

# Antecedents of Customer Satisfaction in Postal Financial Services: An Investigation in India Post

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## Abstract

The primary intention of the study is to analyse the relationship between the important antecedents of customer satisfaction such as image, expectations, financial service quality, customer interaction quality and perceived value, with customer satisfaction. Therefore, the present study helps better understand the relationship between these variables and how they affect customer satisfaction in the context of the postal sector in India. By employing a well-structured questionnaire to collect data from 201 customers of India Post financial services, an integrated model was designed and evaluated. The results obtained through PLS-SEM explain the relationship between customer satisfaction with financial services in India Post and its antecedents. The results have relevant implications for India Post to better understand the customer's needs for postal financial services.

**Keywords:** Customer Satisfaction, India Post, Partial Least Squares, Perceived Value, Postal Financial Services

## 1. Introduction

The traditional letter mail is being supplanted by various electronic methods that lead postal operators around the world to broaden their network of post offices in a diverse range of ways, utilizing existing post office infrastructure and thereby proceeding with new directions such as financial services, insurance, and high-value retailing (Jaag & Finger, 2017). In this regard, postal financial services are playing a key role in the services provided to customers, particularly those who are underserved by other financial institutions like banks. Post offices offer a variety of financial services through their largest physical communication network. The financial inclusion agenda of economies provides an opportunity for postal operators to enhance their survival at a time of transformation in their core postal business (Hussein, 2014). Financial inclusion has gotten a great deal of attention in recent years as it helps in the development of a country's economy as a whole (Sarma & Pais, 2008).

In many nations, such as India, making financial services accessible to everybody has become a top goal (Bhatia & Singh, 2019). India is floundering to achieve financial inclusion where the majority of the population does not use any formal financial services as a large number of people belong to rural India (Thenuan *et al.*, 2016). Considering the growth of microfinance, post offices can play a substantial part in the economic as well as social development of a country (Ashta & Pillarisetti, 2020).

According to empirical studies, India Post as a public institution can reach more underprivileged and marginalized individuals than any other comparable organization (Priyadarshee *et al.*, 2010). The provision of financial services via post offices may help promote financial inclusion in rural regions, increase India Post's income, and also take social protection into account (Priyadarshee *et al.*, 2010). Post offices in remote areas benefit from lower infrastructure costs and run at a lower capacity. Postal service providers can offer

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financial services at a lower cost than banks by taking advantage of these economies of scale (d'Alcantara & Gautier, 2013).

In recent years, the government of India has focused a lot of effort on ensuring that every person has access to basic financial services. Hence, the potential of the post office in promoting financial services has gained importance today. From a communication organization, India Post turned into a financial institution in the 21st century (Tumbe, 2015a). With its extensive network and employees, the Department of Post assists in providing basic financial services to the people at the lowest possible cost and effort, thereby promoting financial inclusion and fostering the country's development.

India Post is considered to be the largest postal network in the world and strives to integrate itself into people's lives through a variety of services, which include mail, financial and premium services. Out of which, financial services account for more than 70% of its revenue and they can reach the majority of the country's population, making financial services accessible to all (India Post, 2020). It started providing financial services by offering savings banks in 1890. Now it provides a variety of financial services to its customers such as banking, remittance and insurance services. Banking products provided by post offices in India include Post Office Savings Accounts, Recurring Deposit Accounts, Time Deposit Accounts, Monthly Income Schemes, Public Provident Funds, National Savings Certificates, Senior Citizen Savings Schemes, Sukanya Samridhi Accounts, Kisan Vikas Patra and India Post Payment Bank Services. Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) are the two types of life insurance that DoP offers to its customers. PLI is offered to the employees of central-state government, defence, paramilitary services, public sector undertakings, banks, educational institutions, local bodies, professionals and employees of companies listed on National/Bombay stock exchanges. RPLI schemes are provided to people who live in rural areas of the country. India Post comes up with money remittance services that consist of domestic money transfer services and international money transfer services. To withstand competition and encourage favourable consumer behaviour, DoP seeks

to update its services by opening up new avenues in response to the changing environment.

The heart of postal financial services is the customer. Customers will choose the services that give them a higher level of satisfaction. As a result, the service provider must comprehend their customers' needs and revamp their services accordingly (Vanniarajan & Gurunathan, 2009). To encourage individuals to utilize banking goods and services, it is critical to build trust and raise awareness of the services (Singh & Stakic, 2021). The findings of a study, which focused on Turkish postal services, demonstrated that service quality is crucial to customer satisfaction and is connected to behavioural outcomes. The findings imply that service quality, satisfaction, and behavioural outcomes paradigms may be applied to environments and public services in various nations (Yavas, 2000). Therefore, the current study incorporates perceived image, expectations, service quality, customer interaction quality, perceived value, and customer satisfaction into a cohesive model and statistically evaluate their relationships.

