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## **An examination of the relationship between service quality perceptions and customer loyalty in public versus private Greek banks**

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**Abstract:** Researchers have not addressed the relationship between customer perceptions of bank service quality and customers' loyalty in a sufficient and direct manner. Indirect attempts on the subject lead to contradictory conclusions. This paper examines the factors shaping bank customer perceptions of service quality, sheds light on the direct influence of perceptions on customer loyalty, and compares customer perceptions and switching intentions between public and private bank customers. Based on analysis results, the paper concludes with the presentation of several managerial implications regarding the improvement of service quality level perceptions and bank customer retention.

**Keywords:** customer loyalty; customer perception; service quality; bank marketing; bank switching intentions; competitive advantage; private vs. public Greek banks; selection criteria.

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## **1 Introduction**

Given the fierce competition within the global business environment, financial organisations recognise that it is essential for their success to take into consideration their customer's needs during the planning of services. Technical superiority is not, by itself, a guarantee of business success. The new marketing philosophy and strategies (Ennew et al., 1990; Chorafas, 1999; Harrison, 2000) place special emphasis on the recognition of customer needs and expectations in an effort to provide a high level of quality services (Parasuraman et al., 1985).

Relevant bibliography clearly shows that effective measurement, management and improvement of service quality can provide financial organisations with the ability to develop sustainable competitive advantages (Parasuraman and Berry, 1991; Ganesh et al., 2000; Lassar et al., 2000) and build customer loyalty (Rust and Zahorik, 1993; Mittal, and Lassar, 1998; Berry, 2000). Service quality starts from what customers want; what customers perceive (Kangis and Voukelatos, 1997). Service quality is defined as the difference between expectations and the actual level of service received (Parasuraman et al., 1985; Zeithaml et al., 1996). However, Parasuraman et al. (1994) note that customer expectations are more or less the same within a certain industry sector. Differences may exist between subcategories of the same sector, e.g., private vs. public banks (Kangis and Voukelatos, 1997; Athanassopoulos, 1999).

Gortsos (1998) and the OECD (2002) support the view that the Greek banking system suffers from two everlasting problems, i.e.,

- a large part of the sector is under state control
- the existence of a large degree of state intervention in the appointment of managers in public banks.

These two problems create doubt about the ability of public banks to overcome their innate weaknesses and respond adequately to the dramatically changing environment.

On the other side, the development of private banks in Greece has been impressive, leading to significant competition against public banks. A good portion of Greek public bank customers switched to private banks or became customers of both public and private banks. This was not only because of certain financial aspects (e.g., lower interest rates) but was mainly a result of the higher level of service provided by the private banks (Lynn et al., 2001).

Kangis and Voukelatos (1997) showed that, contrary to private banks' standard practice, public banks seem not to pay attention to the management of those factors that affect the level of perceived quality, even though customers of both public and private banks maintain the same expectations. Therefore, public bank customers receive a lower level of service quality and, all other factors remaining constant, there is an increased likelihood of them switching to private banks (Lynn et al., 2001).

Today, given the small number of public banks in Greece as well as all the changes that have occurred in the Greek banking sector, the question that arises is 'Do customers

of public banks have the same perception of service as their private bank counterparts? Along with this question, the present paper examines two other important issues, i.e.,

- what is the quality of the level of service that Greek bank customers receive
- given certain switching costs, how certain is that Greek bank customers will switch banks?

## **2 Quality and loyalty in the private and the public banking sector in Greece**

### *2.1 Research evidence*

The relevant literature concludes that the improved financial position of customers, along with ample information available regarding bank services, increases customers' expectations (Lovelock, 1996; Colgate and Hedge, 2001). Moreover, it has been shown that the perceived quality provided by a bank is influenced by its image and reputation (Bloemer et al., 1999; Bahia and Nantel, 2000). The introduction of new technology applications in the Greek banking system, mainly by private banks (Noulas, 1997), was dramatic. In order to deal with the new competitive rules in the ever-changing business environment and improve the level of service, Greek banks adopted ATMs, the internet, mobile banking and so on. However, both the private and the public bank sector directed their efforts toward service quality improvement, focusing on the customer (Lynn et al., 2000; Papademos, 2002). This customer-centred approach constitutes the basis of the banks' strategic planning and their key to success, since they increase their potential for sustaining competitive advantages (Bharadwaj et al., 1993). Quality by itself, however, does not necessarily imply success.

