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Service Quality Management And Customers' Loyalty In Nigerian Banking Industry

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ABSTRACT

This work examined service quality management and customer loyalty in South East Nigeria using five commercial banks as the focus of the study. Relevant conceptual, theoretical and empirical literatures were reviewed. This research work is anchored on SERVQUAL model. Survey research design was employed in this study. The population of study is made up of three hundred and fifty (350) customers of the five selected commercial banks. A sample of three hundred and fifty (350) customers of selected banks in each state capital that make up South East were selected for the study. Service quality management dimensions such as empathy and assurance were employed as the independent variable while customer loyalty was employed as the dependent. Questionnaire was employed as the instrument of data collection. The data generated were analyzed using correlation analysis analysis. It was found that empathy and assurance have significant positive effect on customer loyalty in banks in South East Nigeria at 0.05 level of significance. The study therefore concludes that service quality management had significant positive effect on customer loyalty in the sampled banks. The study recommends that since the service quality dimensions examined can collectively affect customer loyalty, banks management should devise policies and programmes to will help them in each of these dimensions in order to satisfy the customers' needs.

Keywords: Empathy, assurance and customer loyalty

INTRODUCTION

The service industry is among the highly dynamic industries as consumers and customers often demand changes. These changes further drive the service provisioning and delivery forward, with increasing demand for quality. Since services are intangible in nature their success and failure is not easily measured or quantified. "The success of any corporate service provider can be measured in terms of its customers' attitude towards the service delivery process means service quality management dimensions will be the dominant elements in the customers' evaluations of a given service provider (Garga & Bambale, 2016). When customers patronize service providers, they expect to receive quality service their levels of expectation among each individual customer varies. Essentially, it is important to ascertain the customers' expectations in order to provide the appropriate quality service. In a service business, the customers and the front-line service employees interact to create the service.

In the banking sector, the whole range of business activities and generation of income are closely related to its customers. Customers are demanding and they are often critical of the quality of the services and products provided for their experience, thus maintaining and retaining customers become an important issue. Banks need to maintain an ongoing relationship with their customers in order to retain customers and to protect and sustain long-term customer interest (Siew-Peng & Sedigheh, 2015). One way to do that is to understand the needs of bank customers, thereby serving them satisfactorily but to do that, banks have to improve their service quality. Berry, Parasuraman, and Zeithaml (1988) state that service quality management is a differentiator and the most powerful and competitive weapon and it is a strength of leading service firms". Given the high competition that exists in the banking environment, any bank that wants to survive well, has to take into consideration the loyalty of its customers. Caruana and Malta

(2002) are of the view that "banks should provide a service that can result in a high level of customer loyalty, if they want to maintain a long-term relationship with their customers".

Today's customer is not going to settle on anything less than his/her expectations and loyalty. To compete successfully, with each other, banks are using different marketing strategies to live up to the customers' expectations and stay ahead in the league. Banks have focused to develop strategies to differentiate themselves from their competitors and providing their customers with high quality banking services and highly technological and innovative products. Due to the rapidly changing environment and service quality, customer loyalty and loyalty are gaining the greater attention of all banking institutions. "Banking institutions are acknowledging that unless customer needs are taken into account in designing and delivering services, technical superiority will not bring success" (Zeithaml and Bitner 1996). New marketing concepts and strategies are paying greater attention to identifying customer needs and expectation and offering high service quality management to customer. Service quality management has become a critical prerequisite for satisfying and retaining valued customers in banks. The interest is largely driven by the realization that "high service quality management results in customer loyalty and loyalty with the product or service, greater willingness to recommend someone else, reduction in complaints and improved customer retention" (Zeithaml, Berry, & Parasuraman, 1996). This study expanded the research in Nigerian banking sector. Specifically, the study covered a survey of Nigerian bank customers to develop theoretically and empirically the understanding of the effect of Service quality management on customer loyalty.

