**CUSTOMER SATISFACTION AND ITS IMPLICATION ON BANKS PERFORMANCE IN NIGERIA**

**ABSTRACT**

Satisfaction is the customer’s evaluation of a product or service in terms of whether that product or serve has met their needs and expectations. Happy and satisfied customers behave in a positive manner. However, almost every Nigerian banks encounters similar problems in meeting customer’s expectation of services and customer satisfaction. It is against this backdrop that this study tries to evaluate customer’s satisfaction and its implication on banks performance in Nigeria. The study uses a primary source of data collection i.e. questionnaire structured by respondents and validity by two experts. Basically, this study adopts both the descriptive and explanatory survey design methods. Result from the study shows that customer appreciates electronic banking services but still not satisfied with the quality and efficiency of the services. This is expressed in the number of times customers physically visit the banks and length of time spent before such services are reviewed. The study concludes by suggesting that banks should improve their service delivery to justify the benefits of electronic banking products and services, by this, customer’s interest would be aroused.

 **CHAPTER ONE**

 **INTRODUCTION**

**1.1   Background to the study**

It is believed that the goal of every organization is to meet the needs and the requirements of its stakeholders. Meeting the needs and the requirements of the stakeholders will not only ensure the survival of the organization but also allow it to flourish. Customers are presumed to be one of the most important stakeholders in any organization because without them, organizations are not likely to succeed. Hence, marketers emphasize on research in the area of consumer behaviour and particularly behavioural intention. Knowledge of consumer behaviour will go a long way in ensuring effective marketing policies towards the interest of customers which will eventually facilitates positive customer attitude towards the organizations. More especially, since customer behavioural intention is a strong indication of his actual behaviour

As a result of financial sector liberalization in Nigeria in the 1980s, the banking sector experienced a boom. Low entry requirements by the regulatory authority and the high premiums that could be earned through foreign exchange business led to the quick entry by new players into the lucrative banking industry. Between the period of 1985 and 1993 the number of licensed banks rose astronomically from
41 to 120 (Central Bank of Nigeria, 1995). And this led to the increase of the sector’s contribution to GDP and employment. Given that banks are important constituents of the sector, it can therefore be argued that banks in Nigeria contribute significant percentage of the country’s GDP in the recent past. (Adeoye, 2007). For instance, the sectoral reconstitution of service industry to the growth of GDP for 2004, 2005, 2006, 2007 and 2008 were 8.8, 8.0, 9.2, 9.9 and 10.5 respectively (CBN, 2009) The importance of the Nigerian banking sector does not limited to Nigeria alone but also spill over to most. This significant contribution of the services industry and specifically banking sector in Nigeria really warrant investigation in order to enhance the sector’s continuous growth which will eventually result in the better performance of the economy It is however noted that one of the ways through which banks can meet the expectations of their customers who are the back-bone of the banks’ business is via the understanding of the customers’ behaviour.

The customer service unit has become important in many ways for most organizations, but the general view is that many organizations do not take it too seriously. Customer service may be provided by a person, group or by an automated means called “Self Service”. The customer service management is a compulsory section of the bank. Commercial banks form the largest and are the country’s most important group of financial institutions. With stiffer competition among domestic and foreign banks, therefore it is important for the commercial banks in Nigeria to improve the quality of their services. The growth of competition in banks has led to the customer being stronger because he or she has many options to choose from. It is those banks that have excellent customer satisfaction levels that succeed in this environment of hyper competition. Success of a service provider depends on the high quality relationship with customers which determines customer satisfaction and loyalty. The corporate objective of any bank which is “maximization of shareholders wealth” can only be achieved if customers are retained and satisfied. This is in line with the perception that the key to successful marketing of financial services is identification and packaging of customers’ needs to their satisfaction.

Customer service therefore involves the means through which there would be a mutually beneficial satisfaction of non-tangible product needs of the people who have a will to satisfy these needs. It’s focused on the predicted upon concept which involves a proper identification and understanding of needs of potential and actual consumers as well as adaptation of organizational operations to deliver the right customer service more effectively and efficiently

**1.2   STATEMENT OF PROBLEM**

Over the years in developing economy like Nigeria banks are faced with the problem of distress lack of public confidence, inability of banks to meet up with customer’s satisfaction in terms of granting of credit facilities spending an average time in the bank halls for transactions, inadequate capital base, etc. In Nigeria, the customer service unit is more effective in the banks than in all other organizations of the economy. Yet, the banks still have a long way to go in order to satisfy the customers of banks worldwide. The banking business today has gone beyond arm- chair banking era where the customers had to look for the banker to transact business. It is now the era of highly competitive business among banks. These financial institutions now engage in aggressive search of the customer to patronize their products and services.

The researcher is of the view to carry out an investigation into these remote causes of banks inability to meet up with customers’ needs and requirements and how this had affected the banks performance over the years, after this investigation the result from this study should be able to proffer to solutions to banks inability to satisfy their customers in Nigeria, hence how to impress its performance through total quality management.

**1.3   OBJECTIVES OF THE STUDY**

i.      To ascertain the extent of relationship between service quality and bank performance

ii.     To examine if there is a positive relationship between customer’s level of loyalty and performance.

iii.    To find out how quality customer satisfaction affects bank performance

**1.4 RESEARCH HYPOTHESES**

In order to achieve the stated objectives of this study, the following hypotheses are formulated:

**Hypothesis One**

**HO:**   There is no positive relationship between service quality and bank performance

**H1:**    There is a positive relationship between service quality and bank performance

**Hypothesis Two**

**HO:**There is no positive relationship between customer level of loyalty and bank performance.

**H2:**There is a positive relationship between customer level of loyalty and bank performance

**Hypothesis Three**

**HO:**   There is no positive relationship between customer satisfaction bank performances.

**H3:**    There is a positive relationship between customer satisfaction bank performances.

**1.5   SIGNIFICANCE OF THE STUDY**

This research work will attempt to examine the performance of bank in Nigeria. The significance of this study is to examine the extent to which bank performance has geared up the growth of the Nigeria economy through loan and advances for investment.

Hence, the research is interested in the effect of the customer’s satisfaction and dissatisfaction, characteristics of service, assessment and measurement of customer’s satisfaction in bank for more clarity of the study.

**1.6 SCOPE AND LIMITATIONS OF THE STUDY**

This study covers customer’s satisfaction in bank performance. A sample of one hundred and thirty three (133) was taken from the total population of the study. This study was conduct amongst staffs of a selected bank in Benin City to know how customer’s satisfaction has implication on bank performance for a period between 2010 - 2013.

In carrying out research work, a number of constraints have militated against this research work. Every human endeavour is said to be limited by some factor and this research work is not on exceptional to the rule. There was low response rate. There was difficulty in obtaining information from respondent as they often referred to height schedule and fatigue in fitting the questionnaire. This being that the researcher cannot administer the questionnaire to other respondent form other part of the country.