Each and every financial organisation (Levesque and McDougall, 1996), service firm (Keaveney, 1995), or consumer/industrial company (Reichheld and Sasser, 1990; Griffin, 1995) aims to install a strong customer base comprised of loyal customers. This necessity draws from the fact that loyal customers contribute significantly to profitability (Reichheld, 1993; Heskett et al., 1997). In a 1990 study, Reichheld and Sasser concluded that a 5% increase in customer loyalty leads to a profit increase of anywhere between 25% and 85% (Zeithaml, 2000). This loyalty effect on profits is evident in the services sector in general and it is especially apparent in the banking sector (Dick and Basu, 1994; Cronin and Taylor, 1992).

Besides all the above, the relationship between quality and loyalty has not thus far been elucidated directly and fully. Zeithaml et al. (1996) identified a relationship, while Cronin and Taylor failed to find a strong relationship between quality and loyalty (Cronin and Taylor, 1992). Although Bloemer et al. (1999) detected a positive relationship, they proved that loyalty dimensions are differently influenced by various conditions, depending on the specific service sector (Lassar et al., 2000; Bloemer et al., 1999). All the contradictory research findings on the issue of the quality-loyalty relationship make the topic worth researching further, considering, at the same time, the banking sector in particular (Harrison, 2000; McGoldrick and Greenland, 1994).

## *2.2 Measuring service quality and loyalty*

Recognising the importance of quality as a source of competitive advantage (Parasuraman and Berry, 1991; Reichheld and Sasser, 1990), marketing researchers advanced the development of models for measuring service quality. It is generally accepted that the concept of quality is abstract and difficult to understand (Powpaka, 1996). Thus, it is considered difficult to make this concept concrete and difficult to measure it (Sureshchandar et al., 2002). However, the most widely used model for measuring quality is SERVQUAL, a model that was developed by Parasuraman et al. (1985). It relies on the difference between expectations (E) and perception (P) regarding the 'consumption' of the service. Nevertheless, several researchers expressed doubts about the empirical usefulness of expectations in the model, because of the psychometric bias that expectations (E) may introduce in the multivariate analysis (Cronin and Taylor, 1992; Carman, 1990; Babakus and Boller, 1992). They suggest that it is preferable to assess quality only with respect to perceptions (P). In addition, several empirical studies supported the idea that the five dimensions of quality do not have a universal strength but, instead, they differ depending on the environment of the particular industry segment that the service under examination belongs to Bahia and Nantel (2000), Levesque and McDougall (1996), Babakus and Boller (1992), Asubonteng et al. (1996) and Oppewal and Vriens (2000).

In the present study, the use of a revised SERVQUAL scale was decided on. Such variations are commonly used due to specific defects of the SERVQUAL scale and the particularity of the service in various service sectors (Carman, 1990; Lee and Cunningham, 2001; Dabholkar et al., 1996). Thus, SERVQUAL's adaptation to the banking sector was completed with the exclusion of certain variables and scales that are not applicable (Cronin and Taylor, 1992; Boulding et al., 1993; Churchill, 1979) and the incorporation of such variables as (Oppewal and Vriens, 2000; Stewart, 1998): bureaucracy, interest rates, product portfolio, proximity of branches to one's work place, width of ATM network.

Zeithaml et al. (1996) developed a fairly representative scale for measuring loyalty. Although this scale has been used in several studies, it became subject to criticism (Zeithaml et al., 1996; Bloemer et al., 1999). In the present study, the loyalty measurement scale was also modified to include the following items:

- 1 expression of positive comments about the service
- 2 recommendation to friends
- 3 recommendation to whomever might ask for an opinion
- 4 consideration of Bank X as the first choice among others
- 5 intention to conduct more transactions
- 6 intention to switch banks
- 7 expression of complaints to other clients
- 8 expression of complaints to external agencies
- 9 expression of complaints to Bank X's employees.

Items 1–3 comprise the concept of ‘word-of-mouth communication’, items 4–6 the dimension of ‘switching’ and items 7–9 the dimension of ‘complaint expression’.

### **3 Methodology**

The present study aims to measure perceived service quality provided by two very well known, large Greek banks. One of them is a private bank (denoted, from this point on, as PV) and the other is a public bank (PU).