The remainder of the article is organized as follows: The review of the literature on the concepts relevant to the study is presented. The design of the study and its methodological procedures are provided, followed by the analysis and findings along with concluding remarks. Finally, the study concludes with its limitations and scope for further research.

## 2. Literature Review and Hypothesis Development

The article established a theoretical model by reviewing existing literature, which was then empirically tested. The insights of (Kristensen *et al.*, 2000), and the European Customer Satisfaction Index (ECSI) model inspired the theoretical foundation of this research. The theoretical model is used to evaluate customer perceptions of satisfaction. The following perceived image, expectations, financial service quality, and customer interaction quality are defined in the model as independent variables and dependent variables are perceived value and customer satisfaction. Figure 1 displays the conceptual model that directs the execution

of the study offering an empirical test for nine hypotheses, which are formulated in the following paragraphs.

## 2.1 Theoretical Framework

This study uses the ECSI model as the theoretical base to hypothesize and the integrated model is evaluated to examine the factors affecting customer satisfaction with the financial services offered by India Post in the Kerala circle. The ECSI model was developed by (Kristensen *et al.*, 2000). The core concept of the ECSI model is the idea that customer satisfaction, which in turn drives customer loyalty and the company's value, is an accurate indicator of the performance of the company's products and services (Anderson *et al.*, 2004). The model contains seven variables, which are image, expectations, perceived quality of hardware, perceived quality of human ware, perceived value, customer satisfaction and customer loyalty. Conceptually, perceived quality consists of two components: "hardware," or the quality of the product or service attributes, and "human ware," or the related customer interactive elements in the service (Kristensen *et al.*, 2000). The present study has adopted this model to explore the antecedents of customer satisfaction with the postal financial services of India Post. (Kristensen *et al.*, 2000) have measured customer satisfaction at Post Denmark with the application of the ECSI model and given a clear justification for customer satisfaction and loyalty. Many researchers have attempted to measure different factors of customer satisfaction in different contexts and cultures in the area of postal sector research (Isa & Kiumarsi, 2019; Kiumarsi *et al.*, 2020; Kristensen *et al.*, 2000; Lecic-Cvetkovic *et al.*, 2012; O'Loughlin & Coenders, 2004; Pitia *et al.*, 2013a, 2013b; Maslic *et al.*, 2012; Yavas, 2000). Several attempts have been made to measure customer satisfaction in the context of India Post also (Birajdar & Joshi, 2016; Murugesan *et al.*, 2020). There are very few studies that have been carried out to measure the customer satisfaction of financial services in India post exclusively. Hence, the present study investigates how well the ECSI model could predict the satisfaction of customers of India Post's financial services.

### 2.1.1 Customer Satisfaction

The notion of customer satisfaction has gained a sizable amount of recognition over the years (Nguyen

& Leblanc, 1998). Customer satisfaction is the comprehensive assessment of the service performance or utilization one is exploring (Ciavolino & Dahlgaard, 2007). It is an important concern for every firm that wants to create loyal customers and thereby improve their revenue (Grønholdt *et al.*, 2000; Kant *et al.*, 2017). It is determined by a rational procedure by evaluating what the customer receives against what they give to obtain the service. Hence, it is an emotional notion derived from an evaluation procedure (Tami, 2004). Customer satisfaction is a vital concept in marketing. Achieving customers, serving them and retaining the relationship with them to achieve utmost satisfaction is the biggest challenge in this extensive competitive era, which is in turn associated with the customer's perceptions, demands and expectations (Nambiar *et al.*, 2019). There have been various instrument measurements and models developed and validated that have proven relationships between customer satisfaction and its antecedents (Erjavec *et al.*, 2016). The European Customer Satisfaction Index (ECSI) model proposes that image, expectation, perceived quality of hardware, perceived quality of human ware and perceived value are the antecedents of customer satisfaction (Kristensen *et al.*, 2000).