Statement of the Problem

For many services, the essence of marketing is the development of long-term value added relationships with customers. In order to ensure long term success and generate favorable financial result, firms must understand the critical role of customer loyalty rather than acquiring new customer alone. Today, "the increasing awareness among bank customers of their rights, changing demands and highly competition requires constant progress in service quality management from the bank for their customers to stay loyal" (Kheng, Mahamad, Ramayah & Mosahab, 2010). Banks operating in Nigeria are consequently put into lot of pressure as a result of the increased competition in the industry. Various strategies are formulated to retain the customer and the key of it is to increase the service quality management level. Service quality management is particularly essential in the banking services context because it provides high level of customer loyalty, and hence it becomes a key to competitive advantage (Molaee, Ansari & Teimuori, 2013). Unsatisfactory customer service leads to a drop in customer loyalty and willingness to recommend the service to a friend. Service quality management has various dimensions and each customer place different level of importance on each dimensions of service quality. The service providers' perception of service quality management may be quite different from what customers perceive as service quality. If the banks are to compete in providing quality service to customers, it is important to understand the customer perception and expectation of quality service. Further they "should identify themselves with at least one of the dimensions of service quality management that they think it will drive customers' perceived service quality management loyalty, loyalty, and retention" (Siew-Peng & Sedigheh, 2015).

A review of service marketing literature reveals that a sizeable number of previous studies on service quality management in Nigeria paid a relatively large amount of attention to hospitality, transport and the telecommunications industry. More importantly, most of these studies used the firm as against the industry level analysis in their studies. This study addressed the gap in the service quality management literature by investigating the effect of service quality management on customer loyalty in the Nigerian banking industry.

Objectives of the Study

The main objective of this study is to examine the effect of service quality management on customers' loyalty in Nigerian banking industry. The specific objectives include to:

1. Determine the effect of empathy on customer loyalty in the banking industry South-East, Nigeria.
2. Examine the effect of assurance on customer loyalty in the banking industry South-East, Nigeria.

Research Questions

The following research questions guided this study:

1. To what extent of empathy influence customer loyalty in the banking industry South-East, Nigeria?

2. To what degree does assurance affect customer loyalty in the banking industry South-East, Nigeria?

Hypotheses

The following null hypotheses guided this study.

Ho_1: Empathy has no significant influence on customer loyalty in the banking industry South-East, Nigeria.

Ho_1: Assurance has no significant effect on customer loyalty in the banking industry South-East, Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Framework

Service quality management

Service quality management is a construct that has stimulated significant interest and debate in the service marketing literature due to the complications in both defining and measuring it, with no general consensus emerging from them. As a result, "many scholars have labeled service quality management as an 'elusive' and 'indistinct' concept that is problematic to operationalize and measure" (Rahim, 2016). Kotler & Armstrong (2004) defined service as "any activity or benefit provided by one party to another party which is basically intangible and does not lead to any ownership. Kotler (2000) defines services as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership or anything, it's production may not be tied to a physical product.

Chidambaram and Ramachandvan (2012) defined service quality management as "the overall evaluation of a specific service firm that results from comparing that firm's performance with the customer's general expectations of how firms in that industry should perform. Parasuraman *et al* (1985) defined service quality management as "the degree and direction of discrepancy between consumer's perceptions and expectations in terms of different but relatively important dimensions of the service quality, which can affect their future purchasing behavior". From customer point of view, quality means fitness for use and meeting customer loyalty. Service quality management is important aspect that affects the competitiveness of business.

Melaku (2015) argue that "the distinctive nature of services requires a distinctive approach to defining and measuring service quality". As a result of the intangible multifaceted nature of many services, it may be harder to evaluate the quality of a service than of a good. Because customers are often involved in service production particularly in people processing services, distinction needs to be drawn between the process of service delivery and the actual output of the service. Perceived quality of service is the result of an evaluation process in which customers compare their perception of service delivery and its outcome against what they expect.

Customer Loyalty

Since decades, customer loyalty has been widely studied by many researchers but there is no common consensus about the conceptualization of customer loyalty. Customer loyalty can be defined as the closest step to the repurchasing behaviour of customers. Customer loyalty has usually been referred to as "a consequence of all the experiences that a customer has with a service/product provider" (Mascarenhas, Kesavan, & Bernacchi, 2006). The experiences might include "physical interactions, emotional involvements, and value chain moments" (Mascarenhas et al., 2006). The term customer loyalty is used to describe "the behavior of repeat customers, as well as those that offer good ratings, reviews, or testimonials" (Kumar & Advani, 2009). Customer loyalty is very important because of its positive effect on long-term benefit (Ribbink et al., 2004). Loyalty has been assessed by many behavioral measures such as the proportion of total purchases made at a given vendor, repurchases and purchase probability (Lin and Ding, 2005). Pribanus (2016) defined customer loyalty as a "deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior.