* 1. **DEFINITION OF TERMS**

**Organization:**This is a social unit of people that is structured and managed to meet a need or to pursue collective goals.

**Stakeholders:** These are persons or group or organization that has interest or concern in an organization.

**Customer’s Satisfaction:** A business term, is a measure of how products and services supplied by a company meet or surpass customer.

**Brand Loyalty:** When consumers become committed to your brand and make repeat purchases over time.

**Profitability:** This is the primary goal of all business ventures. Without profitability, the business will not survive in the long run. It is measured with income and expenses.

**Competition:** The existence within a market for some good or service of a sufficient number of buyers and sellers such that no single market participant has enough influence to determine the going price of the good or service.

**Defensive Strategy:** A management approach designed to reduce the risk of loss.

**Service Quality:** An assessment of how well a delivered service conforms to the clients expectations.

**Reliability:** The ability of a system or component to perform its required functions under stated conditions for a specified period of time.

**Empathy:** This is the capacity to recognize emotions that are being experienced by another sentiment or fictional being.

**1.8 ORGANIZATION OF THE STUDY**

This research work is organized in five chapters, for easy understanding, as follows Chapter one is concern with the introduction, which consist of the (overview, of the study), statement of problem, objectives of the study, research question, significance or the study, research methodology, definition of terms and historical background of the study. Chapter two highlight the theoretical framework on which the study is based, thus the review of related literature. Chapter three deals on the research design and methodology adopted in the study. Chapter four concentrate on the data collection and analysis and presentation of finding. Chapter five gives summary, conclusion, and recommendations made of the study.

 **CHAPTER TWO**

 **REVIEW OF RELATED LITERATURE**

* 1. **INTRODUCTION**

The competition and challenges in Nigeria banking sector is very high, due to regulatory imperatives of universal banking and also due to customers’ awareness of their rights. Bank customers have become increasingly demanding, as they require high quality, low priced and immediate service delivery. They want additional improvement of value from their chosen banks. Service delivery in banks is personal, customers are either served immediately or join a queue (waiting line) if the system is busy. This customers patronage could be describe as the backbone of a highly liquid financial institutions. Banking refers to the business of receiving money and collecting drafts for customers, subject to the obligation of borrowing cheque drawn upon them time to time by the customers, to the extent of the amount available in their current account. A commercial bank can be defined as a monetary institution owned by either government or private businessmen for the purpose of profit. Profit maximization objective may not be easy to achieve in banking, without a good level of customer base, as this customer base enhances the effectiveness and efficiency of the services rendered to the customers. In other words, the faster they get attended to, the more the customer would be encouraged to keep their money with a bank. Customer satisfaction is derived largely from the quality and reliability of products and services. However, almost every Nigerian bank encounters similar problems in meeting customer’s expectation of services and customer satisfaction. For example, the issue of money transfer in banks is one major problem that customers of certain banks have been made to experience. In most cases the customer hardly receives the payment of the money transferred into account immediately. The long queues and huge crowds in the banking halls can be highly devastating and discouraging most times, especially when the weekend is near. Most times, this long queues are as a result of the breakdown of the computers used by these cashiers, sometimes it occurs as a result of the cashiers, pushing duty to one another as to who is to attend to the customers or not.

The growth of competition in banks has led to the customer being stronger because he or she has many options to choose from. It is those banks that have excellent customer satisfaction levels that succeed in this environment of hyper competition. Success of a service provider depends on the high quality relationship with customers which determines customer satisfaction and loyalty. The corporate objective of any bank which is “maximization of shareholders wealth” can only be achieved if customers are retained and satisfied. This is in line with the perception that the key to successful marketing of financial services is identification and packaging of customers’ needs to their satisfaction. As globalization and liberalization of financial institutions accelerate, competition among banks in offering products and services becomes more intense. In spite of such limiting banking strategy, the rapid transformation of Nigerian retail banking sector has redefined the role of banks in Nigeria from financing trade to one of mobilizing and channeling resources more effectively to customer needs. These changes were indicated by the emergence of many new financial institutions, the introduction of new financial instruments and services, the securing of financial operations, and the elimination of strict gender demarcation lines among different types of customers. These changes in the banking system have created a new dimension in the Nigerian banking industry within which the banks have to compete both vertically and horizontally for consumers’ disposable income.

* 1. **CONCEPTUAL CLARIFICATIONS**

**CUSTOMER SATISFACTION**

Customer satisfaction is a key factor in the business strategy of every financial institution. It is a benchmark to which an organization must set its objectives. A company is successful when its products or services meet expectations and requirements of customers. If a company aims for customer retention, customer satisfaction is the best way to retain customers' future purchases (Taylor and Baker, 1994, Cronin and Taylor, 1992, and Parasuranman et al., 1988).

According to Kumar and Reinartz (2006), traditionally, customer satisfaction is a key mediator which leads to greater retention or loyalty, in turn resulting in greater profit for a firm. However, these relationships are not always strong all the time because in different industries they depend on environmental factors, such as the aggressiveness of competition, degree of switching cost, and the level of perceived risk (Kumar and Reinartz, 2006).

Customer satisfaction refers to a person’s satisfaction with a product, a service, or a supplier (Terpstra et al., 2014). The authors also state that customer satisfaction in banks refers to the valenced state of mind, concerning the bank, and evoked by the customer’s experiences with the bank throughout time. They further state that customer satisfaction in the banking sector can be characterized within three contexts. First, the consumption of products and services from a bank is an ongoing process, which results from accumulation of encounters with the banks over time leading to customer satisfaction. This is known as a summary satisfaction. Second, customer satisfaction is a manifest of feelings about a bank, for instance through cognition on evaluation of whether a bank is doing well. Third, assumes that satisfaction and dissatisfaction is one-dimensional and ranges from a very dissatisfied to a very satisfied.

According to Hoffman and Bateson (2006), customer satisfaction is a possible task in an organization. In includes a wide range of improvements of activities such as quality of products and services, reasonable pricing, human resource development and in-time deliveries. Enrichment of these factors can narrow down gaps between customer expectations and perception. These gaps exist if what customers expect to receive is less than their expected level. Therefore, satisfying customers is also related to eliminating the customer gap to match or exceed customer expectations Kotler and Keller (2006).

Many previous studies in the banking sector have found that bank profitability was derived from the quality of service and the higher quality leads to satisfied customers who use more of the services and the ability of customer retention becomes higher (Parasuranman, Zeithaml et al., 1988; Cronin, Jr. et al., 1992; Anderson, Fornell et al., 1994; Danaher and Rust, 1996). Moreover, customer satisfaction and perceptions of service quality are decisive elements of customer loyalty which potentially brings about higher market shares, lowers staff turnover and operating costs, and improves employee morale, higher financial performance and profitability (Lewis, 1989; Lewis, 1993; Julian and Ramaseshan, 1994). Customers usually develop their perceptions on quality of service and make up standards of expected quality for service before they encounter actual quality of banking service. They in turn compare their expected quality of service and its actual quality when they use it, and this comparison will influence the degree of their satisfaction in using that service, leading to whether customers repurchase that service or not.

