model. As the direct effect of X on Y is significant, the mediation effect is considered as Partial Mediation effect. The difference in β coefficient in levels 1 and 3 is portraying the effect of moderating variables M1 (R_Qua) and M2 (Trust).

7. Results and Discussion

Increasing competition and customer knowledge is a big threat to all the players in banking sector. As the customers are having choices, they exhibit their rational behaviour in choosing product or service. As a result of this, the bankers are focusing more on differentiating tool with the competitors. Through earlier studies, it is observed that from last decade the banking industry is in process of enhancing the customer experience with an intention to make this as competitive advantage over other players. Based on these real observations from the market, the researcher taken a thoughtful initiation to study the effect of customer experience on various elements of customer outcome. In this study, total four construct had been taken. The hypotheses which were framed based on objectives were tested using SEM.

Results (H_{01}): In the study, the effect of customer experience on customer outcome is measured. In the process of testing hypothesis, the direct effect of X (Customer Experience) on Y (Customer Outcome) is measured. The standard regression coefficient was 0.48 which is significant at 1% level of significance. As the direct effect is measured and it is found as significant, the null hypothesis (H_{01}) is rejected. Hence, there is a significant effect of customer experience on customer outcome.

The customer experience is proved its significant effect on customer outcome. So, it is noted from the result that the brand equity, customer satisfaction and Word of Mouth will vary based on customer experience. The good customer experience leads to positive customer outcome. Hence, it is suggested to the policy makers of banks that to design policies in such a way to create uniqueness in terms of customer experience which results in effective customer outcome.

Results (H_{02}): The study measured the impact of customer experience on customer outcome both in direct and indirect methods. In case of direct effect, the standardized regression coefficient was 0.48 which is significant at 1% level of significance. Between the same constructs, indirect effect is also found with the standard beta coefficient 0.22 at $P < 0.01$ which is also significant. Hence, the model is rejecting H_{02} as there is a significant impact of customer experience on customer outcome (both direct and indirect).

The customer experience is significantly affecting customer outcome in both direct and indirect methods. But if one observes the result of H_{01} which is direct effect, lot of variation in the standardized beta value can be noted. In first instance i.e. direct effect, the standard beta is noted as 0.48 where as it was drastically decreased in presence of two mediating constructs to 0.22. The result is clearly indicating that the mediation effect is there on the model. Even in presence of mediating constructs, the direct effect of customer experience on customer outcome is significant at 1% level of significance. Hence, the mediation effect is partial. The relationship quality and trust play a vital role in enhancing customer outcome. In the model it is noted that the relationship quality is having significant effect on customer trust. These relations between two mediators are proving that the mediation is serial partial mediation. So, the bankers should focus on strategy formulation in order to strengthen customer experience and service quality which intern affects customer trust, because these constructs adversely affecting the customer outcome.

8. Conclusion

In today's dynamic environment, where banking sector transformed to areas like universal banking and Small Finance Banks (SFB), delivering customer experience both in offline and online mode is critical to banking sector. The study findings act as a guide to banking institutions in effectively engaging internet and mobile banking customers. In the banking sector, customer outcome is a function of customer experience, Service quality and relationship quality, trust. The current model focuses on the direct and indirect effect of customer experience on customer outcomes, future research studies could include automated technologies, sensory experiences of the customers as an area of research. The proposed model can be extended to different service sectors to understand its relevance and benefits.

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Appendix – I

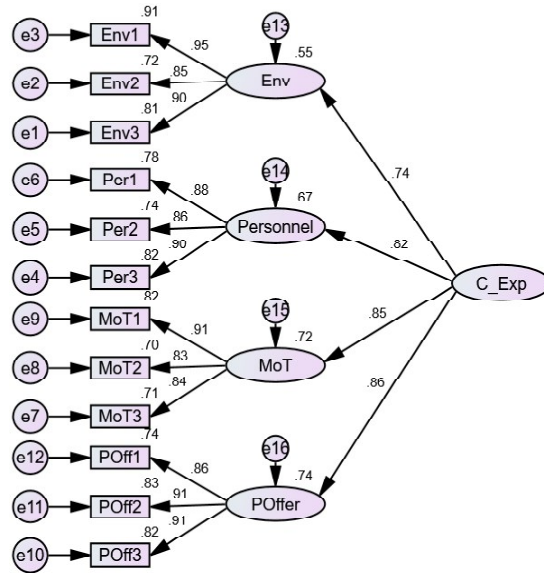


Figure 1: Second Order CFA for Customer Experience

Source: Authors' Own Compilation

Table 1: Convergent Validity for Customer Experience (C_Exp) through CR & AVE values