### 2.1.2 Image

Image is concerned with the overall idea that the customer has of the product or company (Ferreira *et al.*, 2010). It is related to the brand name and associated links that a customer picks up about a certain good, service, brand, or firm (Andreassen & Lindestad, 1998). It deals with the judgment of a customer regarding the firm as a whole, which may not necessarily be directly associated with the experience (Erjavec *et al.*, 2016). Image can be considered an indication to the customer inferring the quality of the service, which then leads to the customer's purchase behaviour (Kuo *et al.*, 2013). It is considered to create a positive impact on customer satisfaction (Giovanis & Tsoukatos, 2017; Srivastava & Sharma, 2013). A high level of image directly affects customer satisfaction with the service provider (Wu *et al.*, 2015; Yilmaz & Ari, 2017). Also, the image has a significant influence on perceived value (Kristensen *et al.*, 1999). In light of the information obtained through relevant literature, the following hypotheses were laid out:

**H<sub>1</sub>: Image has a positive impact on Perceived value**

**H<sub>2</sub>: Image has a positive impact on Customer satisfaction**

### 2.1.3 Expectations

What a customer expects to get from the services denotes customer expectations (Hsieh & Yuan, 2021). Having a clear understanding of customer expectations is essential for the conveyance of the preferred services and the customer will evaluate his perceptions with his expectations when assessing the services (Parasurama *et al.*, 1991; Vanniarajan & Gurunathan, 2009). The customer may have a great inception of information, which leads to expectations regarding the utilization of services from a particular firm and these expectations affect the customer's purchase decisions (Almsalam, 2015). The European customer satisfaction index model confirms that an expectation has a positive influence on perceived value (Kristensen *et al.*, 1999). Customer satisfaction associated with a product is influenced by the expectations of the product and the satisfaction level will be lower when the product does not match the expectations of the customer (Cardozo, 1965). As such, the following hypothesis is formulated:

**H<sub>3</sub>: Expectations have a positive impact on Perceived value**

**H<sub>4</sub>: Expectations have a positive impact on Customer satisfaction**

### 2.1.4 Service Quality

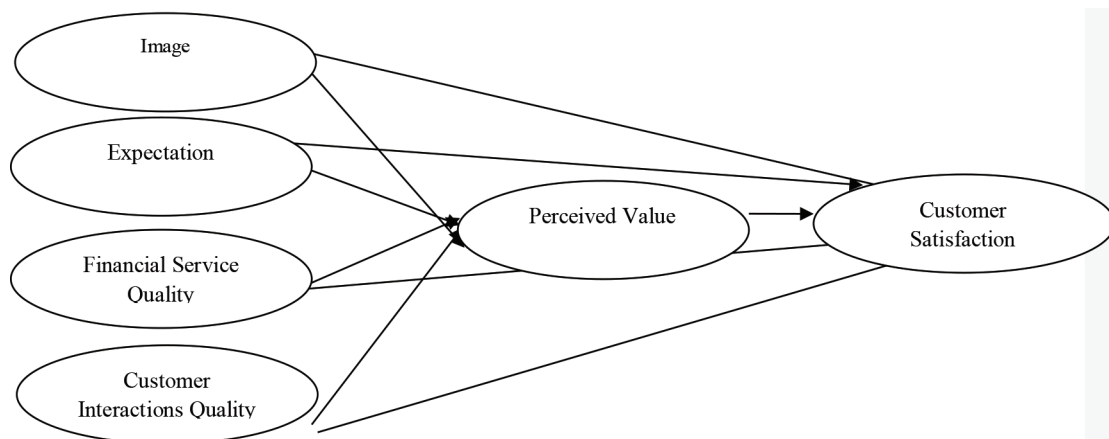
Service quality can be defined as the discrepancy between what a customer feels that a service provider should offer and his or her perception of what the service firm offers (Vanniarajan & Gurunathan, 2009). It is related to the degree to which the service fulfils the requirements of the customer (Lewis & Mitchell, 1990). Service quality combines product or service quality and is also concerned with the examination of the relevant usage characteristics of the products or services (Ferreira *et al.*, 2010). It lies between the expected services and the customer's perceived service (Tejedor *et al.*, 2019). Perceived service quality has a direct relationship with customer satisfaction and perceived value (Kant *et al.*, 2017; Kaura *et al.*, 2014). Therefore, based on the above discussion, the following hypothesis is proposed:

**H<sub>5</sub>: Financial service quality has a positive impact on Perceived value**

**H<sub>6</sub>: Financial service quality has a positive impact on Customer satisfaction**

### 2.1.5 Customer Interaction Quality

Customer interaction pertains to the related interactive aspects of customer service that involve the individual behaviours and surroundings of the service domain (Kristensen *et al.*, 2000). Customers are inevitably involved in service delivery activities, engaging and communicating with the provider since every service entails the exchange of information between the provider and the customer (Moura e Sá & Amorim,



**Figure 1.** Conceptual model.



2017). Satisfaction with the employees is the major determinant of customers' future intentions to buy from the firm as a whole (Garbarino & Johnson, 1999). The impact of customer interaction is significantly higher in customer satisfaction (Grønholdt *et al.*, 2000). Based on the above literature, the following hypotheses were formulated: Better customer interaction is important for attaining customer satisfaction and is more significant in the business market than it is in the service market (Grønholdt *et al.*, 2000).