* + 1. **THE CONCEPT OF JOB SATISFACTION**

Arthur (2004). In his journal “Effects of Human Resource Systems on Manufacturing Performance sees job satisfaction as the keying radiant that leads to recognition, income, promotion, and the achievement of the goals that lead to a general feeling of fulfillment. Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one’s job, an affective reaction to one’s job, and an attitude towards one’s job. Wiss (2002). This definition suggests that we form attitudes towards our jobs by taking into account our feeling our beliefs, and our behaviour. The term job satisfaction refers to a collection of feelings that an individual holds toward his or her job. A person with a high level of job satisfaction holds positive feelings about the job, while a person who is dissatisfied with his or her job holds negative feelings about the job. When people speak of employee attitudes are often than not they mean job satisfaction. In fact, the two are frequently used interchangeably because of the high importance researchers have given to job satisfaction. Liden, R. C. (2000) gave a comprehensive definition of job satisfaction as pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience. Job satisfaction is a result of employee’s perception of how well their job provides those things that are viewed as important. According to Mitchell and Lasan, (2006), it is generally recognized in the organizational behaviour field that job satisfaction is the most important and frequently studied attitude. While Luthan (2005) posited that there are three important dimensions of job satisfaction. Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred. Job satisfaction is often determined by how well outcome meet or exceed expectations. For instance, if organization participants feel that they are working much harder than others in the department but are receiving fewer rewards they will probably have a negative attitudes towards the work, the boss and or coworkers. On the other hand, if they feel they are being treated very well and are being paid equitably, they are likely to have positive attitudes which are most important. Job satisfaction represents several related attitudes which are most important characteristics of a job about which people have effective response. These to Luthans are the work itself, pay, promotion opportunities, supervision and coworkers.

* 1. **EMPLOYEE SATISFACTION AND CUSTOMER SATISFACTION**

Many empirical studies shows a strong positive relationship between employee satisfaction and customer satisfaction (e.g., Band, 2008; George, 2000; Reynierse & Harker, 2002; Schmitt & Allscheid, 2005; Schneider & Bowen, 2005; & Thorpe, 2001; Wiley, 2001). As suggested by this wealth of findings, positive changes in employee attitudes lead to positive changes in customer satisfaction. Some investigations have provided explicit measures of this relationship. For example, a study at Sears Roebuck & Co. showed that a five-point improvement in employee attitudes led to a 1.3 rise in customer satisfaction which, in turn, generated a 0.5 increase in revenues. Brooks (2000) reviewed the relationship between financial success and customer and employee variables (e.g., customer satisfaction, employee satisfaction, etc.) and found that, depending on market segment and industry, between 40 and 80 percent of customer satisfaction and customer loyalty was accounted for by the relationship between employee attitudes and customer-related variables. Similarly, Vilares and Cohelo (2000) found that perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a sizable impact on perceived product quality and on perceived service quality. According to their model, employee satisfaction not only affects employee commitment and employee loyalty, but it also has a twofold impact (i.e., direct and indirect) on critical customer satisfaction-related variables. The relationship between employee satisfaction and customer satisfaction has received further empirical confirmation from two methodologically strong studies. Specifically, a recent meta analytic investigation (Harter, Schmidt, & Hayes, 2002), based on 7,939 business units in 36 companies, found generalizable relationships, large enough to have substantial practical value, between unit-level employee satisfaction-engagement and business-unit outcomes such as customer satisfaction, productivity, profit, employee turnover, and accidents. Finally, Berhardt, Donthu, and Kennett (2000) measured the relationship between employee satisfaction, customer satisfaction, and profit longitudinally showing that, although the effects of employee satisfaction and customer satisfaction on business profit at a given point in time might not be detectable, they become visible and prominent over time. Specifically, these researchers found a positive relationship between change in customer satisfaction and change in profit/sales, a positive relationship between changes in employee satisfaction and change in business profit, and a strong relationship between employee satisfaction and customer satisfaction at any point in time.

* 1. **CUSTOMER SATISFACTION IN the NIGERIAN BANKING SECTOR**

Customer satisfaction have a strong impact on the performance and business strategies of banks in Nigeria, as the output of banks or companies is evaluated by their customers. Therefore, a bank is considered to be successful only if its services meet requirements of its customers in terms of quality, price, safety, and time of implemented transactions. However, in reality, depending on different groups of customers, their priority order of perceived values is quite different. Discussion of these values is easily found in a wide range of studies (Cronin and Taylor, 1992; Anderson and Sullivan, 1993; Patterson and Johnson, 1993; Taylor and Baker, 1994; McColl and Hubbert, 1994; Leversque and McDougal, 1996; and East, 1997). Thus, in order to be successful, each bank needs to design its own objectives and strategies for each group of customers in each market segment with the hope of satisfying their requirements. In the case of Vietnam, a transition economy, customers' choices for banking services depend mainly on the service supply from domestic banks due to the fact that foreign banks are still prevented by government from supplying a number of services, and by their own lack understanding of the market (MPI--UNDP--Ministry of Planning and Investment--United Nations Development Programme 2006). However, services supplied by domestic banks have not satisfied requirements of companies and individuals, and hence a lot of customers of domestic banks want to switch their borrowing and depositing to foreign banks.

Although all Nigerian customers had very old established relationships with state-owned commercial banks, approximately half of them are willing to buy banking services from foreign banks or to put their money in foreign banks, rather than in Vietnamese banks. The main reasons for customers wanting to leave domestic banks to go with foreign banks are that they want to enjoy simple procedures, better interest rates, professionalism, more trustworthiness, and ability to access to foreign networks, and better quality and facilities in foreign banks (MPI-UNDP, 2006). In contrast, nearly half of the rest do not want to switch their borrowing and depositing to foreign banks because they are mainly large state-owned enterprises which have close credit relationships with state-owned commercial banks in terms of favourable incentives. In this sense, the study of MPI-UNDP (2006, p.35) observed that:

“In short, the banking sector of Vietnam has not yet satisfied requirements of customers on service quality, pricing, professionalism, and reliability. Especially, state-owned commercial banks, which dominate the share of credit and loan markets, have not yet improved services that customers expect. This is an important factor leading to the weak competitiveness of the banking sector. And this also is the legacy of the centrally-planning economy with the domination of state-owned commercial banks. This domination needs to end because "... higher concentration in banking markets may lead to less favourable conditions for customers, especially in markets for small business loans, retail deposits and payment services, ..." (Claessens and Laeven, 2004). The banking sector needs to further implement reforms to satisfy requirements of customers because, in this respect, "... customer satisfaction is related to customer loyalty, which in turn is related to profitability" (Hallowell, 1996, p.27).

