



NEAR EAST UNIVERSITY

GRADUATE SCHOOL OF SOCIAL SCIENCES

BANKING AND FINANCE PROGRAM

**FACTORS IMPACTING THE BRAND LOYALTY IN BANKING
INDUSTRY: EMPIRICAL STUDY ON LIBYA AFTER THE
ECONOMIC COLLAPSE IN 2014**

NABIL SHANTA

MASTER'S THESIS

NICOSIA

2018

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MASTER'S THESIS

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NICOSIA
2018

ACCEPTANCE/APPROVAL

We as the jury members certify the “FACTORS IMPACTING THE BRAND LOYALTY IN BANKING INDUSTRY: EMPIRICAL STUDY ON LIBYA AFTER THE ECONOMIC COLLAPSE IN 2014” prepared by the NABIL SHANTA defended on 28/11/2018 has been found satisfactory for the award of degree of Master.

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ACKNOWLEDGEMENTS

Foremost, I would like to acknowledge the assistance rendered to me by my supervisors Assis. Prof. Dr. Nil Gunsel Resatoglu. I would also like to express my gratitude towards to my family, wife and children for their tremendous support.

ABSTRACT

Banking sectors is one sector whose competition is one of the most intense due to not many banks being around in a nation. Some nations have couple to few different banks. Libya has several banks out of which 20 are well-known top banks, which makes their competition very strong. As the nation has recently gone through economic collapse due to civil wars which have taken place since 2014. Banks had gone bankrupt where they had lost the money of people and was not returned, this has made situation worse for the banks to make loyal customers. This study goes over the factors which impact the loyalty of customers in the banking industry and see how Libyan citizens today view the banks and their loyalty towards banks. Study has taken reputation, trust and service quality as the independent variables which impact the loyalty being the dependent variable. Study adopted quantitative method approach which consisted of data collection via a questionnaire. The three factors were selected to be studied because previously no study has studied them together in one study and also due to the fact that no such study has been conducted in geographical area of Libya both prior to the economic collapse or following it. Total of 250 questionnaires were given out by using snowball sampling method. For the hypotheses testing multiple linear regression, correlation, and ANOVA analysis were conducted. The results revealed that reputation, trust, and service quality impact the loyalty of customers in banking industry of Libya following the 2014 economic collapse. None of the demographic (social) factors were found to have any significant relation with the loyalty.

Keywords: *Customer Loyalty, Brand Loyalty, Trust, Reputation, Service Quality, Banking industry, Retention.*

ÖZ

Bir ülkede banka sayısının fazla olmaması bankacılık sektöründeki rekabet faaliyetlerini en yoğun üst düzeylere çıkarmaktadır. Bu nedenle bazı ülkeler bir takım farklı bankaları ikiye katlamışlardır. Libyadaki bir çok banka arasında 20 tanesi en çok bilinen bankadır ve bu bankalar çok güçlü bir rekabet sürdürmektedirler. Ülke olarak Libya 2014'ten beri süregelen iç savaşlar nedeniyle ekonomik çöküntüye uğramış, bankalar iflas etmiş ve banka müşterileri paralarını geri alamamışlardır. Bu durum bankaları daha da zor durumlara sokmuş ve halk arasında güvenleri sarsılmıştır.

Bu çalışma, müşterilerin bankalara güvenmelerini etkileyen faktörleri ve Libya halkının bu konudaki görüşlerini ele almaktadır. Çalışmada, bağımlı değişkeni etkileyen itibar, güven, ve hizmet kalitesi bağımsız değişkenler olarak incelenmiştir. Veri toplama aracı olarak, anketlerin kullanıldığı nitel yöntem uygulanmıştır. Daha önce hiç bir çalışmada birlikte ele alınmayan ve Libya coğrafyasında ekonomik çöküntü öncesi ve sonrası üzerinde çalışılmayan üç faktör seçilmiştir. Çalışmada, Kartopu örneklem methodology hazırlanan 250 anket kullanılmıştır. Hipotez testi için çoklu lineer regresyon, korelasyon, ve ANOVA analiz metodu uygulanmıştır. Sonuçlar, 2014 ekonomik çöküntü sonrası, itibar, güven ve hizmet kalitesinin halkın Libyadaki bankacılık endüstrisine karşı bağlılığını etkilediğini göstermiştir. Bağlılıkla ilgili önemli herhangi bir demografik (sosyal) faktör tespit edilmemiştir.