Baker (2004) opines that the term customer loyalty is used to describe "the behavior of repeat customers, as well as those that offer good ratings, reviews, or testimonials". Some customers do a particular company a great service by offering favorable word of mouth publicity regarding a product, telling friends and family, thus adding them to the number of loyal customers. However, customer loyalty includes much more. It is a process, a program, or a group of programs geared towards keeping a client happy so he or she will provide more business. Customer loyalty is all about attracting the right customer, getting them to buy, buy often, buy in higher quantities and bring you even more customers. However, customer loyalty is built by "keeping touch with customers using email marketing, thank you cards and more, treating the employees well so they treat the customers well, showing that the institution cares and remembering what customers like and don't like, building it by rewarding them for choosing the institution over the competitors and finally building it by truly giving a damn about them and figuring out how to make them more success, happy and joyful" (Kotler, 2006)

Iddrisu (2011) noted that "loyalty is developed over a period of time from a consistent record of meeting, and sometimes even exceeding customer expectations. Customer loyalty can therefore be achieved in some cases by offering a quality product with a firm guarantee or through free offers, coupons, low interest rates on financing, high value trade-ins, extended warranties, rebates, and other rewards and incentive programs. The ultimate goal of these is to develop happy customers who will return to purchase again and persuade others to use that company's products or services. This equates to great cost savings and profitability to the company through the keeping of current customers as against attracting new ones as well as making stakeholders happy. Loyal customers are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers. However, there are many factors for such manner of customers to remain loyal".

Saravanakumar and Jayakrishnan (2014) noted that customer loyalty is comprised of both "customers' attitudes and behaviors. Customers' attitudinal component represents notions like repurchase intention or purchasing additional products or services from the same company, willingness of recommending the company to others, demonstration of such commitment to the company by exhibiting a resistance to switching to another competitor and willingness to pay a price premium". On the other hand, "the behavioral aspect of customer loyalty represents actual repeat purchase of products or services that includes purchasing more and different products or services from the same company recommending the company to others and reflecting a long-term choice probability for the brand" (Feick and Lee, 2001). Behavioural loyalty refers to the consistent and repetitious purchasers are the indicator of the loyalty. However, this steady customer may be originated from the situational factors (i.e. price) but not always influenced by psychological factor" (Hartmann & Ibanez, 2007). Besides, Lin (2010) criticized these behavioural measures as lacking a conceptual basis and have a narrow view of what is in fact a dynamic process.

Theoretical Framework

This research work is anchored on SERVQUAL model. This is a prevailing model for measuring service quality management and is the SERVQUAL model conceived by Parasuraman, Zeithaml, and Berry (1985). The SERVQUAL model is a multiple- item measure that can be used to identify and deduce customer perceptions and service expectations. It is considered to be reliable and valid for evaluating service quality management in a number of industries. To develop the SERVQUAL scale, Parasuraman et al. (1985) gathered empirical data from five different service industries: appliance renovation and maintenance companies, retail banking, long distance telephone, security, brokerage, and credit cards. The SERVQUAL model initially acknowledged ten dimensions of service quality management (tangible, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding, knowing customers, and access). Subsequently, these ten dimensions were suppressed into five (reliability, responsiveness, tangible, assurance and empathy).

The SERVQUAL model hinges on gaps in service quality, which addresses differences in service quality management expectations and perceptions. Hutton and Richardson (1995) state that the broader the gap, the lesser the perception of quality appears in consumer minds, and vice-versa. According to Sheth and Desmukh (2004), "SERVQUAL is most often applied to evaluate the presence and degree of Gap-5, which expresses the difference between customer expectations and perceptions of service quality". Mohammed (2006) notes that "of the five service quality management Gaps, only Gap 5 can be examined exclusively from the customer's viewpoint; that is, analyses of other Gaps require information from the service provider".

According to the SERVQUAL scale, "the outcome for each dimension of customers' expectations and customers' perceptions are compared to estimate the gap in scores between the two components. As a result of this comparison, a firm's level of service quality management assessment can be defined, e. g. the larger the gap, the lower the service quality management evaluation, whilst the lower the gap, the larger the evaluation" (Hoffman and Bateson, 1997). To sum up, SERVQUAL scale shows the extent to which service performance in each of the five dimensions of service quality management meet the level of the performance customers expect from the service firm.