* 1. **CUSTOMER RELATIONSHIP MANAGEMENT IN BANKING INDUSTRY**

Stakeholders in the service sector are beginning to underscore the importance of customer relationship management (CRM henceforth) and its potential to help them acquire new customers, retain the existing ones and their life time value. Onut et al (2007) argues that CRM is a business strategy of identifying the banks most profitable customer and prospects, and devotes time and attention to expanding account relationships with those customers through individualized marketing, reprising, discretionary decision making and customized service all delivered through the various sales channels that the bank uses. Joyner (2002) stated that, the banking industry is facing an ever increasing level of competition around the world as the dynamics of the business change. Technology, commoditization, deregulation and globalization forever change the face of the bank. Banks have understood the need to capitalize on the new technologies to gain advantage in the competition by exploiting their customer base, brand value and costly infrastructure investments in order to increase profits as there is a direct link between the customer satisfaction and the profitability (Pokharel, 2011). Since, relationships are not the same; customers want and expect different things from their relationship with the different organization, just as they have different needs and expectations from their varying personal relationships (Bollen and Emes, 2008). With new technology, power has shifted towards customers since the imbalance in the flow of information between customers and suppliers has been addressed. Also, customers now not only have more information and a greater choice but also the ability to voice their dissatisfaction more loudly. This shift in the balance of power has contributed to a change in customer’s expectations. Companies are now expected to pay more attention to caring for customers, and customers put greater emphasis on honesty and integrity, demanding more transparency from suppliers.

* 1. **CUSTOMER SATISFACTION AND SERVICE QUALITY**

Saha, P. and Zhao, Y. (2005) defined customer satisfaction as a collection of outcomes of perception, evaluation and psychological reactions to the consumption experience with a product and service.

Alfred, T. A. and Addams, H. L. (2000) contend that the currently relevant factors determining customer satisfaction in the retail banking industry include: fast and effective service delivery, competitive pricing, service quality, staff competence and ability of the bank to maintain confidentiality. These factors are of course moderated by the bank reputation in terms of credibility, trustworthiness, reliability, service delivery, speed and accuracy.

Hokanson, S. (1995) noted that poor service quality is a critical factor in causing customer not to be satisfied and Sathanakopoulos V. (2001) obvious observation that the most important factors discouraging customers banking behaviour are delay in transaction, staff incompetency, unreliable transaction, poor service delivery, unfriendly staff attitude among other factors. Raman, S. R., Alan, N. M., and Phil, M. K. (2008) stated that service is an intangible good which appeal differently to different customers and that certain level of service should be achieved in order to satisfy the customers. Thus the quality of customer service and overall service quality are expected to be positively correlated with customers satisfaction based on the arguments of Mcllroy, A. and Barnett, S. (2000), Oliver, R. L. (1997), Zairi, M. (2000) and Kotler, P. (2000. The number of customers is always taken as a proxy to marketing performance measure on the part of service providers because it is believed that intensive marketing effort would enable service firms to better understand their customers’ needs, wants and preferences and invariably satisfy their yearnings and expectations. Therefore, it is hypothesized that customer’s satisfaction in the retail banking industry is significantly related to service efficiency, security, confidentiality, speed, transaction accuracy, staff quality and queuing time among others.

**2.7** **DETERMINANTS OF CUSTOMER SATISFACTION**

Determinants of customers satisfaction are diverse in the literature and there is no generally accepted list of factors that can explain what satisfies the customer or not, because customers satisfaction differ across culture and across industry (Almossawi, M. (2000) and Alfred, T. A. and Addams, H. L. (2000). Fornell, C. (2002) asserted that the higher the level of customer satisfaction in any given company, the higher the profitability would be and vice versa. In the banking industry, many factors have been found to relate with customer satisfaction. For example, fast and efficient service, confidentiality of bank, speed of transaction, friendliness of bank staff, accuracy and timeliness of billing system, competitive pricing and service quality have been found to have significantly influence customer satisfaction Hokanson, S. (1995), Newman, K. (2001), and Caruana, A. (2002). Chakravarty, S., Feinberg, R. and Rhee, E. Y. (2004) in their study on banking characteristics employed service quality, staff quality, corporate architecture, Bank atmosphere and overall service delivery as independent variables. Recent studies in the strategic marketing of bank services Ibok. N. I. (2009) argued that bank specific characteristics are more important than any other factor in determining customers’ satisfaction in the service industry. Thus, Sivadass, E. and Baker-Prewitt, J. L. (2000)in their examination of the relationship between service quality, customer satisfaction and store loyalty reveals that firms which give a higher priority to meeting their customer expectation achieve higher performance. These firms are known for their use of annual and long term strategic marketing plan, performing marketing research about the needs and wants of their customers, and they are proactive in their planning approach as well as employing many other marketing efforts that will give them performance advantage in the market. Wengel, J. Rodniguez, E. (2006). Kotler, P. (2000) and Levitt, T. (1983) also stressed that customer satisfaction is important for business success and performance. Bontis N., Booker, L and Serenko, A. (2007) examined the causal relationship between customer satisfaction and customer loyalty in the North American banking industry and concluded that there is a positive relationship between customer satisfaction and loyalty. Accordingly, Rust, R. T. and Zachorik, A. J (1993) maintained that a high level of customer satisfaction will decrease customer perceived need to switch service provider. This implies that customer dissatisfaction leads to low level of loyalty Lewis, M. (1991), Caruana, A. (2002) and Newman, K. (2001). Further suggesting that customer satisfaction and customer loyalty are inextricably related and that dissatisfaction can foster a customer intention to switch Boven, J. T. and Chan, S. L. (2001).