Anahtar Kelimeler: *Müşteri bağlılığı, Marka bağlılığı, Güven, İtibar, Hizmet kalitesi, Bankacılık endüstrisi, alıkoyma.*

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ABBREVIATION

CRM	Customer Relationship Management
WOM	Word-of-Mouth
SQ	Service Quality
Customer Value	CV
Customer Satisfaction	CS
Customer Trust	CT
Bank Reputation	BR

CHAPTER 1

INTRODUCTION

Banking industry is one of the industries which is being used all over the world by local consumers. Every nation in the world today has a banking system which deals with the local banks and with the foreign banks. This industry has become one of the most complicated and profitable industry as the population of the nations has increased over time. Today there is no nation which does not have a banking system and within each nation, there are number of different banks which operate under one banking system. These banks are to follow the rules and regulation set by the nation's banking system. Banks play an important role in economy of any nation, they are indispensable because if there were no savings reserved than no investment could be supplied in number of different sectors in the nation. Banks have played an important role throughout the history of humankind, for centuries banks have been established to keep the money either in form of paper or metal, this money was used to keep as savings or to be invested into different sectors of the economy. As the number of banks have risen, just like other product brands, banks have started to face competition. Banks have started to provide services which never existed, they have started to provide loans on very low interest rates due to the competition. Branding has made everything difficult for banking industry, as the new banks try to enter the banking market, they face number of issues which are due to a customer sticking to their old bank because they either they trust them or do not want to deal with the switching issues or simply do not have the time to do so.

Brand loyalty has become one of the most important and vital for businesses around the world because no one is willing to lose their customers to their competitors. And the way of keeping the consumers to stick to one brand is by making them loyal to your brand. One of the reasons why consumers tend to stay loyal to a brand is because they love what the consumer has to offer to them. When there is a choice of more than one bank, the question comes of loyalty, are the consumers loyal to the bank they have been using since the day one or they move to the other bank which opens in the market. There are number of factors which influence the loyalty of a consumer towards the banking service they are going to be using. Consumer loyalty towards the brand of the bank they use depends on what satisfies them. And behind the satisfaction of a consumer stands number of reasons which may differ consumer to consumer. Some may stay loyal to a brand of bank and others might not.

Libyan economy which has been taken a big hit due to the Arab Spring, the nation has faced number of civil wars and other critical situations which has collapsed the nation's economy. The country has splinted and since 2014 has been divided into competing political and military factions in Tripoli and the East. Libyan eastern parliament approved a new central bank, a move likely to cement financial division as the country grapples with political turmoil and economy crisis much of the Libya's considerable wealth was attained from its oil production – prior to the war, nation was pumping 1,800,000 barrels of light crude per annulus. Through the income government was able to build an impressively developed social welfare state. Prior to February 2011 Arab Spring and civil war which hit the nation, Libya was, according to the statistics, the most developed nation in the continent of Africa. Libya was ranked one of the tops in Africa in the Human Development Index as measured by United Nations Development Program. Much of the Libya's considerable wealth was attained from its oil production – prior to the war, nation was pumping 1,800,000 barrels of light crude per annum. Through the income government was able to build an impressively developed social welfare state. Prior to February 2011 Arab Spring and civil war which hit the nation, Libya was, according to the statistics, the most developed nation in the continent of Africa. Libya was ranked one

of the tops in Africa in the Human Development Index as measured by United Nations Development Program.

The banking system of the nation has taken a great loss, thousands and thousands of citizens lost their money which was kept in the banks. Paper money within the banks had finished as everyone rush to withdraw their money. Nation's nominal GPD dropped from \$75 million to \$35 million. Even businessmen who had kept their money in those banks have faced a great deal of loss. Everyone's money which was kept in the banks had vanished. The nation of Libya faced one of the greatest losses in their history. It is due to this that the question of consumer loyalty towards a banking brand in the nation of Libya is raised. If the nation's banks have failed their customers in keeping their money save and have not kept the promise which they make, would the customers stay with the bank or would they not trust them anymore? There are number of different factors which take place while the customer is to make the decision towards being loyal to a bank or to move on. Libyan banks need an answer of how they can manage to keep their customers and turn them into loyal customers.