Notwithstanding its effectiveness and application, several scholars have documented some limitations of the SERVQUAL model and presented alternative models to measure service quality management (Brady & Cronin, 2001; Ladhari, 2008). These academics criticized SERVQUAL because service quality management perception is contingent on numerous unique factors that are industry specific; hence, no single measurement model universally applies across industries. In particular, Cronin and Taylor (1992) claimed that "SERVQUAL describes the level of customer loyalty with a product or service and not service quality". These scholars therefore developed the SERVPERF model in 1992 to evaluate customers' overall feeling towards service delivery (Cronin & Taylor, 1992). Other notable service quality management models developed to solve the shortcomings of SERVQUAL are: the synthesized service quality management model proposed by Brogowicz, Delene and Lyth (1990); the attributes service quality management model developed by Haywood-Farmer, (1988); and the pivotal, core and peripheral model promoted by Philip and Hazlett, (1997), among others. Gilbert and Wong (2003) refined the five SERVQUAL dimensions into seven (reliability, responsiveness, assurance, customization, employee, facilities, and flight pattern).

Until now, there has been no conclusive method for measuring service quality; however, researchers agreed that the SERVQUAL dimensions are multifaceted and were vital elements in any study of service quality management (Brady & Cronin, 2001). Parasuraman et al (1985; 1988) argue that "the five dimensions used in the SERVQUAL scale represent and provide generic instrument and dimensions for measuring service quality management in a variety range of services". Over the past years, the SERVQUAL instrument has been used widely and extensively for measuring service quality management in different contexts and industries like banking, healthcare, hotels, restaurants retail chains, communication, real estate, higher education, etc. In addition to that, the SERVQUAL instrument has been used widely in several cultures and countries including: the USA, UK, China, Honk Kong, Greece, and so many other countries. "The SERVQUAL scale has been imitated and appreciated well in the service quality management literature in the last decades by academics, researchers and industry people" (Buttle, 1996). Hence, SERVQUAL dimensions are adopted in this study to measure the effect of service quality management on customer's loyalty in Nigerian Banking industry.

Empirical Review

Service quality management and customer loyalty has attracted much empirical attention. For instance, Siew-Peng and Sedigheh (2015) examined the dimension of service quality management and its impact on customer loyalty, trust, and loyalty in Malaysian banks. This study proposes to measure service quality management by applying six dimensions: tangibles, empathy, reliability and security, price, online banking and convenience. These six dimensions are used to examine the relationship between service quality, perceived value, customer loyalty, bank image, customer loyalty and customer trust among bank customers in the Klang Valley, Malaysia. Data were analysed by structural equation modelling (SEM) in order to test all the relationships between the variables in the model. The findings support the proposed hypotheses, which are consistent with the theoretical framework. The results indicate that "the dimensions of tangibles, empathy, reliability and security, and online banking have a significant positive relationship with perceived value". The analyses show that service quality, customer loyalty, bank image and trust are important determinants of loyalty.

Khan and Fasih (2014) examined the impact of service quality management on customer loyalty and customer loyalty using evidence from Pakistani banking Sector. Respondents are chosen from a range of varying demographic features using stratified random sampling. Banks from both public and private sector are selected for sampling. Survey questionnaires were distributed among 270 customers of different banks. An 83% (225 respondents) valid response rate is yielded. Descriptive statistics, one sample t-test, correlation and regression are used to analyze the data. Findings indicate that "service quality management and all its dimensions have significant and positive association with customer loyalty and customer loyalty".

Melaku (2015) examined the impact of service quality management on customer loyalty in Bank of Abyssinia S.C. using SERVPERF model. Quantitative means of data collection method is employed to collect the data through questionnaire. Proportionate and disproportionate stratified sampling technique is used to select the sample size and a sample of 399 bank customers are taken to undertake the study. The data collected from the questionnaire were analyzed using statistical tools such as mean, correlation, and regression analysis VIA SPSS Version. The results of this study indicate that, all the service quality management dimensions (tangibility, reliability, responsiveness, empathy and assurance) have positive and significant relationship with customer loyalty. Also the finding of this study indicates that customers were most satisfied with the assurance dimensions of service quality management followed by responsiveness. Accordingly from the regression result it is observed that "all service quality management dimensions have positive and significant impact on customer loyalty. Furthermore, 44% of the variations in customer loyalty is explained by service quality management dimensions in bank of Abyssinia S.C". Based on the findings of the study, the researcher forwarded some recommendations to the bank's management.