* 1. **REVIEWS ON SERVICE QUALITY AND CUSTOMER SATISFACTION**

Oliver (1980) found that customer satisfaction can be affected by expectation and disconfirmation. Expectation is seen as an adaptation level or a reference point used to compare actual performance with the perceived performance. If perceived performances are higher than the reference point, it results in positive disconfirmation. If the perceived performances are lower than the expectation, it results in negative disconfirmation. These disconfirmation effects will make the post-decision deviate from the adaptation level. Bateson (1984) has conducted a number of studies on the need for consumers to have control during service encounters. When a consumer freely chooses to use technology as a form of service delivery the impact is high in terms of quality attributes. Some of the quality factors that are highly important to consumers are efficiency and speed. Gronroos (1984) discovered that corporate image is extremely important for service organizations because customers can typically see the firm and its resources when they use service as it requires an interaction between customers and the service providers. He found that the corporate image forms as a result of how customers perceive the components of the firm that they can see. The most salient part that customers can see and perceive is the firm‘s service. Therefore, image may be built up mainly by the technical and functional quality of firm‘s service. Parasuraman et al.(1988) also suggested that service quality was a many-sided concept consisting of five dimensions: reliability, assurance, tangible, empathy, and responsiveness. Reliability refers to the ability to perform the promised service dependably and accurately; assurance refers to the knowledge and courtesy of employees and their ability to convey trust and confidence; tangible refers to the appearance of the physical facilities, equipment, personnel and communication materials; empathy refers to the provision of caring, individualized attention to customers; and responsiveness refers to the willingness to help customers and to provide prompt services. Reicheld and Sasser (1990) argued that loyal and satisfied customers are less likely to switch to other providers and their retention requires less ongoing relationship effort to retain. Lehtinen and Lehtinen (1991) suggested a model of service quality using two approaches. The first approach was concerned with three dimensions of service quality. These were physical quality, interactive quality and corporate image. The second approach was concerned with two dimensions. These were the process itself and its outputs. This approach is concerned to some extent with the actions of service quality. They investigated this model among customer groups within the restaurants industry in Finland. They concluded that service quality as customers perceived it is highly subjective and it depends upon their experiences and interpretations. Cronin and Taylor (1992) examined the causal relationships among service quality, customer satisfaction, and purchase intention. Each variable was measured by one item. There were 660 usable questionnaires randomly collected from four types of business customers in the south-eastern United States: banking, pest control, dry cleaning, and fast food. The results of correlation analysis suggested that service quality was an antecedent of consumer satisfaction, service quality had less effect on purchase intentions than did consumer satisfaction, and consumer satisfaction had a significant effect on purchase intentions. Anderson and Sullivan (1993) found that the customer‘s satisfaction affects the customer in building their will to re-purchase any item. Provision of quick complaint handling and effective customer service help the management to prevent building of any negative impressions by the customer. Customer satisfaction was found to have a positive impact on repurchase intentions. Some good firms sustain losses to build their customer base and loyalty. According to Chu and Desai (1995) in some situations if manufacturers have limited direct contact with the customers then efforts made by retailers for customer satisfaction can play very important role. In such situations the customer treats retailers as representatives of the corporation. Companies bring about many changes and new innovations to attract customers and give them more satisfaction because it is the need of new era. Satisfaction level of customer changes at every point that‘s why it‘s compulsory for the companies to bring these changes. Bringing any change in product is a challenge for the company but they have to face these challenges. According to Iacobucci, et al., (1995) a firm may fail to achieve better customer satisfaction despite providing high quality service, because the properties improved are not important from the customer‘s point of view. In many cases company are not directly interact with customers but they get information about their product from their distributors and other market intelligence. Retailers and distributions are indirectly representatives of the company. Reidenbach (1995) argued that customer value is a more viable factor than customer satisfaction because it includes not only the usual benefits that most banks focus on but also a consideration of the price that the customer pays. Customer value is a dynamic that must be managed. Customer satisfaction is merely a response to the value proposition offered in specific products/markets. Ennew and Binks (1996) found that service quality dimensions, namely, the technical quality and functional quality, and general product characteristics were significantly affected and correctly signed with higher perceived quality and reduced potential of customer defection. In a study addressing the relationship between service quality and satisfaction, Spreng and Mackoy (1996) suggested that perceived service quality was an antecedent to satisfaction. Although the direction of the quality/satisfaction relationship is fairly well understood for services, the question of whether or not his relationship varies depending on particular settings and/or situations is not. According to Zeithaml et al., (1996) model, the behavioural consequences of service quality mediate between service quality and the financial gains or losses from the retention or defection. When customers' perceptions of service quality are high, the behavioural intentions are favorable, which strengthens their relationship with the organization. In the other hand, when service quality assessments are low, customers' behavioural intentions are unfavorable and the corresponding relationship with the company deteriorates. They also suggested that behavioural intentions were indicators, which showed whether customers had remained with or had defected from the organization. The conceptualization of behavioural intention is an important part of the model. Further, they suggested that favorable behavioural intentions included elements such as saying positive things and recommending the services to others, paying the price premium to the company and expressing cognitive Loyalty to the organization.

**2.8 CUSTOMER SATISFACTION AND CUSTOMER LOYALTY**

Prentice (2013) argued that even though customer satisfaction is essential to a travel agency, customer loyalty plays an even more significant role because it is an indicator of success in the service industry. Cheung and Thadani (2010) show that customers display various degrees of loyalty, allegiance or commitment towards a particular service provider. Thus, it is important that travel agency operators understand the most influential factors in customer loyalty when devising and implementing strategies to make sure that existing customers remain loyal, while prospective guests develop new loyalty towards them (Boon-Liat and Md. Zabid Abdul (2013). Because of the importance of customer satisfaction in retaining existing customers, many researchers focused their studies on the importance of predicting customer behaviour, especially in relation to the customer satisfaction construct and the satisfaction loyalty link (Prentice, 2013; Salleh et al., 2013; Awara and Anyadighibe, 2014). In addition, Berry et al. (2006) stated that when travel agency guest have had an enjoyable stay, they are very likely to patronize the company repeatedly, and will also recommend the company to their family and friends. Customer satisfaction may drive loyalty, but it may not be a very reliable, and definitely not the only determinant of loyalty (Faullant et al., 2008). In a study conducted at Alpine ski resorts, Faullant et al. (2008) established that both image and overall satisfaction are important since they influence the degree of customer loyalty. In general, researchers indicate that there is a positive correlation between customer satisfaction and customer loyalty, and customer satisfaction is widely acknowledged as an indicator of customer loyalty in the travel agency (Alrousan and Abuamoud, 2013). Customer loyalty is a much valued asset, and the long-term success of a hotel is assured if it can expand and maintain a large and loyal customer base (Wilkins et al., 2010). In contrast to the abovementioned, some researchers doubt whether customer satisfaction will translate into customer loyalty. For example, from a study on the satisfaction-loyalty model Olsen (2002), it became apparent that customer satisfaction might not always guarantee customer loyalty, since other factors such as perceived quality performance and brand image are also deemed to contribute to loyalty (Ramanathan, 2012).

**2.9 CUSTOMERS’ EXPECTATION**

Davidow and Uttal (1989) proposed that customers’ expectation is formed by many uncontrollable factors which include previous experience with other companies, and their advertising, customers’ psychological condition at the time of service delivery, customer background and values and the images of the purchased product. Zeithaml et al. (1990) stated that customer service expectation is built on complex considerations, including their own pre-purchase beliefs and other people’s opinions. Similarly, Miller also stated that customers’ expectation related to different levels of satisfaction. It may be based on previous product experiences, learning from advertisements and word-of-mouth communication. The diversity of expectation definitions can be concluded that expectation is uncontrollable factors which including past experience, advertising, and customers’ perception at the time of purchase, background, attitude and product’s image. Furthermore, the influence of customers’ expectation is pre-purchase beliefs, word of mouth communications, individual needs, customers’ experiences, and other personal attitudes. Different customers have different expectation based on the customers’ knowledge of a product or service.