#### *3.1 Research plan and sample*

A cross-sectional sample survey was conducted with the use of a questionnaire in personal interviews. Questionnaire completion followed the non self-administered street survey approach outside bank branches.

The sample comprised of 200 respondents (100 of them were PU customers and 100 were PV customers). The  $\chi^2$  tests on almost all of the demographic characteristics (i.e., sex, age, education, income) showed no statistically significant relationship (at the  $\alpha = 0.05$  level) between any of the aforementioned demographic variables of the sample and the type of the bank (PU vs. PV). This conclusion reaffirms similar findings by Kangis and Voukelatos (1997). However, the case of the occupation variable was the exception. The present study found that occupation plays some role in a customer’s selection of a bank (significant level  $p < 0.01$ ), a finding that is in accordance with conclusions drawn by Alfansi and Sargeant (2000).

#### *3.2 The data collection instrument*

The questionnaire included open-ended, dichotomous and multiple-choice questions. The assessment of perceived quality was measured based on participants’ response to 37 5-point Likert items (1 = extremely disagree; 5 = extremely agree). Behavioural intention was also measured based on a 5-point scale (1 = extremely unlikely; 5 = extremely likely) applying similar loyalty measurement procedures used in several other studies (Zeithaml et al., 1996; Cronin and Taylor, 1992; Gremler and Brown, 1996).

### **4 Analysis and findings**

#### *4.1 Perceived quality by type of bank*

In 26 out of a total of 27 factors, PU customers seem to rate their bank differently from the way PV customers rate theirs (Table 1). If are ranked, the mean scores of the respondents’ assessments, the two hierarchies (PU’s and PV’s) are about the same. However, the relationship between the two is weak (Spearman  $r = 0.49$ ), given that researchers and academics accept a value of  $r$  close to 0.7 as the critical point for a medium-to-strong correlation (Gremler and Brown, 1996). This implies that customers of both types of bank perceive a varying level of service being provided. More specifically,

Table 1 shows that PV customers perceive receiving a higher level of quality on 13 variables vs. 14 variables on which PU is superior.

The test for the statistical significance of the mean score differences of the two banks (Table 2) proves that 12 variables – elements of quality – are indeed significant ( $p < 0.05$ ).

**Table 1** Perceived service quality

<i>Factor/Variable</i>	<i>PU – Mean Score</i>	<i>PV – Mean Score</i>
Branch nearby work place	4.16	4.23
Reliability	4.06	3.97
Wide product portfolio	3.61	3.77
Trust	3.60	3.75
Safety	3.57	3.67
Services at time promised	3.74	3.67
Appearance of personnel	3.37	3.63
Equipment	3.62	3.59
Politeness	3.65	3.59
Timely service	3.21	3.56
Punctual account keeping	3.74	3.53
Willingness to help	3.11	3.48
Consistency of installations with service level	3.64	3.46
High interest (loan)	3.19	3.41
Informing customers	3.11	3.36
Management's support to employees	3.17	3.28
Branches in the province	4.11	3.16
Bureaucracy	2.64	3.16
High interest (savings)	2.52	3.14
Personal attention	3.14	3.11
Response to questions	2.74	3.07
Compassion/empathy	3.01	3.01
Buildings	3.47	2.94
Customer's benefit at the centre of bank's heart	2.88	2.61
Knowledge of customer needs	3.36	2.44
Wide ATM network	4.13	2.33
Flexible time schedule	2.62	2.27

Thus, there is a different level of perceived quality among customers of the two banks. PV customers exhibit a higher level of perceived quality; PV is superior in 7 out of the 12 factors (Table 3).

PV exhibits better appearance of its personnel than PU. PU is superior in terms of physical facilities while falling behind PV in terms of appearance of its personnel. This is a negative characteristic of public banks, which constitutes a field for improvement and enhancement of their competitiveness.