**H<sub>7</sub>: Customer interaction quality has a positive impact on Perceived value**

**H<sub>8</sub>: Customer interaction quality has a positive impact on Customer satisfaction**

### 2.1.6 Perceived Value

Perceived value is different from quality. It is a more extensive assessment of the service (Nguyen, 2016). It is the customers' perception of the quality of the product or service and the money spent on it as well (Ferreira *et al.*, 2010). It derives from an assessment of the respective advantages and associated costs associated with it (Cassel & Eklöf, 2001). Every firm attempts to strengthen perceived customer value (Makanyeza *et al.*, 2016). For a firm, customer value is important for attaining competitive advantage, as the more the customer perceives to receive, the more value gets derived from their consumption (Nambiar *et al.*, 2019). Empirical studies support the assumption that perceived value has a direct influence on customer satisfaction (Fornell *et al.*, 1996; Lee & Bellman, 2008; Yu *et al.*, 2005). Therefore, the study proposes the following hypothesis:

H<sub>9</sub>: Perceived value has a positive impact on Customer satisfaction

## 3. Research Methodology

### 3.1 Sample

The study analyses the relationship between the important antecedents of customer satisfaction, such as perceived image, expectations, financial service quality, customer interaction quality and perceived value, with customer satisfaction towards the financial services

provided by India Post using statistical procedures. The population for the study consists of the customers of postal financial products in Kerala. By employing a non-probability sampling methodology, the study chose its respondents through the use of convenience sampling techniques.

In a questionnaire, all the measures and demographic details were recorded. To protect the respondents' confidentiality, the participants were informed of the study's information and goal. To assess the validity of the survey instrument, a pilot study with 30 items was conducted. The preliminary survey produced Cronbach's alpha values greater than 0.70 for each item on the constructed scale, indicating that the survey instrument is appropriate for the study. 250 questionnaires were given out, and 201 of them, complete with answers, were returned by the respondents. These results are used for larger research on consumer satisfaction with India Post's financial services.

### 3.2 Measurement of Variables

Multiple questions were used to measure the constructs, and the respondents were asked to rate their level of agreement with each item on a scale from 1 (strongly disagree) to 5 (strongly agree). Customer satisfaction with the financial services of India Post is measured using a Likert scale adopted (O'Loughlin & Coenders, 2004). The constructs of the perceived image are assessed using a scale developed by (Ciavolino & Dahlgaard, 2007). A multidimensional scale obtained from (Yu *et al.*, 2005) is used for measuring customers' expectations with India Post. To better fit the study's context, the scale underwent further revision. The financial service quality is assessed using a scale developed by (Nguyen & Leblanc, 1998). The customer interaction quality was measured using a Likert scale adapted from (Kristensen *et al.*, 2000). The Perceived value of the customers was evaluated using a scale adapted from (Tami, 2004).

## 4. Analysis and Results

### 4.1 Demographic Analysis

The respondents' gender, age, marital status, education, employment, and family income were all addressed

about their demographic attributes. An empirical analysis has been conducted on 201 valid responses. Table 1 summarizes the respondents' demographic characteristics. To analyse the respondents' demographics, descriptive statistics were employed.

44.3% of the respondents were men and the rest, 55.7% were female. Most of the respondents (42.8%) were from the age group of 30-40 years. Concerning education level, 44% were graduates and 43% were postgraduates or above. In terms of occupation, the majority of the respondents were employed (54.2%). Most of the respondents (55.7%) came under the category of a monthly income of 2000–39999.

## 4.2 Measurement Model Analysis

Partial Least Square Structural Equation Modeling (PLS-SEM) has evolved into a standard instrument for analyzing the complex inter-relationships between observed and latent variables in social science research (Hair Jr. *et al.*, 2017) and there has been an increase in the practical application of PLS-SEM in Management studies (Jasimuddin *et al.*, 2017). When it comes to customer satisfaction studies, this approach offers a large number of benefits (Kristensen *et al.*, 2000). It is an effective tool to develop theories and make predictions (Dash & Paul, 2021). The partial-least-squares approach to structural equation modelling automatically generates weighted composites and utilizes them to carry out path analysis of the structural model using the least-squares technique (Dash & Paul, 2021). This technique can deal with complex models of comparatively minimal data and can generate scores for specific latent variables by estimating formatively specified measurement models (Sarstedt *et al.*, 2020). It enables the testing of hypothesized relationships while focusing the model estimation on predictions (Hair *et al.*, 2020). The PLS-SEM approach is used in this study to analyze the complex research model and hypotheses as a whole (Jasimuddin *et al.*, 2017). PLS-SEM has been used to estimate Customer satisfaction index models instead of covariance-based techniques since the ECSI was introduced (Ferreira *et al.*, 2010). Particularly, this method is applied in this study to ascertain the predictive ability of the model and provide an assessment regarding the relationships