S. No	Constructs	Items	Std. Regression Weight	Std. Regression Weight (2 nd Order)	Composite Reliability (CR)	Average Variance Extracted (AVE)
1	Env	Env1	0.95	0.74	0.89	0.67
		Env2	0.85			
		Env3	0.90			
2	Personnel	Per1	0.88	0.82		
		Per2	0.86			
		Per3	0.90			
3	MoT	MoT1	0.91	0.85		
		MoT2	0.83			
		MoT3	0.84			
4	POffer	POff1	0.86	0.86		
		POff2	0.91			
		POff3	0.91			

Source: Authors' Own Compilation

Table 2: Model Fit Indices for Measurement Model of Customer Experience (C_Exp) Construct

<i>CMIN/df</i>	<i>GFI</i>	<i>AGFI</i>	<i>CFI</i>	<i>NFI</i>	<i>TLI</i>	<i>IFI</i>	<i>RMSEA</i>
2.660	0.949	0.921	0.981	0.970	0.975	0.981	0.064

Source: Authors' Own Compilation

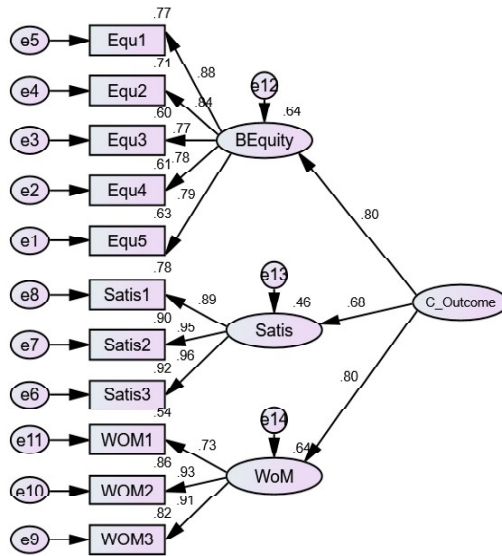


Figure 2: Second order CFA for Customer Outcome

Source: Authors' Own Compilation

Table 3: Convergent Validity for Customer Outcome (C_Outcome) through CR & AVE values

<i>S.No</i>	<i>Constructs</i>	<i>Items</i>	<i>Std. Regression Weight</i>	<i>Std. Regression Weight (2nd Order)</i>	<i>Composite Reliability (CR)</i>	<i>Average Variance Extracted (AVE)</i>
1	BEquity	Equ1	0.88	0.80	0.805	0.58
		Equ2	0.84			
		Equ3	0.77			
		Equ4	0.78			
		Equ5	0.79			

contd. table 3

<i>S.No</i>	<i>Constructs</i>	<i>Items</i>	<i>Std. Regression Weight</i>	<i>Std. Regression Weight (2nd Order)</i>	<i>Composite Reliability (CR)</i>	<i>Average Variance Extracted (AVE)</i>
2	Satis	Satis1	0.89	0.68		
		Satis2	0.95			
		Satis3	0.96			
3	WoM	WOM1	0.73	0.80		
		WOM2	0.93			
		WOM3	0.91			

Source: Authors'OwnCompilation

Table 4: Model Fit Indices for Measurement Model of Customer Outcome (C_Outcome) Construct

<i>CMIN/df</i>	<i>GFI</i>	<i>AGFI</i>	<i>CFI</i>	<i>NFI</i>	<i>TLI</i>	<i>IFI</i>	<i>RMSEA</i>
2.230	0.962	0.939	0.986	0.976	0.982	0.986	0.055

Source: Authors' Own Compilation