1.1.Problem statement

Today there are 20 major banks which provide banking services to their consumers. For the past several years within the past decade, there has been great number of development and changes in the banking industry which has brought great number of competitions within the industry. Once there was no competition one would say due to the central banks of the nation being the only ones providing the banking services to the citizens. As the privatization of the banking industry took place, number of various banks came into play and the competition became intense. The more the competition, the faster the development and services provided to the consumers took place. All the banks within Libya have different aims, as some provide services for big investors, agriculture businesses, business development, real-estate loans, and personal banking. Different aims but same target,

which is to gain as much customers as possible, and to take customers of the other banks. Most of the banks provide services to the local citizens of Libya which means they provide personal banking services to the citizens. These banks have taken a great lost as the economy of the nation has faced a great recession. The problem of statement which being faced by the banks is if the consumers will stay loyal to them or switch to the other bank due to the loss of their money which was deposited in their current bank or will they ever trust any bank? This study investigates the factors which influence the loyalty of consumers to the bank and why do these factors play an important role in the loyalty of a consumer in the banking industry.

Problems faced by banking industry of Libya:

- 1) Loss of clients due to the economic crisis.
- 2) Loyalty of consumers might have been impacted due to the crisis.
- 3) Loss of money which was deposited by the clients.
- 4) Recovery of the lost funds.

1.2. Background of the Study

Loyalty of a customer is one of the most important aspect for any type of business. When it comes to banking, the question of loyalty is very heavy as number of banks are limited within a nation or a city, this means that the customer who selects a bank will most likely stick to it if the services are provided to them as promised. The customer does the research on the bank, so they are aware of the services provided by them, or the advantages and disadvantages they will have. Therefore, loyalty holds great deal of value in the banking industry, it can be looked upon as ongoing investment over time. Yi and Jean (2003), the loyalty of the consumer can be measured by keeping track of their purchase pattern over a period and checking how they continue to own your products. Throughout the world, banking industry has faced a great change in their services which is due to the development in the technology. This in turn brought an intense competition for the banks which were already in the industry. The ones which adopted to the new technology were able to

survive, yet the ones which did not move along with the changes and adopt them were left behind, and even several had to close (Chaudhuri and Halbrook, 2002).

As the competition has increased, the increase in the number of banks, increased number of services and what not, the loyalty in the banking industry is facing an issue because as the competitor bank offers better services the customers go to them. Banks need a strategy through which they could retain their customers and keep them loyal to the bank. Loyalty towards banks is dying due to the competition in the industry (Lee and Feick, 2001). There has been great deal of strategies which the banks have applied to retain the customers and to increase their loyalty towards the bank. Banks have introduced several innovative services and products for offering to their customers (Alam and khokhar, 2006). There is no doubt that the success in marketing one's products lies in having to grasp a clear understanding of the customer, and this must be done frequently and continually due to fast changes in today's societies and in the technology. One must keep monitoring the customers to understand the changes in their behavior, thinking and actions to provide them with the services and products which they need.

1.3.Aim

This paper aims to find out the factors which influence the brand loyalty of consumers towards the banking industry. It will allow us to find out which factors have more influence than other factors, and how the banks of Libya can use these factors to keep the current customers and make new ones. Currently no studies have been done on the Libyan banking sector regarding the factors which impact the customer loyalty towards the banking sector. Few studies have been carried out in the African nations of Nigeria and Kenya but other than that no relevant study was found. The study also aims to help the current banking industry of Libya by providing them with the information regarding the factors which will help them to make customers loyal towards their brand. This study aims to fill the gap by carrying out this study in the nation of Libya.

1.4.Importance

Importance of this study is that it will be reveal the factors which impact the loyalty of the consumers towards a certain brand bank. It will help the banks to emphasize on these factors to make their banking system better and it will help them to develop strategies to market their bank, come up with new offers and new services which did not exist before. Along with that it will hold a great importance and will contribute to the current literature in the banking industry and in the marketing literature. It will surely help future researchers to take this study as a guide and a direction for carrying out their studies. And it will be the first study which has been carried out in Libya on customer loyalty in the banking sector. No previous studies were found for this region. Hence, it holds a great importance for the nation and for the literature of marketing and banking sector.

1.5.Hypothesis

Based on the formulated conceptual framework, the study will therefore seek to test the validity of the following hypothesis;

H₁: There is significant impact of service quality on customer loyalty.

H₂: There is significant impact of trust on customer loyalty.

H₃: There is significant impact of reputation on customer loyalty.