between the constructs; image, expectations, financial service quality, customer interaction quality, perceived value, and customer satisfaction. The PLS modelling outcomes may be assessed to gauge the model's overall effectiveness and the significance of its parameters (Ferreira *et al.*, 2010). The statistical software SmartPLS version 4.0 software, which incorporates confirmatory factor analysis to evaluate the measurement model and structural equation analysis to validate the structural model, was used to analyze the SEM indices. The results are reported in terms of factor loadings, Cronbach's Alpha (CA), Composite Reliability (CR), and Average Variance Extracted (AVE) after the measurements have been evaluated.

## 4.3 Testing of the Measurement Model

Table 2 contains a list of the variables used in the study, along with their means, standard deviations, and item loadings. Every measurement item should remarkably load on its latent constructs and the recommended upper limit of 0.5 for the factor loading on the latent construct of each measurement item should be exceeded (Hair *et al.*, 2011). The factor loadings of the study are between 0.77 and 0.91, which exceed the cut-off value of 0.5 suggested by (Straub, 1989).

Table 3 summarizes the findings of the Measurement Model's reliability analysis. Two techniques for assessing the construct's reliability are CA and CR. As a general rule, both reliability criteria ought to be greater than 0.70. Since not all indicators have the same level of reliability, the composite reliability, which is weighted more accurately than unweighted CA and CR should therefore be evaluated and reported (Hair *et al.*, 2019). The internal reliability of the measurement model is assessed using CA. The CA value greater than 0.7 shows a high level of reliability for the data provided in a questionnaire (Emerson, 2019). In this study, the CA for all the variables was greater than 0.7, indicating a significant reliability of the questionnaire. The convergent reliability was examined using AVE and CR. With composite reliability, which also yielded a value greater than 0.7, the threshold limit, internal consistency and reliability were also ensured (Hair *et al.*, 2011).

The AVE can be used to measure convergent validity. By averaging a construct's indicator reliability, the AVE is produced. This indicator calculates the average variance that the construct and each of its constituent indicators share. The value of the AVE must be 50% or greater to meet the requirement. That is, AVE values should surpass the threshold value of 0.5, which indicates acceptable convergent validity (Hair *et al.*, 2020; McDonald & Bollen, 1990) which is also satisfied. Table 3 summarizes them, showing that the scale reliabilities had adequate and reliable measurement qualities for the analysis.

Table 4 displays the square root of AVE as well as the inter-construct correlation matrix.

Discriminant validity assesses a construct's distinctiveness. It is evident when the shared variance (AVE) within a

construct is higher than the shared variance between the constructs (Hair *et al.*, 2020). The correlation between that construct and other constructs must be higher than the square root of AVE for that construct (Bagozzi, 1981). The Fornell-Larcker criterion was applied to determine discriminant validity, and its results are shown in Table 4. No inter-variable correlations were observed in the table. The findings of the measurement model revealed good validity and reliability, making the model appropriate for further study.

#### 4.4 Structural Model and Path Analysis

The statistical software SmartPLS version 4.0 was used to evaluate the hypotheses using PLS-SEM. The survey measures are weighted in the PLS estimation method to provide the final model with the greatest amount of explanatory power. PLS-SEM has established itself as a standard tool for analyzing inter-correlations between observable and latent variables across several fields of research (Sarstedt *et al.*, 2020). The latent variables are operationalized as weighted indices of corresponding measurement variables (Grønholdt *et al.*, 2000). The model is illustrated by a path analysis

**Table 1.** Demographic characteristics of the respondents

Demographic Variables	Frequency	Percentage
Gender		
Male	89	44.3
Female	112	55.7
Age		
Less than 30	71	35.3
30 – 40 Years	86	42.8
41 – 50 Years	26	12.9
Above 50 Years	18	9
Marital Status		
Single	74	36.8
Married	121	60.2
Divorced/Widowed	6	3
Education		
High School or below	24	11.9
Graduate	89	44.3
Post Graduate and Above	88	43.8
Occupation		
Student	38	18.9
Employed	109	54.2
Unemployed	40	20
Retired	14	6.9
Family Income		
Under 20000	12	6
20000 – 39999	112	55.7
40000 – 59999	56	27.9
60000 and above	21	10.4