**Table 2** Analysis of differences

<i>FACTOR</i>	<i>Level of Significance</i>
Equipment	0.774
Buildings	0.000
Appearance of personnel	0.043
Consistency of installations with service level	0.075
Compassion/empathy	1.000
Reliability	0.337
Services at time promised	0.564
Punctual account keeping	0.075
Informing customers	0.048
Timely service	0.007
Willingness to help	0.007
Response to questions	0.008
Trust	0.197
Safety	0.302
Politeness	0.645
Management's support to employees	0.266
Personal attention	0.823
Knowledge of customer needs	0.000
Customer's benefit at the centre of bank's heart	0.055
Flexible time schedule	0.045
Bureaucracy	0.000
High interest (loan)	0.000
High interest (savings)	0.085
Wide product portfolio	0.108
Branch nearby work place	0.457
Branches in the province	0.000
Wide ATM network	0.000

**Table 3** Statistically significant characteristics (mean scores)

<i>CHARACTERISTIC</i>	<i>Bank which is superior</i>	
	<i>PV</i>	<i>PU</i>
Appearance of personnel	√	
Timely service	√	
Willingness to help	√	
Informing customers	√	
Response to questions	√	
Bureaucracy	√	
High interest (savings)	√	
Branches in the province		√
Physical facilities		√
Knowledge of customer needs		√
Wide ATM network		√
Convenient time schedule		√

PV seems to be characterised by timely customer service, willingness to provide help, information and consultancy to its clients and fast response to their demands and questions. Moreover, PV customers perceive a smaller degree of bureaucracy when interacting with their bank. This observation might imply that public banks still have a long way to go in order to change the bureaucratic image that their customers perceive of them. At the same time, one can conclude that private banks' heavy adoption of MIS and IT (since the time of their entrance into the competitive arena) has proved to be an important competitive weapon. PV customers are more satisfied with the interest rate policy applied by their bank. However, interest rates offered by both private and public banks are more or less the same, due to directives, rules and policies from the European Central Bank, the Bank of Greece and global competition.

PU is superior mainly in terms of compassion/empathy (Parasuraman et al., 1985; Kangis and Voukelatos, 1997) and access (Bahia and Nantel, 2000; Oppewal and Vriens, 2000). More specifically, PU relies on a wider ATM network with branches in the provinces. This finding is consistent with the official records of the Hellenic Bank Association. Accessibility to a bank (through a branch or an ATM) is an important factor contributing to perceived quality (Chorafas, 1999; Athanassopoulos, 1999) and PU proves to be competitive in reality. It should be noted that the flexible time schedule of operation, which PU was the first to apply, is very likely to have had a serious influence on the development of a positive perception on the part of its customers (this was also supported by the survey's respondents answers to a relevant question). Finally, it is surprising to note that PU seems to be superior in terms of the degree of knowledge of customers' needs. The last observation, along with its long lasting presence in the Greek banking market, proves PU's turn toward adoption of a customer-centred philosophy in practice.

#### *4.2 Customer loyalty*

Loyalty dimensions (Zeithaml et al., 1996; Zeithaml and Bitner, 2000) between PU and PV customers are statistically significant ( $p < 0.05$ ), according to the t-tests (Table 4). This means that the customers of the two banks have different behavioural intentions and attitudes regarding the bank services that they receive.

**Table 4** Behavioural intentions mean scores

<i>Intention</i>	<i>PU</i>	<i>PV</i>	<i>P</i>
Positive comments	3.53	3.60	0.041
Recommend to others	3.37	3.65	0.016
Encourage others to conduct transactions with the bank	3.56	3.61	0.045
Consider bank as first choice	3.04	3.68	0.000
Conduct more transactions	2.79	3.28	0.000
Complain to other clients	3.05	3.31	0.046
Complain to third persons	2.97	2.95	0.898
Complain to employees	4.17	4.19	0.849
No intention to switch bank	3.29	2.92	0.013



### 4.3 The quality-loyalty relationship

As expected, the relationship between perceived quality and customer loyalty was found to be positive and statistically significant (at the  $\alpha = 0.001$  level) both for the PV ( $r = 0.67$ ) and the PU ( $r = 0.46$ ). Therefore, perceived quality is associated with customer loyalty.

The next step in the analysis was the examination of the direction and the intensity of perceived quality's influence on loyalty. The least squares regression analysis was of the form:

$$\text{LOY}_i = a + b_i \times Q_i$$

where

LOY = loyalty for bank  $i$

$i$  = bank sector (i.e., private or public)

$Q$  = bank  $i$ 's perceived quality of service

The present study's results show a positive and statistically significant ( $p < 0.001$ ) influence of quality on loyalty. Quality seems to exercise a larger influence on loyalty in the case of PV, which means, *ceteris paribus*, that quality is an important factor shaping loyal behaviour, especially in the private banking sector.