H₄: Reputation, Trust, and Service Quality correlate positively with customer loyalty.

H₅: Respondents' social factors (demographics) will differentiate their loyalty.

H_{5a}: Respondents' age will differentiate their loyalty.

H_{5b}: Respondents' gender will differentiate their loyalty.

H_{5c}: Respondents' monthly Income will differentiate their loyalty.

H_{5a}: Respondents' education will differentiate their loyalty.

H_{5e}: Respondents' monthly expenditure will differentiate their loyalty.

1.6. Universe and Sampling

The sample size will be estimated based on the Cochran Occult method which asserts that for larger population sizes which are above 6000 a sample size of 250 respondents be used. The Cochran formula was based on a 5% margin of error and a confidence interval of 95%. 250 questionnaires will be given out using the Snow-ball sampling approach will be used to hand out the questionnaires. It was passed to the customers of the following banks: Al-Wafa Bank, Alwaha Bank, Aman Bank for Commerce and Investment, Arab Commercial Bank, Assaray Trade and Investment Bank, Bank of Commerce and Development, Bankque Sahelo-Saharienne Pur L'Investissement Et Le Commerce, Central Bank of Libya, Development Bank, First Gulf Libyan Bank, General National Maritime Transport Company, Jumhouria Bank, Libyan Foreign Bank, Libyan Investment Authority, Libyan Qatari Bank, Mabruk Oil Operation, National Commercial Bank, North African Bank, Sahara Bank, and United Bank for Commerce and Investment. The identity of the volunteers will be kept anonymous, and they will be informed regarding the purpose of the study before filling the questionnaire. No volunteers will be asked to give away their personal information (name, address, phone number, etc.). The questionnaires will be given out only in the city of Tripoli and nowhere else.

1.7.Limitations

As due to large number of banks and a large population which uses the services provided by these banks, this study has limited its research to one city which is Tripoli. This city is selected because it is the capital of Libya, it holds the largest population size in the nation and most of the banks have branches throughout Tripoli. Another limitation is of the time constraint and as well as financial constraints. As this study is self-funded by the researcher himself, it will be difficult to carry out the study in more than one city.

1.8.Disposition of the Study

Table 1 shows the disposition of the study. The study will be divided into chapters according to it.

Table 1: Disposition of the Study

Chapter 1 Introduction	Chapter one provides background of the study, problem discussion, problem statement, significance of the study, and research objectives.
Chapter 2 Literature Review	This chapter provides in-depth literature review on Consumer Buying Behavior, Brand loyalty, Customer Loyalty, Service Quality, Customer Satisfaction, Customer Value, Customer Trust, and Bank's Reputation.
Chapter 3 Data Analysis	This chapter will contain the most important details of the study. The chapter will be divided in several sections to provide the details of the methodology (procedures, participants, measures, and statistical techniques), empirical findings, analysis of those findings, and test of the hypotheses.
Chapter 4 Conclusion	The last chapter will draw the conclusions based on the data analyses and empirical findings of the study in line with the research objectives, research questions, and hypotheses of the study. Moreover, this chapter will discuss the potential recommendations and theoretical and practical implications of the study

CHAPTER 2

LITERATURE REVIEW

This chapter attempts to go over the literature related to the topics of the study. It will cover consumer buying behavior which is the main aspect through which the consumer makes their choice of buying a product or service. The topic Brand loyalty will be looked upon in context of customer loyalty. Factors impacting the customer loyalty which include trust, service quality and reputation will be covered as well. Customer trust will cover the literature which demonstrates the relationship between customer loyalty towards a brand through the trust bond. Service quality section will cover the relationship between the customer's loyalty towards a brand that has been established due to the service quality that the brand (bank) provides to its customer. And reputation of a brand (bank) will cover the relationship which forms between a brand and a customer due to the reputation which the brand has in the market place. All the sections will be emphasized upon through intensive review of the literature.

Variable	Acronym	Positive or Negative Impact on Consumer Loyalty
Service Quality	SQ	Positive
Customer Value	CV	Positive
Customer Satisfaction	CS	Positive
Trust (Customer Trust)	CT	Positive
Reputation (Bank's Reputation)	BRT	Positive

Table 2 below shows the main articles which could directly be related to the current study. It shows the Author's name with the publication year and journal's name, topic of the study, variables, information on article with applied methodology, what was observed in

the study and the findings of the study, and comparison between the study and current study.