Source: Primary Source

**Table 2.** Factor loadings, means and standard deviations of all items used

Constructs	Items	Outer Loadings	Mean	Standard Deviation
Image	IMG1	0.777	0.773	0.045
	IMG4	0.813	0.808	0.050
	IMG3	0.806	0.807	0.040
Expectations	EXP1	0.911	0.911	0.017
	EXP2	0.885	0.882	0.032
Financial Service Quality	SERQ1	0.768	0.766	0.045
	SERQ2	0.846	0.845	0.029
	SERQ3	0.754	0.753	0.054
	SERQ4	0.863	0.863	0.023
Customer Interaction Quality	CIQ1	0.884	0.884	0.026
	CIQ2	0.885	0.884	0.028
Perceived Value	VAL1	0.811	0.810	0.040
	VAL2	0.833	0.833	0.032
	VAL3	0.829	0.829	0.039
Customer Satisfaction	SAT1	0.808	0.806	0.046
	SAT2	0.784	0.779	0.053

Source: Computed

diagram, which is a visual depiction of the assumptions and structures that are specified a priori (Ciavolino & Dahlgaard, 2007). The influence and significance level of each path in the research framework was examined using PLS-SEM to test the proposed research model. PLS can calculate SEM in cases where the latent variables are either influenced by the indicators or both (O'Loughlin & Coenders, 2004). The variables and their relationships that are shown in Figure 1 as a proposed model are evaluated and results are obtained. Table 5 reports the path coefficients.

The results of the tests for hypotheses, significance levels, and parameter estimates are presented in Table 5. This will help to comprehend the relationship between the important antecedents of customer satisfaction towards the financial services of India Post. Hypothesis 1 proposes that image has a positive impact on perceived value. The standard deviation of the image and perceived value is 0.087 and the t value is 2.703. The p-value is 0.007, which is less than 0.05. This indicates that there is a significant positive relationship between the image and the customers' perceived value ( $p < 0.05$ ), which lends support to Hypothesis 1.

Hypothesis 2 states that image has a positive impact on customer satisfaction. The standard deviation of image and customer satisfaction is 0.098 and the t-value is 1.067. The p-value is 0.286, which is greater than 0.05. This indicates that there is statistical insignificance. Therefore, the image does not have a significant impact on customer satisfaction (O'Loughlin & Coenders, 2004). Hence, Hypothesis 2 is not supported.

Hypothesis 3 suggests that expectations have a positive impact on perceived value. The standard deviation of expectations and perceived value is 0.087 and the t-value is 2.845. The p-value is 0.004, which is less than 0.05. The result exhibits that there is a significant positive relationship between the expectations of the customers and the perceived value with a p-value less than 0.05, which indicates the acceptance of Hypothesis 3.

Hypothesis 4 predicts that expectations have a positive impact on customer satisfaction. The standard deviation of expectations and customer

**Table 3.** Reliability of the measurement model

Constructs	Chronbach' s Alpha	Composite Reliability	AVE
Customer Interaction Quality	0.722	0.878	0.783
Expectations	0.760	0.893	0.806
Financial Service Quality	0.823	0.883	0.654
Image	0.721	0.841	0.638
Perceived Value	0.765	0.864	0.680
Customer Satisfaction	0.622	0.776	0.634

Source: Computed

**Table 4.** Correlation matrix

Fornell-Larcker Criterion	1	2	3	4	5	6
Customer Interaction Quality	0.885					
Expectations	0.624	0.898				
Financial Service Quality	0.706	0.666	0.809			
Image	0.529	0.610	0.729	0.799		
Perceived Value	0.551	0.640	0.702	0.654	0.825	
Customer Satisfaction	0.596	0.641	0.698	0.538	0.699	0.796

Source: Computed

**Table 5.** Path coefficients and hypothesis testing results

Hypotheses	Standard Deviation	t- value	p-value	Result
H <sub>1</sub> Image > Perceived Value	0.087	2.703	0.007	Supported
H <sub>2</sub> Image > Customer Satisfaction	0.098	1.067	0.286	Not Supported
H <sub>3</sub> Expectations > Perceived Value	0.087	2.845	0.004	Supported
H <sub>4</sub> Expectations > Customer Satisfaction	0.096	2.050	0.040	Supported
H <sub>5</sub> Financial Service Quality > Perceived Value	0.108	3.210	0.001	Supported
H <sub>6</sub> Financial Service Quality > Customer Satisfaction	0.117	2.676	0.007	Supported
H <sub>7</sub> Customer Interaction Quality > Perceived Value	0.104	0.262	0.793	Not Supported
H <sub>8</sub> Customer Interaction Quality > Customer Satisfaction	0.094	1.141	0.254	Not Supported
H <sub>9</sub> Perceived Value > Customer Satisfaction	0.107	3.379	0.001	Supported

Source: Computed



satisfaction is 0.096 and the t-value is 2.050. The p-value is 0.040, which is less than 0.05. The anticipated link between expectation and customer satisfaction is also indicated by a significant path similar to the results of previous studies (Almsalam, 2015; Kristensen *et al.*, 2000). As a result, Hypothesis 4 is supported.