 **CHAPTER THREE**

 **RESEARCH METHODOLOGY**

* 1. **INTRODUCTION**

This chapter deals with the method used in collecting data required in carrying out this research work it explains the procedures that were followed and the instrument used in collecting data.

* 1. **SOURCES OF DATA COLLECTION**

Data were collected from two main sources namely:

1. Primary source and
2. Secondary source

**Primary source:**

These are materials of statistical investigation which were collected by the research for a particular purpose. They can be obtained through a survey, observation questionnaire or as experiment, the researcher has adopted the questionnaire method for this study.

**Secondary source:**

These are data from textbook Journal handset etc. they arise as byproducts of the same other purposes. Example administration, various other unpublished works and write ups were also used.

* 1. **POPULATION OF THE STUDY**

Population of a study is a group of persons or aggregate items, things the researcher is interested in getting information for the study customer satisfaction and its implication on bank performance in Nigeria. The researchers randomly select 200 staffs of some selected banks in Benin City as the population of the study.

* 1. **SAMPLE AND SAMPLING PROCEDURE**

Sample is the set people or items which constitute part of a given population sampling. Due to large size of the target population, the researcher used the Taro Yamani formula to arrive at the sample population of the study.

n= N

 1+N(e)2

n= 200

1+200(0.05)2

= 200

1+200(0.0025)

= 200 200

1+0.5 = 1.5 = 133.

**3.6 INSTRUMENT FOR DATA COLLECTION**

The major research instrument used is the questionnaires. This was appropriately moderated. The branch managers were administered with the questionnaires to complete, with or without disclosing their identities. The questionnaire was designed to obtain sufficient and relevant information from the respondents. The primary data contained information extracted from the questionnaires in which the respondents were required to give specific answer to a question by ticking in front of an appropriate answer and administered the same on the staffs of the financial institutions: The questionnaires contained about 16 structured questions which was divided into sections A and B.

* 1. **VALIDATION OF THE RESEARCH INSTRUMENT**

The questionnaire used as the research instrument was subjected to face its validation. This research instrument (questionnaire) adopted was adequately checked and validated by the supervisor his contributions and corrections were included into the final draft of the research instrument used.

* 1. **METHOD OF DATA ANALYSIS**

The data collected was not an end in itself but it served as a means to an end. The end being the use of the required data to understand the various situations, it is with a view to making valuable recommendations and contributions. To this end, the data collected has to be analysis for any meaningful interpretation to come out with some results. It is for this reason that the following methods were adopted in the research project for the analysis of the data collected. For a comprehensive analysis of data collected, emphasis was laid on the use of absolute numbers frequencies of responses and percentages. Answers to the research questions were provided through the comparison of the percentage of citizen’s response to each statement in the questionnaire related to any specified question being considered.

Frequency in this study refers to the arrangement of responses in order of magnitude or occurrence while percentage refers to the arrangements of the responses in order of their proportion.

The simple percentage method is believed to be straight forward easy to interpret and understand method. The researcher therefore chooses the simple percentage as the method to use. The formula for percentage is shown as.

% = f/N x 100/1

Where f = frequency of respondents response

N = Total Number of response of the sample

100 = Consistency in the percentage of respondents for each item contained in questions.

 **CHAPTER FOUR**

 **PRESENTATION ANALYSIS INTERPRETATION OF DATA**

**4.1 INTRODUCTION**

Efforts will be made at this stage to present, analyze and interpret the data collected during the field survey. This presentation will be based on the responses from the completed questionnaires. The result of this exercise will be summarized in tabular forms for easy references and analysis. It will also show answers to questions relating to the research questions for this research study. The researcher employed simple percentage in the analyzing the data obtained.

**DATA ANALYSIS**

The data collected from the respondents were analyzed in tabular form with simple percentage for easy understanding.

A total of 133 (one hundred and thirty three) questionnaires were distributed and 133 questionnaires were returned.

Question 1

Gender distribution of the respondents.

TABLE I

|  |
| --- |
| **Gender distribution of the respondents** |
| Response | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 77 | 57.9 | 57.9 | 57.9 |
| Female | 56 | 42.1 | 42.1 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

From the above table it shows that 57.9% of the respondents were male while 42.1% of the respondents were female.

Question 2

The positions held by respondents

TABLE II

|  |
| --- |
| **The positions held by respondents** |
| Response | Frequency | Percent | Valid Percent | Cumulative Percent |
| **Valid** | Customer care | 37 | 27.8 | 27.8 | 27.8 |
| Cashier  | 50 | 37.6 | 37.6 | 65.4 |
| Marketers  | 23 | 17.3 | 17.3 | 82.7 |
| Auditors  | 23 | 17.3 | 17.3 | 100.0 |
| Total | 133 | 100.0 | 100.0 |  |

The above tables shown that 37 respondents which represents 27.8% of the respondents are Customer care, 50 respondents which represents 37.6 % are Cashier, 23 respondents which represents 17. 3% of the respondents are Marketers, while 23 respondents which represents 17.3% of the respondents are Auditors.

**TEST OF HYPOTHESES**

There is no positive relationship between service quality and bank performance

**Table III**

|  |
| --- |
|  |
| **There is no positive relationship between service quality and bank performance.** |
| Response  | Observed N | Expected N | Residual |
| Agreed | 40 | 33.3 | 6.8 |
| strongly agreed | 50 | 33.3 | 16.8 |
| Disagreed | 26 | 33.3 | -7.3 |
| strongly disagreed | 17 | 33.3 | -16.3 |
| Total | 133 |  |  |
| **Test Statistics** |
|  | There is no positive relationship between service quality and bank performance. |
| Chi-Square | 19.331a |
| Df | 3 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.3. |

Decision rule:

There researcher therefore reject the null hypothesis which states There is no positive relationship between service quality and bank performance.

Therefore the alternate hypothesis is accepted which states that There is a positive relationship between service quality and bank performance.

**TEST OF HYPOTHESIS TWO**

There is no positive relationship between customer level of loyalty and bank performance

Table V

|  |
| --- |
| **There is no positive relationship between customer level of loyalty and bank performance** |
| Response  | Observed N | Expected N | Residual |
| Yes | 73 | 44.3 | 28.7 |
| No | 33 | 44.3 | -11.3 |
| Undecided | 27 | 44.3 | -17.3 |
| Total | 133 |  |  |

|  |
| --- |
| **Test Statistics** |
|  | There is no positive relationship between customer level of loyalty and bank performance |
| Chi-Square | 28.211a |
| Df | 2 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.3. |

Decision rule:

There researcher therefore reject the null hypothesis which states that there is no positive relationship between customer level of loyalty and bank performance as the calculated value of 28.211 is greater than the critical value of 5.99.