Table 2: Directly related articles comparison and results

Author / Date / Journal	Topic	Variables	Information Regarding Article / Methodology	Results	Comparison
Ali R., Leifu G., & Rehman R. / 2014 / African Journal of Business Management	Factors Influencing Customer Loyalty of Banking Industry: Empirical Evidence from Pakistan	Independent: customer satisfaction, Trust, Service Quality. Dependent: Customer Qaulity	Methodology: Sample size of 645. The study distributed the questionnaire among customers of different banks. For the testing of hypothesis linear regression was conducted and for reliability testing Cronbach alpha was applied.	Results showed that there are positive relations between customer satisfaction, trust, and service quality have significant relationship with customer loyalty. Though trust and satisfaction show no significant relationship.	Results of both studies are in line with relationship between trust, service quality, and customer loyalty.
Glaveli N., Petridou E., Liassides C., & Spathis C., / 2006 / Managing Service Quality: An International Journal Emerald Insight	Bank service quality: evidence from five Balkan countries	Independent variables: effectiveness and assurance; price; tangibles; service portfolio; and reliability. Dependent: Service Quality	It examined the differences in perceptions of service quality; and in the ranking of quality dimension between the bank customers of five Balkan countries: Greece, Bulgaria, Albania, FYROM and Serbia. Quantitative method using questionnaire consisting 31 items was used. It carried out t-test, factor analyses and Cronbach's alpha.	The results of the study concluded existence of difference among the nations. And the dimensions of quality showed that effectiveness, price (besides Greece) and reliability were the main elements which create perception of received service quality by the consumers.	Current study has taken service quality as independent variable which would impact customer loyalty. Comparing both studies, it shows there is significant impact by service quality on the consumer loyalty.
Rathi N., & Devan S. / 2016 / Journal of Research in Business and Management	Customer Retention Strategies Used By Banks	Independent: Service of bank, information, services through e-medium, location, financial requirements, suitable financial policies, trustworthiness,	It observes the strategies and techniques which are used by banks today for retaining their customers. Study had prepared its own questionnaire which was used for finding out the opinions of the customers and one-on-one interviews were carried with the officials of the banks. It used mean, standard deviation, T-test and	Results show a strong relationship between service quality and customer retention. Also it found that different banks have been using the same strategies for retention of the customers. Another finding was that service and quality provided by the	Current study has also attained similar results showing that customer loyalty is important for the banks to retain customers and to make them loyal customers. Current study used reputation, trust, and service

		quality of service, advertisement, unique services, competitive advantage, relationship, complaint handling system, image of bank. Dependent: Customer Retention	correlation for carrying out the analysis.	banks were also vital factors which helped with customer retention.	quality. These variables have been used in this study and shows positive impact towards customer loyalty and retention.
Msoka C., & Msoka E. / 2014 / Journal of Finance and Bank Management	Determinants of Customer Retention in Commercial Banks in Tanzania		The study developed objectives associated to variables: customer service, quality by banks, pricing, services and customer satisfaction. It observed the factors for customer retention in banks. Independent: Expectations, attribute performance. Intervening variables: positive/negative affect, attribution, equity/inequity. Dependent: Satisfaction.	It also found that responsiveness plays an important role in the satisfaction of the customers. The overall findings showed that, customer service indicators of responsiveness and reliability had strong connection with customer service on satisfaction of customers.	Current study used service quality, trust, and reputation which relate to the variables used in this study indirectly. The results of both studies have one thing in common that both bring satisfaction to the consumers and turn them to loyal customers.
Rorio E. / 2015 / International Journal of Research in Management and Business Studies	Factors Influencing Customer Loyalty in The Banking Sector A Case of Commercial Banks in Mombasa Kenya	Independent: Quality of Services, Customer Loyalty-related benefits, Customer-loyalty related policies, Customer Loyalty-related challengers Dependent: Customer Loyalty	Aim of the study was to uncover the factors which impact consumers' loyalty towards banks. The main objectives were to find out how service quality impacts the loyalty of customers of a bank. And the challenges which are faced by banks to create loyal customers. Also to find out the benefits of having loyal customers. Study applied quantitative methodology.	In conclusion, the authors found that there is a great impact of service quality in attaining loyal customers. And that in order to do that, employees of the bank need to be fully involved in the process.	Current study also concluded that service quality has significant impact on the consumer loyalty.
Andreassen T. / 1994 / International Journal of Public	Satisfaction, Loyalty and Reputation as Indicators of Customer	Independent: satisfaction, loyalty, reputation.	The study went over the constructs of satisfaction, loyalty and reputation to see how it helps the companies to build their	The results indicated that both satisfaction and reputation acted as one towards the customer orientation.	Current study used reputation, trust, and service quality. Comparing both