Hypothesis 5 proposes that financial service quality has a positive impact on perceived value. The standard deviation of financial service quality and perceived value is 0.108 and the t-value is 3.210. The p-value is 0.001, which is less than 0.05. The structural model explains that there is a significant positive relationship between financial service quality and perceived value. Therefore, the results strongly support Hypothesis 5.

Hypothesis 6 states that financial service quality has a positive impact on customer satisfaction. The standard deviation of financial service quality and customer satisfaction is 0.117 and the t value is 2.676. The p-value is 0.007, which is less than 0.05. The results show that there is a significant relationship between financial service quality and customer satisfaction. Hence, hypothesis 6 is supported. Consistent with the results of previous studies, financial service quality has displayed a significant influence on both perceived value and customer satisfaction (Almsalam, 2015; Lee & Bellman, 2008).

Hypothesis 7 suggests that customer interaction quality has a positive impact on perceived value. The standard coefficient of customer interaction quality and perceived value is 0.104 and the t-value is 0.262. The p-value is 0.793, which is greater than 0.05, indicating statistical insignificance. Hence, there is no significant positive relationship between customer interaction quality and perceived value. So, Hypothesis 7 is not supported.

Hypothesis 8 states that customer interaction quality has a positive impact on customer satisfaction. The standard deviation of customer interaction quality and customer satisfaction is 0.094 and the t-value is 1.141. The p-value is 0.254, which is greater

than 0.05, indicating statistical insignificance. Therefore, customer interaction quality does not have a significant impact on customer satisfaction (O'Loughlin & Coenders, 2004). Hence, Hypothesis 8 is not supported.

Hypothesis 9 proposes that perceived value has a positive impact on customer satisfaction. The standard deviation of perceived value and customer satisfaction is 0.107 and the t-value is 3.379. The p-value is 0.001, which is less than 0.05. There is ample evidence in the literature suggesting that perceived value has an impact on customer satisfaction (Anderson & Sullivan, 1993; Cassel & Eklöf, 2001; Lee & Bellman, 2008). Likewise, the structural model explains that there is a significant positive relationship between perceived value and customer satisfaction. Therefore, the results strongly support Hypothesis 9.

The analytical results of the analysis are displayed in Figure 2.

The findings indicate that human behaviour positively influences customer satisfaction. The present study identified the factors that influence the satisfaction of customers with postal financial services and examined the effect of these factors on customer satisfaction. The present study made an effective attempt to fill the research gap, especially in the context of the Indian postal sector. The results confirmed that image, expectations and financial service qualities have a significant relationship with perceived value. In addition to those, expectations, financial service quality and perceived value have a positive relationship with customer satisfaction. Therefore, the findings are consistent with the prior studies (Cassel & Eklöf, 2001; Kristensen *et al.*, 1999, 2000).

## 5. Conclusion

The history of postal financial services has been multifaceted. The post office is still an important institution, even though the nature and purpose of its operation have changed over time. India Post is the largest financial institution in terms of network, accounts, and personal deposits (Tumbe, 2015b). The main purpose