Therefore the alternate hypothesis is accepted which states that there is a positive relationship between customers level of loyalty and bank performance.

**TEST OF HYPOTHESIS THREE**

There is no positive relationship between customer satisfaction bank performances

Table VI

|  |
| --- |
| **There is no positive relationship between customer satisfaction bank performances** |
| Response  | Observed N | Expected N | Residual |
| Yes | 73 | 44.3 | 28.7 |
| No | 33 | 44.3 | -11.3 |
| Undecided | 27 | 44.3 | -17.3 |
| Total | 133 |  |  |

|  |
| --- |
| **Test Statistics** |
|  | There is no positive relationship between customer satisfaction bank performances |
| Chi-Square | 28.211a |
| Df | 2 |
| Asymp. Sig. | .000 |
| a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 44.3. |

Decision rule:

There researcher therefore reject the null hypothesis which states that there is no positive relationship between customer satisfaction bank performances as the calculated value of 28.211 is greater than the critical value of 5.99.

Therefore the alternate hypothesis is accepted which states that there is a positive relationship between customer satisfaction bank performances.

 **CHAPTER FIVE**

 **SUMMARY CONCLUSION AND RECOMMENDATION**

**5.1 INTRODUCTION**

It is pertinent to note that this research was aimed at cross examining the business ethics practiced by financial institutions in respect to customer’s satisfaction, thus the topic “customer satisfaction and its implication on banks performance in Nigeria”.

In the preceding chapter, the relevant data collected for this study were presented, critically analyzed and appropriate interpretation given. In this chapter, certain recommendations made which in the opinion of the researcher will be of benefits in addressing the challenges associated with customer’s satisfaction in Nigeria banks.

**5.2 SUMMARY**

This study attempts to find value drivers in customer’s satisfaction within the commercial banking sector in Nigeria. The results of the study findings suggest that there is a long-run relationship among number of bank staff, number of Nigerian banks, number of bank branches, number of working days, bank profitability, customer switch and customer satisfaction in the Nigerian banks.

The study established that customer’s satisfaction affects banks performance which is supported by the fact that customers are used on a basis of security. Security is associated with words like promises, honesty, trust, reliability, predictability, and stability, fear of being led down and reduction of uncertainty and risk. A quality customer satisfaction services renders reduces the rate at which customer switch from one bank to another. A customer remains loyal to a particular bank in which he/she is being guided by moment of truth. This study reveals that, customer’s satisfaction, assist banks in understanding customer psyche. Banks financial performance is also enhanced through improvement in customer retention. Also, customer relationship marketing translate into customer retention for banks thereby increase their market share (Akpan, 2005).

**5.3 CONCLUSION**

Customer satisfactions are essential for profit maximization in the banking industry. Customer satisfaction are major factors to contend with, especially in service organizations like banks. It can thus be concluded that customer satisfaction drives the performance of banks in Nigeria as it is only when such employees and customers are satisfied that their morale is boosted to put in more effort at work.

Furthermore, customer satisfaction can greatly enhance bank performance because enhanced customer satisfaction in the form of improved service quality leads to less complaints, less costs and repeated patronage on the part of the customer. Moreover, a satisfied customer is motivated to attract more customers to the bank. On the whole, more satisfied workers and customers will tend to add more value to an organization. Employee and customer satisfaction is thought to be one of the primary requirements of a well-run organization and considered an imperative by all corporate managements.

Finally, it is concluded that service quality, customer satisfaction and customer trust have positive influence and impact on customer loyalty in Nigerian banking industry.

**5.4 RECOMMENDATIONS**

Based on the findings of this study, the researcher suggested the following;

1. For satisfaction to be achieved, the banks have to improve on the speed and quality of service delivery, train their staff on customer relationship, guarantee security and confidentiality of transaction, provide competitive commission and interest rate and reduce customer waiting time at any given transaction.
2. Since improved customer service delivery is a reliable tool to increase customer base, Nigeria banks should ensure customer satisfaction at all time by ensuring that queue vanishes in our banking halls. Banks should always notify customers before making adjustments in their service delivery.
3. Banks should work towards gaining speed and promptness in their service delivery so as to reduce the duration of waiting time and number of queues in the banking halls.
4. Banks should increase their branch networks in order to increase their coverage and customers’ convenience in accessing banking services.
5. The banks should provide additional channels such as ATM, POS, on-line banking etc. and improve the quality of service provided by the existing ones. For instance, banks should provide additional ATM outlets to avoid poor services and reduce long queue. Also, attach an employee to ensure orderliness in using ATM machine and quickly report to the management in case of any machine malfunctioning.
6. Finally, banks should ensure that well trained and experienced professionals should be in charge of customer service. The research discovered that majority of the customer service officers in Nigerian banks does not have sense of direction in handling customers issues. Some have personality problems in terms of the way they approach customers thus making customers aggrieved and not satisfied with the service rendered by the banks, thus not making customers get value for their money and this could make them switch to other banks

**REFERENCES**

Akpan, A.B. (2003). Total Quality Marketing. 1st edition, Isola, Ola& Sons, Zaria Nigeria.

Allen, N.J. &Grisaffe, D.B.(2001). Employee Commitment to the Organization and Customer Reactions: Mapping the Linkages. Human Resource Management Review, 11 (2001), 209-236.

Arthur, J. B. (2004). Effects of Human Resource Systems on Manufacturing Performance and Turnover. Academy of Management Journal, 37, 670-687.

Agbadudu, A.B. (1996), Elementary Operation Research. Vol. 1: Benin City, A.B. Mudiaga Limited.

Akanji, B., Seiders, L., and Grewal, D. (2013). Understanding Service Convenience. Journal of Marketing, 66(3), 1–17.

Aksin-Karaesmen, Baris, A., and Madi, S. (2011). Structural Estimation of Callers Delay Sensitivity in Call Centers. International Journal of Service and Industrial Management, 6 (1), 42 -53.

Bollen and Emes, (2008). Understanding Customer Relation, How Important Is The Personal Touch. An Ipsos MORI Loyalty survey. 1(10), 43-55.

Buell Ryan, Campbell Dennis and Frei Frances(2015). How do customers respond to improved customer service Quality Competition . Working Paper 11 (084), 1-36.

Bontis N., Booker, L and Serenko, A. (2007) The mediatory effect of organization reputation on customer loyalty and service recommendation in the banking industry. Management Decision, 45(9):1425- 1445. [8]

Boven, J. T. and Chan, S. L. (2001) The relationship between customer loyalty and customer satisfaction. International journal of contemporary hospitality management, 16(4): 213-217.

Caruana, A. (2002) Service loyalty: The effect of service quality and the mediating role of customer satisfaction. European journal of marketing 36(7):26-45. [10]

Chakravarty, S., Feinberg, R. and Rhee, E. Y. (2004) Relationships and individuals bank switching bahaviour. Journal of Economics and Psychology, 25(8):507-527.