Sector Management	Orientation in the Public Sector	Dependent: Customer orientation	reputation and retain the current customers. For its data collection, there is a questionnaire prepared which uses 5-point Likert scale. It's sample size consisted of 12 in-depth interviews, and the questionnaire contained 30 items which were carried out via telephone to 100 executives of businesses.	But loyalty of a consumer depending on supplier of the service, and on the business's conditions.	studies it can be said that reputation in both studies has proven to have positive relations with customer loyalty.
Skowron L., & Kristensen K. / 2012 / The TQM Journal Emerald Insight	The impact of the recent banking crisis on customer loyalty in the banking sector: Developing versus developed countries	Independent: perceived value, satisfaction. Moderating: Image, expectation, product quality, service quality. Dependent: customer loyalty	Study sets out to answer questions which are: how does the loyalty of a customer changes towards a bank? And does it vary between developing and developed nations? Methodology: Study used 10-point Likert Scale in its questionnaires. Also focus group interviews were carried, and one-on-one interviews were conducted.	Study concludes that: customer satisfaction is connected with the image of the bank. Loyalty is highly driven by image and less by expectations. And that loyalty changes depending on the quality which is delivered to the consumers.	Both studies come to conclude that service quality is an important factor which impacts the customer loyalty. Along with that other factors of both studies indirectly relate with each other.

Table 3 below shows the main articles through the literature review was conducted. It shows the Author's name with the publication year, topic of the study, methodology used, what was observed in the study and the findings of the study.

Table 3 - Main articles used for study's literature review

Author / Date	Topic	Methodology	Observations	Findings (Results)
Boulding W., Kalra A., Staelin R., & Zeithaml V. / 1993	A Dynamic Process Model of Service Quality: From Expectations to Behavioral Intentions	Survey based / Developed a model	Study is based on a model which was proposed by the study. It was tested in longitudinal laboratory experiment.	Results showed that the proposed model which consisted of five determinants (Reliability, responsiveness, assurance, empathy, and tangibles) influence the service quality but reliability is the primary driver of quality perceptions.
Herbig P., Milewicz J., & Golden J. / 1993	A Model of Reputation Building and Destruction	Experiment based / Market simulation was used	The study observed how a company makes its strategies and decisions depending on the previous decisions made by its competitor.	The results of the study show that the proposed model of competitive credibility tends to work. It showed that the implication is a firm's reputation and subsequent credibility are the result of the continuous process of credibility transactions.

			Study makes use two variables: reputation and credibility.	
Ali R., Leifu G., & Rehman R. / 2014	Factors Influencing Customer Loyalty of Banking Industry: Empirical Evidence from Pakistan	Quantitative / Questionnaire used for data collection	Sample size of 645. The study distributed the questionnaire among customers of different banks	Loyalty, service quality, trust and reputation were associated as factors which impact the consumer loyalty towards banks.
Wong A., & Sohal A. / 2002	An examination of the relationship between trust, commitment and relationship quality	Survey based / Quantitative	Study used 1,261 sample size. It carried out the study from the perspective of a consumer. It observed the relationship at two levels between the salesperson and the store. It examined how trust and commitment play an important role in making a relationship.	Results showed that salesperson of a firm plays a vital role in developing and maintaining the relationship.
Churchil G., & Surprenant C. / 2013	An Investigation into the Determinants of Customer Satisfaction	Experiment based / multiple measurement scales for each construct. It used two types of products which are durable and non-durable goods. Experiments were three levels.	It observed disconfirmation as an intervening variable affecting satisfaction, or whether the effect of disconfirmation is adequately captured by expectation and perceived performance.	Effects for both of the products are different. For non-durable good, the relationships are typically hypothesized. For durable goods, neither the disconfirmation experience nor subjects' initial expectations affected subjects' satisfaction with it.
Cronin J., Brady M., & Hult T. / 2000	Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments	Quantitative approach / data was gathered via interviews. Study investigated six service industries (Spectator sports, participation sports, entertainment, health care, long distance carriers & Fast Food) with different samples.	The study synthesizes and builds on the efforts to conceptualize the effects of quality, satisfaction, and value on consumers' behavioral intentions. It assesses the relationships between identified constructs across multiple service industries.	The results show that according to the empirical data collected, service value, satisfaction, and quality have a direct connect with the behavioral intentions when all variables are taken into consideration together.
Glaveli N., Petridou E., Liassides C., & Spathis C., / 2006	Bank service quality: evidence from five Balkan countries	Quantitative approach / Data collected via survey / six dimensions (effectiveness and assurance, access, price, tangibles, service portfolio and reliability) of service quality were used. Bahia and Nantel scale for measurement.	The study examined the differences among in the perceptions which a consumer might have of quality of service among 5 Balkan nations.	Findings of the study showed that differences and similarities between the countries existed. These differences and similarities were based on the BSQ dimensions of service quality.
Bjork S. / 2015	Corporate customer loyalty within the banking Sector: The case of SEB	Qualitative / Semi- structured interviews	Study aimed to examine the strategies used by marketing departments of banks which try to reach the corporate customer loyalty.	Results showed that the banking sector offers homogenous products and services. It concluded that in order to be known unique banks needed to increase their service quality and reduce the gap between the customer expectations and delivered services.