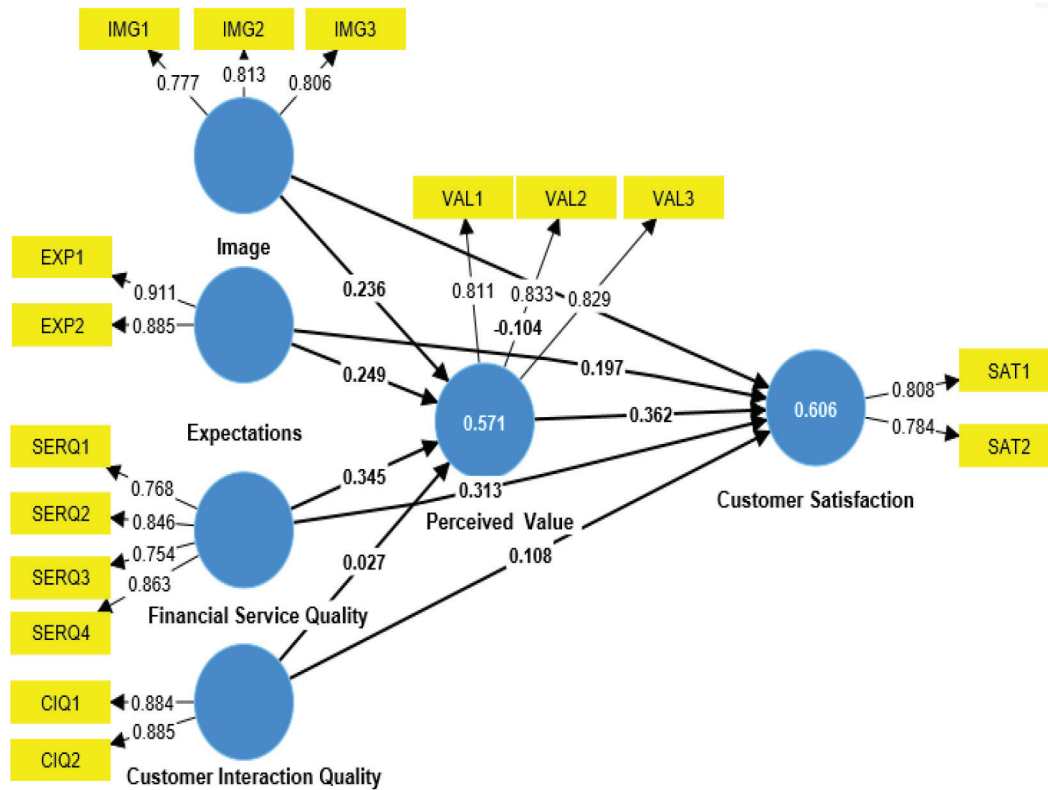


Figure 2. Analytical results.

Source: Computed

of the study is to investigate the relationships between the key factors that influence customer satisfaction, such as image, expectations, financial service quality, the quality of customer interactions and perceived value. Therefore, the objective of the study is to better recognize the connection between such variables and how they affect customer satisfaction. The relationships between these variables are demonstrated in this article using PLS-SEM. The study throws light on the fact that, in maintaining long-term relationships with customers, it is important to take care of the satisfaction drivers. The present study identified a significant positive relationship between the drivers of customer satisfaction in the context of financial services provided by the postal sector in India. The customers' needs are changing according to the varying environment. Hence, India Post needs to act according to the expectations of the customers, which will reinforce a sense of contentment among them. The findings indicate that when customers' expectations are met with the actual service, there will be high satisfaction. The postal operator needs to focus on the quality of financial services provided to

their customers, as it substantiates satisfaction, which in turn helps in retaining them. Although increasing customers' perceptions of image can result in high customer value, there is no effect of image on customer satisfaction. There might be instances in which the customer's perception of its value is high because of the low cost incurred in buying it, but the customer may not feel satisfied. The study also provides evidence of the effect of customer interaction value on the customer's perceived value and satisfaction. Personal interaction with customers and employees does not significantly contribute to customer satisfaction, as per the study. This indicates that customer satisfaction is not driven by image or customer interaction quality. As per empirical results, customers who perceive the value of the services are found to be highly satisfied. Overall, the study confirms the relationship between customer satisfaction with financial services in India Post and its antecedents.

Due to its positive effects on consumer satisfaction and the likelihood of customer retention, perceived value can provide more competitive strength. India

Post should develop tactics to improve customer perceptions of the value of a service to attract customers. Before attempting to change consumers' views of value, it is critical to discover the characteristics of a service that customers value the most. Customers are more likely to compare their choices when presented with more than one provider. The department can work to improve how customers perceive the costs of using their services rather than those of using those of their competitors (Tam, 2004). The findings will help India Post improve overall customer satisfaction in the evaluation of the financial services provided. In short, it is anticipated that this research will significantly advance the knowledge of consumer satisfaction in the Indian postal service sector in the future.

The current study reveals several shortcomings as well. Generalizations of the findings outside of the postal sector and the research population should be made with great care because the study was done within the confines of the postal industry. In addition, not all the antecedents of customer satisfaction were discussed in the study. Future studies might investigate a larger number of factors and create a more comprehensive model that can be used across a variety of sectors, in addition to customer satisfaction and perceived value. Finally, this study only focused on the financial services offered by India Post due to time and complexity constraints. Future research could include other services provided by India Post to evaluate and confirm how well this conceptual model fits. Furthermore, given the study's overall findings, it's critical to recognise that the study's sample is geographically constrained because the data were only gathered from Kerala, one of India's postal circles. Therefore, the results cannot be applied generally. Future studies might elaborate on the current study's findings by incorporating more information and geographic regions that would help researchers better understand how customers behave across the nation.

## 6. References

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