Awuor (2014) investigated service quality management and customer loyalty in the banking sector in Kenya. This study sought to answer the following question; what are the customers' views, thoughts and feeling on the quality of service offered by commercial Banks in Kenya? The study identified the possible expectations that customers have on the quality of service. The study adopted descriptive design with population of interest being customers of commercial banks in Nairobi CBD. Questionnaires were administered to customers from a total of 44 commercial banks located within Nairobi CBD. The data generated were analyzed using regression and analysis of variance. The findings from the study established "a positive relationship between service quality management and customer loyalty in Kenyan banks". The study concludes that customer loyalty can lead to higher rates of retention of the Kenyan bank customers.

Molaee, Ansari and Teimuori (2013) analyzed the impact of service quality management dimensions on loyalty and loyalty in the banking industry of Iran. The population of this study is customers of selected branches of Bank Mellat in Iran and the samples consist of 150 of these people and the data have been collected by questionnaires. The sampling approach used to select these people was availability sampling method. The data generated were analyzed using structural equation modeling. The results of this study indicate that "the dimension of responsiveness has the greatest impact on customer loyalty and loyalty". Among the dimensions of service quality, two dimensions of reliability and empathy didn't have significant impact on customer loyalty.

Abdulrahman (2013) examined the link between services quality and customer loyalty in the retail banking in Tanzania. 20 bank staff and 20 retail banking customers were interviewed giving a total of 40 respondents. The study employed both quantitative and qualitative methods. Quantitative data was analyzed by going through the patterns and/or sub headings of the questionnaires while comparing with the objective. The findings of the study reveal that all the service quality management attributes of tangibility, responsiveness, reliability, empathy and assurance were positively related to customer loyalty in the retail banking settings in Tanzania.

Dissatat and Ajdanai (2016) examined the effects of service quality management and customer loyalty on customer loyalty in Thai mobile network industry. In order to test and prove the conceptual framework, field research was conducted. The questionnaire was designed based on existing constructs in relevant literature. The research target sample consisted of 401 Bangkok-based customers of Thai major mobile service providers, AIS, DTAC, and True move. Reliability tests and statistical analyses were performed to confirm the validity and reliability of the data. Besides, these tests and analyses answered the questions concerning this research. The results of the research indicate that "of all factors regarding service quality management dimension, only customer service factor is significant to customer loyalty". The other factors are insignificant to the loyalty of the customers. Meanwhile, customer loyalty is positively significant to customer loyalty.

Masika (2014) examined the effect of service quality management and customer loyalty on customer loyalty taking NSSF as area of study. The main objective of the study was to assess customer loyalty as mediating factor for the effect of quality services to customer loyalty of NSSF members in Tanga City. The present study used the cross section survey design. A total of 215 questionnaires were administrated to customers who visited NSSF. The study employed multivariate regression analysis. Overall findings from this study suggest that there was significant relationship in between Service Quality, Customer Loyalty and Customer Loyalty. Specifically, there was significant relationship between loyalty and service quality. The regression test also found "a positive direction, moderate relationship and significant relationship in between customer loyalty on customer loyalty". Furthermore, the study found that "customer loyalty has mediating the relationship of service quality management to customer loyalty.

METHODOLOGY

This study adopted survey research design. This study was carried out in Anambra State, Nigeria. The researcher made use of primary data. The population of study is made up of customers of five selected commercial banks in South-East Region of Nigeria. The banks include First Bank of Nigeria Plc, Zenith Bank of Nigeria Plc, Fidelity Bank Plc, Union Bank of Nigeria Plc and Key Stone Bank. A breakdown of A sample of three hundred and fifty(350) customers of the branches of the selected banks purposive sampling technique**.** Questionnaire was used as the instrument of data collection. The researcher used use face and content validity in this research work. Test-retest and Cronbach's alpha was used to verify the internal consistency of each construct in order to achieve reliability. The analysis of data was performed using SPSS package. This involved correlation analysis.