Campbell, D. and Frei, F. (2010). Market Heterogeneity and Local Capacity Decisions in Services. Manufacturing & Service Operations Management Research, 5 (1), 31-41.

Christopher, M. (1991) Relationship Marketing, Bulter Worth, Oxford

Crossman, A. &Abou-Zaki, B. (2003). Job Satisfaction and Employee Performance of Lebanese Banking Staff. Journal of Managerial Psychology , 368-376.

Cundiff J (2005): Marketing Research Element; 1st Edition, New York; Ronal Press Company.

Cundiff J (2009): Fundamental of Marketing; Third Edition; New York Prentice Hall, Eagle Wood,

Cadotte ER, Woodruff RB, Jenkins RL (1987). Expectations and norms in models of consumer satisfaction. J. Mark. Res., 24(3): 305–314.

Churchill GA, Surprenant C (1982). An investigation into the determinants of customer satisfaction. J. Mark. Res., 19(4): 491-504.

Diamantopoulos AD, Siguaw JA (2000). Introducing LISREL. London: Sage Publications Field AP (2005). Discovering statistics using SPSS (2nd ed.). London: Sage Publications.

Deacon and Sonstelie, (1985). Rationing by Waiting and the Value of Time: Results from a Natural Experiment. Journal of Political Economy, 93(4), 627–647.

Dekimpe, R., “The relationships of customer satisfaction, customer loyalty, and profitability: an empirical study”. International Journal of Service Industry Management, vol, 7, no. 4, pp. 405, 1997. [18]

Dina Ribbink, Allard C.R. van Riel, Veronica Liljander and Sandra Streukens, “Comfort your online customer: quality, trust and loyalty on the internet”, Managing Service Quality summarizing the hypotheses is subsequently, 14(6), pp. 446-456, 2004. [19]

Dotchin, J. A., & Oakland, J. S. (1994). Total quality management in services: Part 2: Service quality. International Journal of Quality & Reliability Management, 11(3), 27-42. [20]

Dowling, G.R. 2004. Journalists’ evaluation of corporate reputations. Corporate Reputation Review, 7(2), pp. 196-205. [21]

Dr. Danna Liang, 2008. The Determining Factors of Customer Loyalty for Luxury Hotels in US. The Journal of International Management Studies, 3(2), pp. 167-175 [22]

Drucker, P. (1991). Innovation and entrepreneurship: Practice and Principles. Louisiana, Louisiana State University Press. [23]

Ekrem Cengiz, Hasan Ayyildiz and Bünyamin Er, 2007. Effects of image and advertising efficiency on customer loyalty and antecedents of loyalty: Turkish Bank sample. Banks and Bank Systems , 2,(1),pp. 56-83.

Fazlzadeh Alireza, Khoshmaram Ali & Feyzipour Aram, “How Quality, Value, Image, and Satisfaction Create Loyalty at an Iran Telecom”, International Journal of Business and Management, 6(8), pp. 271-279, 2011. [25]

Festus Olorunniwo, Maxwell K. Hsu & Godwin J. Udo, “Service quality, customer satisfaction, and behavioral intentions in the service factory”, Journal of Services Marketing, 20(1), pp 59–72, 2006. [26]

Flavian, C., Guinaliu, M. and Torres, E., “The influence of corporate image on consumer trust: a comparative analysis in traditional versus internet banking”, Internet Research, 15(4), pp. 447-70, 2005. [27]

Fornell, C. & Larcker, D.F., “Evaluating structural equation models with unobservable variables and measurement error”, Journal of Marketing Research, vol. 18, pp. pp. 39-50, 1981. [28]

Fozia Malik, Sara Yaqoob & Abid Samih Aslam, “The Impact of Price Perception, Service Quality, and Brand Image on Customer Loyalty (Study of Hospitality Industry in Pakistan)”, Institute of Interdisciplinary Business Research, 4(5), 487-507, 2012.

Gao He and Liu Jun, “Study of the Relationship Between Service Quality, Customer Satisfaction and Behavior Intention”, 3rd International Conference on Information Management, Innovation Management and Industrial Engineering, IEEE, pp. 247-251, 2010. [30]

Gilmore, E., “Total relationship marketing: experimenting with a synthesis of research frontiers”, Australasian Marketing Journal, vol. 7, no. 1, pp. 72-85, 2001. [31]

Gudergan, S. P.; Devinney, T. Ellis, R. S., “A Competence-innovation framework of nonequity alliance performance, institute for the study of business markets, University Park”, The Pennsylvania State University, 2003. [32]

Halil Nadiri, Kashif Hussain, Erdog˘an Haktan Ekiz, & S¸amil Erdog˘an, “An investigation on the factors influencing passengers’ loyalty in the North Cyprus national airline”, The TQM Journal, 20(3), pp. 265-280, 2008. [33]

Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., Tatham, R. L., “Multivariate Data Analysis, (6th ed.)”, Upper Saddle River: Pearson, 2006. [34]

Hazra, Sandip Ghosh; Srivastava, Kailash B L, “Impact of Service Quality on Customer Loyalty, Commitment and Trust in the Indian Banking Sector”, IUP Journal of Marketing Management, 8(3/4), pp. 74-95, 2009. [35]

Hossein Gazor, Babak Nemati, Amir Ehsani and Kianoush Nazari Ameleh, “Analyzing effects of service encounter quality on customer satisfaction in banking industry”, Management Science Letters, 2, pp. 859-868, 2012. [36]

Hui-Chih Wang, Her-Sen Doong and Hui-Chin Shih, “An Investigation into the Determinants of Repurchase Loyalty in the E-marketplace”, Proceedings of the 41st Hawaii International Conference on System Sciences, IEEE, pp. 1-10, 2009. [37]

Hulland, J., “Use of partial least squares (PLS) in strategic management research: a review of four recent studies”, Strategic management journal, vol. 20, no. 2, pp. 195-204, 1999. [38]

Hwang, H., Malhotra, N. K., Kim, Y., Tomiuk, M. A., & Hong, S., “A comparative study on parameter recovery of three approaches to structural equation modeling”. Journal of Marketing research, vol. 47, no. 4, pp. 699-712, 2010. [39]

Hyung Seok Lee, “Factors Influencing Customer Loyalty of Mobile Phone Service: Empirical Evidence from Koreans”, Journal of Internet Banking and Commerce, 15(2), pp. 1-14, 2010. [40]

Ilias Santouridis & Panagiotis Trivellas, “Investigating the Mediation Effect of Satisfaction on the Service Quality and Customer Loyalty Link: Empirical Evidence from Greek Customers of Internet Shops”, ISECS International Colloquium on Computing, Communication, Control, and Management, IEEE, pp. 2227-2231, 2009.