In the PU case, the regression equation takes the form:

$$\text{LOY}_{\text{PU}} = 1.911 + 0.462 \times Q_{\text{PU}}$$

In the PV case, the regression equation takes the form:

$$\text{LOY}_{\text{PV}} = 0.478 + 0.850 \times Q_{\text{PV}}$$

### 4.4 Bank switching

A total of 62 participants stated their intention to switch banks. Of these, 36 were PU clients and 26 were PV clients (Table 5). It is important to note that 43 of the 62 respondents intending to switch banks (69.4%) stated that they would switch to a private bank. Only 19 participants (30.6%) stated that they would switch to a public bank. The switching intention percentage is higher among PU customers since about 1 out of every 3 (38.9%) states that the bank they are intending to switch to is a public one. This may imply that public banks might be differentiated from one another with respect to service level and benefits offered.

**Table 5** Bank switching intentions

		<i>Customers of bank</i>		
		<i>PU</i>	<i>PV</i>	<i>Total</i>
Switch to a:	Private bank	22	21	43
	%	61.1%	80.8%	69.4%
	Public bank	14	5	19
	%	38.9%	19.2%	30.6%
	Total	36	26	62
	%	100%	100%	100%

For the PU customers, the following were the main reasons for intending to switch banks: bureaucracy, appearance of buildings, response to their needs and current bank's knowledge of their needs ( $p < 0.05$ ). The correlation analysis showed a strong positive relation between intention to switch to a private bank and timely service ( $r = 0.71$ ); knowledge of customer needs ( $r = 0.61$ ); appearance of personnel ( $r = 0.45$ ); and bureaucracy ( $r = 0.39$ ). Therefore, a strong correlation is exhibited between switching and those characteristics that deal with the personnel, the visual and interactive communication and the facilitation of bank-client cooperation (i.e., lack of bureaucracy and timely service). PU customers who stated that they would switch to a public bank considered willingness of employees to help (i.e., interactive quality) as the most critical switching factor.

On the other hand, PV customers are 'stricter', since they use more factors-bank characteristics in order to decide to switch to another bank. Such factors are: personnel appearance, timely service, willingness to help/serve, response to their needs, knowledge of customer needs, bureaucracy and ATM network ( $p < 0.05$ ). One notes that these factors are, for the most part, the same with those that differentiate PU from PV, with PV being superior (Table 1). This fact also explains the lower percentage of disloyal PV customers. Finally, knowledge of customer needs is considered an important factor for bank switching by PV customers as well, while ATM network is a factor that the PV should improve. The correlation analysis in this last case showed a strong positive correlation between switching intention and appearance of personnel ( $r = 0.58$ ); timely service ( $r = 0.72$ ); and willingness to help ( $r = 0.50$ ). PV customers who would choose a public bank stated that the ATM network was the most important reason to do so.

#### *4.5 Demographic characteristics and customer loyalty*

When examining the relationship between demographic characteristics and assignment of participants in one of the two groups (i.e., loyals or switchers), the contingency coefficient was estimated (Gwinner et al., 1998).

In the PU case, only the education level was found to be significant ( $c = 0.464$ ,  $p < 0.001$ ), underlying those respondents' intention to search for information about services and products offered by competing banks. On the contrary, none of the demographic characteristics was found to relate to bank switching intention in the PV case ( $p < 0.001$ ).

## **5 Conclusions**

Based on the preceding analysis, several important conclusions are derived:

- There is a direct and positive correlation between perceived service quality and customer loyalty in the case of both the private and the public bank sectors. Perceived quality seems to play a more important role in shaping loyalty in the private sector, which complies with the conclusions of previous studies (e.g., Lynn et al., 2000).