DATA PRESENTATION AND ANALYSIS

The data generated from the employee of the sampled banks were presented, analyzed and interpreted. A total of three hundred and fifty questionnaires were distributed to the respondents, out of which three hundred and thirty two was properly filled and found relevant to the study. This shows a response rate of 94.9 percent. Therefore, the analysis in this section will be based on the three hundred and thirty two relevant copies. The first section of this chapter covers the demographic features of the respondents while the second section analyzed the data relevant to research questions.

Correlation Analysis

The Pearson correlation coefficient is a measure of the strength of a linear association between two variables and is denoted by r. Table 4.3 below shows the summary of correlation coefficient.

Correlation Matrix

		CL	TAN	REL	RES	EMP	ASS
EMP	Pearson Correlation	.554	-.238**	-.011	-.033	1	.004
	Sig. (2-tailed)	.000	.000	.841	.546		.947
	N	332	332	332	332	332	332
ASS	Pearson Correlation	.673	-.103	.023	.121*	.004	1
	Sig. (2-tailed)	.006	.061	.677	.027	.947	
	N	332	332	332	332	332	332

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 21.0

Empathy (EMP) recorded a correlation coefficient of 0.554 with a probability value of 0.000. This implies that empathy has strong positive effect of customer loyalty (CL) in South-East Nigeria. Assurance (ASS) recorded a correlation coefficient of 0.673 with a probability value of 0.006. This implies that assurance has a very strong positive effect on customer loyalty (CL) in South-East, Nigeria.

Test of Hypothesis One

Ho: Empathy has no significant relationship with customer loyalty in banks in Anambra State, Nigeria.

Hi: Empathy has a significant relationship with customer loyalty in banks in Anambra State, Nigeria.

Empathy has a t-statistics of 2.562and a probability value of 0.09 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses and conclude that empathy has a significant relationship with customer loyalty in banks in Anambra State, Nigeria.

Test of Hypothesis Two

Ho: Assurance has no significant relationship with customer loyalty in the banking industry.

Hi: Assurance has a significant relationship with customer loyalty in the banking industry.

Assurance has a t-statistics of 3.632 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that assurance has a significant relationship with customer loyalty in banks in Anambra State, Nigeria.

DISCUSSION OF FINDINGS

This work examined the effect of service quality management dimensions on customer loyalty in Anambra State, Nigeria. Data were sourced from employees of selected five commercial banks located in the state capital in Anambra State. Questionnaire was employed as the instrument of data collection. The data generated were analyzed using correlation analysis. The result revealed the following. The study also found that empathy has a significant relationship with customer loyalty in banks in Anambra State, Nigeria. This tally with the findings of Masika (2014), Khan and Fasih (2014), Onditi, Oginda, Ochieng and Oso (2012) and Sandip and Kailash (2016) that empathy has a significant effect on customer loyalty. This is opposed to the findings of Molaee, Ansari and Teimuori (2013).

Finally, the study revealed that assurance has a significant positive relationship with customer loyalty in banks in Anambra State, Nigeria. This is in agreement with the findings of Siew-Peng and Sedigheh (2015), Khan and Fasih (2014), Onditi, Oginda, and Ochieng and Oso (2012)that assurance has a significant effect on customer loyalty.

Summary of Findings

The data generated were analyzed and the following were discovered. It was discovered that empathy has a positive significant relationship with on customer loyalty in banks in Anambra State, Nigeria.

Finally, the study revealed that assurance has a a positive significant relationship with on customer loyalty in Anambra State, Nigeria.

CONCLUSION

The study concludes that service quality management dimensions have significant positive effect on customer loyality in the sampled banks. This conclusion is supported by significant f-statistics which measures collective significant of the effect of the explanatory variables on the dependent variable.

RECOMMENDATIONS

Based on the findings of this study, it is recommended that:

1. Banks should try to provide convenient hours for operations to the customers. Location of ATM should also be convenient enough so that the customers would get easy servicing and hence be assured that his bank is a better option. These strategies will help banks to maintain a durable relationship with customers which will further leads to customer loyalty.
2. Since responsiveness was found to have an insignificant effect on customer loyalty, bank management should organize training and refresher courses for all bank employees in order to develop the character and habits of the bank staff. This should dwell on the means and ways on improving efficiency in the bank.

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