				This would increase the customer loyalty.
Chun R. / 2005	Corporate reputation: Meaning and measurement	Qualitative / literature review based / it reviewed the past literature and compared it with current literature and cross checked it with literature of linked constructs.	Study observes the reputation of a corporate is impacted. It studies the reputation variables and its impact on the image and identity on the corporate.	Through the study, it was uncovered that the terms are misunderstood and not proper scales are used. And now with proper tools it is possible to find out the relationship between corporate reputation and various variables which are employee and customer satisfaction, and commercial performance.
Bartikowski B., Walsh G., & Beatty S. / 2010	Culture and age as moderators in the corporate reputation and loyalty relationship	Quantitative approach / Online survey was carried out. Survey was sent to volunteers which were qualified which had made use of fast food and/or retailing.	Study examines how culture and relationship age act as moderators in measuring the relationship among customer-based corporate reputation and loyalty of a consumer. It used data from three nations which are U.S., U.K. and France.	Results of the study show that customer-based corporate reputation has same impact on affective and intentional loyalty in all the nations. Nevertheless, in France, culture relates with relationship age. Whereas, in U.K. and U.S. relationship suppresses CBR's impact.
Rathi N., & Devan S. / 2016	Customer Retention Strategies Used By Banks	Mix approach: Quantitative / Qualitative. Survey / interview. 360 questionnaires to customers and interviews were carried out with bank officials. Proportionate sampling was used for data collection.	Study examines the main strategies known for customer retention that are in use by banks in today's market.	According to the results of the study, there were no significant differences among the different customer retention strategies implemented by the banks. Results also showed that in today's competitive environment customers are smarter and are technologically aware to attain their services and financial needs via electronic services which are provided to them by number of banks.
Dekimpe M., Steenkamp J., Mellens M., & Abeele P. / 1997	Decline and variability in brand loyalty	Quantitative method / Survey based	Study observed how behavior of brand loyalty changes over a long period of time for a number of brands. The study used 21 consumer packaged goods categories.	Study found that it is not as believed that brand loyalty over time has been losing its ground. At the same time, it found that short-term brand loyalty is still present, yet no evidence was uncovered to show increase in it over time. Along with the other findings, the study found that brands which have a larger share of the market seem to have higher brand loyal customers than of brands which have smaller share.
Omoruyi T., & Rembielak G. / 2015	Determinants of Customer Retention and Loyalty in the Nigerian Banking Sector.	Mix approach. Qualitative & Quantitative. Questionnaire based on five point Likert scale. 100 sample size. Semi-Structured interviews were conducted with marketing directors of the banks.	Study has investigated the elements which impact the customer retention and customer loyalty in Nigerian Banks. It used the following variables to carry out the study: perceived service quality, satisfaction, and customer expectations.	According to the results of the study, when determining the loyalty of the customers, expectations of customer satisfaction, brand image, perceived quality play a major role. Other factors which were uncovered by the study that impact customer loyalty towards the banks are location, interest rates and various other products. Study concluded that in the banking sector of Nigeria relationship marketing plays an important role for retaining customers.