- Private bank customers perceive receiving a higher level of service quality. It seems that all dramatic events that took place (e.g., EU membership, privatisations, the euro, IT applications etc) were not sufficient to change bank customers' perceptions of public banks in Greece. However, it is worth noting that both banks receive relatively medium quality assessment scores.
- There is no significant relationship between demographic characteristics (except for occupation) and perceived quality of both types of banks. This conclusion is consistent with the findings in a study by Colgate and Hedge (2001) and implies that all banks manage to provide more or less the same level of service to all customers.
- Loyalty is a multidimensional concept (Zeithaml et al., 1996; Gremler and Brown, 1996). The private bank sector seems to be superior in terms of every single element of loyalty. PV customers are willing to express positive comments to others about their bank, while they consider it their first choice. In case of a problem, both PU and PV customers are willing to express their complaints to bank employees. Thus, bank employees are the bank's agents and the connecting link with its clients and can serve as communicators to their managers of useful information about bank image and service problems (Mylonakis et al., 1998; Churchill and Iacobucci, 2002; Butcher et al., 2001).
- Most of the bank switchers belong to the PU group. The factors that are more closely related to the intention to switch banks have to do with bank personnel (i.e., appearance and knowledge of customer needs), timely service and the existence of bureaucratic procedures, which inhibit transactions. A private bank is the one that most switchers are willing to switch to. On the other hand, reasons for PV customers' bank switching intention are mainly characteristics of interactive quality, i.e., service, response to their needs, identification of bureaucratic problems and ATM network. ATM network, in particular, would potentially make PV customers switch to a public bank.
- Customer loyalty is related only to educational level (out of all the demographic variables) since a higher educational level is related to an increased tendency for information search regarding competitive products/services/providers. Bank's promotional efforts aimed at providing relevant information to the public may increase the loyalty level they enjoy. In such promotional efforts, the service quality and the reputation are the main areas to emphasise (Dick and Basu, 1994; Mylonakis et al., 1998; Javalgi and Moberg, 1997).

## 6 Managerial implications

It has become obvious that bank marketing managers should systematically measure their customers' perceived service quality and loyalty level. The present study included all relevant and important factors that constitute both quality's and loyalty's dimensions and could, therefore, be used as a measurement tool of both concepts.

Bank managers should realise that profitability is derived from a bank's ability to develop a customer-centred philosophy (Mylonakis, 2003). This philosophy requires,

above all, management's devotion to change. Toward that direction, the employment of bank quality programs is a prerequisite. Such programs should aim at:

- the customer's placement in the nucleus of bank strategy
- a faster bank services delivery time (i.e., faster service)
- the improvement of the relationships with customers
- a higher productivity level
- the minimisation of mistakes (i.e., 'doing things right the first time').

Given that research has shown that both PU and PV customers value highly a lack of bureaucracy, the employment of effective technology is essential. Information regarding customer needs is undoubtedly a source of competitive advantage. Toward that end, the adoption of technology applications (e.g., database marketing, CRM) should definitely contribute to more effective completion of transactions, timely service, better knowledge of customer needs and effective response to customer demands.

In order to be effective, any effort to maintain or increase the number of customers should rely on the analysis of the reasons for switching intentions. The scale used in the present study can be incorporated into an information system, along with a measure of customer perceived quality level. Such data analysis would serve as a valuable source of information and answers to several strategic issues faced by both types of bank; e.g.,

- What is the quality level that should be planned and maintained in order to maintain current customers?
- What actions should be taken in order to encourage customers to recommend the bank, to conduct more transactions and to buy new products?
- Which characteristics of the service and the marketing plan should the bank focus on so that the possibility for negative comments by customers is minimised?
- Should more funds be spent for the improvement of the service in advance or should more funds be spent for complaint handling?
- How and where do customers express their complaints? Do they express complaints to bank employees, other customers or other third persons? How should the bank take advantage of such information?

Given the declining profitability of all Greek banks today, loyalty development and customer retention constitute the ideal solution. To that end, the development of relationships with customers (relationship marketing) is critical. Relationship marketing is important because gaining new customers is more costly than retaining existing ones. The related benefits can be seen through the use of simple accounting techniques, which uncover:

- the cost of gaining new customers
- the change in the number of customers
- the changes in products/services which customers buy.

## 7 Present study's limitations and suggestions for future research

The aim of the present research was the study of the perceived service quality and bank customer loyalty and the examination of those factors that determine the concepts of quality and loyalty in the domain of the Greek banking system. However, the relatively small sample size and the convenient selection of the two banks constitute limitation factors, suggesting that any attempt to generalise this study's results should be made with special caution.

All factors presented and analysed in this study can be used by bank managers and staff, as well as by academic researchers. The latter can use these factors to improve the interpretation of phenomena and relationships that have to do with the two fundamental concepts of perceived quality and customer loyalty. Furthermore, future research should direct itself toward a closer examination of customer dynamics with respect to switching intentions and behaviour. Ideally, a longitudinal study is recommended for the assessment of customer loyalty, since loyalty is very difficult to 'capture' at a single point in time.

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