Hong S., & Yang S. / 2009	Effects of Reputation, Relational Satisfaction, and Customer–Company Identification on Positive Word-of-Mouth Intentions	Quantitative approach / Survey based. Targeted Sample size 588. 416 surveys returned filled.	Research observed how consumer's positive word-of-mouth is impacted by the reputation and relational satisfaction of the organization. Along with that it observed how customer-company identification plays a mediating role in positive word-of-mouth.	According to the results of the study, it is made clear that customers' positive word-of-mouth intentions can be predicted through the organization's reputation and relational satisfaction. And that there is a mediating role played by the customer-company identification.
Yavas U., & Yasin M. / 2001	Enhancing organizational performance in banks: a systematic approach	Qualitative study. It went over the literature and presented framework which helps banks in increasing their productivity.	Presented a framework. Study is carried out to show how the proposed framework can be used for increasing productivity, cutting cost, decreasing complaints, and most of all in increasing the satisfaction of the customers.	Results showed the proposed framework did help bankers deal with the issues faced by the bank, to point out the problems.
Duffy D. / 2003	Internal and external factors which affect customer loyalty	Qualitative / literature based	Study tries to find the benefits which companies would have if they were to implement strategies for customer loyalty. Study also tends to find out the nature of brands in contemporary market and how customer relationship is developed in order to lead to loyalty of the consumers.	Study shows that if aim of developing customer loyalty is embedded within the over strategy of the company than there are significant benefits which can be attained. Along with this, there are number of external factors which impact the perfective of consumers towards the company. If a considerable marketing program is applied it can lead to enhanced loyalty, improved retention, and greater share of customers. Also it increases the sales, profits and shareholder value.
Jabnoun N & Al-Tamimi H. / 2003	Measuring perceived service quality at UAE commercial banks	Quantitative methodology. SERVQUAL with 30 items.	Study was carried out to develop measuring scale for perceived quality of banks.	The study proposed that the instrument consists of five dimensions of SERVQUAL but factor analysis resulted in three dimensions which are human skills, tangibles, and empathy.
Bennett R. / 1996	Relationship formation and governance in consumer markets: Transactional analysis versus the behaviorist approach	Qualitative approach / literature review based.	This study has contrasted two widely differing perspectives on the causes and nature of human behavior in the consumer marketing field.	Study concluded that the stimulus/response reward/cost model of firm-customer relationship formation and governance does not provide a satisfactory framework for analyzing or explaining many aspects of relationship marketing.
Andreassen T. / 1994	Satisfaction, Loyalty and Reputation as Indicators of Customer Orientation in the Public Sector	Mix approach. Qualitative and Quantitative methods applied. 12 In-depth interviews carried out to form a questionnaire, 100 executives were given survey via telephone.	The study went over the constructs of satisfaction, loyalty and reputation to see how it helps the companies to build their reputation and retain the current customers.	According to the results of the study, it showed that loyalty was at most impacted by the reputation. That companies which have stronger loyalty bonds with their customer companies might be able to hold the companies to reside in the same location and attract more companies to the region of business. In the public sector, loyalty, customer satisfaction, and reputation is

				very important which impacts the performance of the government.
Aydin S., & Ozer G. / 2004	The analysis of antecedents of customer loyalty in the Turkish mobile telecommunication market	Quantitative methodology. 1662 sample size. Questionnaire based. Data analyzed by structural equation modeling (SEM)	This study was carried out on the Turkish telecommunication industry. It aimed to find the relationship among perceived service quality, corporate image, customer loyalty, customer switching cost, and various other factors which impact the loyalty.	According to the study's results, loyalty of the customers is not fully accounted by the perceived service quality and is not an adequate condition as well for the measurement.
Chaudhuri A., & Holbrook M. / 2001	The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty	Quantitative approach. Survey based. 107 brands.	This study sets out to examine brand loyalty of consumers from two different aspects: purchase loyalty and the attitudinal loyalty. These two variables are used as the linking moderating variables in chain effects from brand trust and brand effect to performance.	Results of the study indicate that if the brand and product level variables are controlled, for, brand affect and trust, together are able to determine the purchase and attitudinal loyalty. Once the purchase loyalty is attained, it leads to increase in market share, and the attitudinal loyalty helps the company to attain higher relative price for the brand.

2.1.Consumer Buying Behavior

Consumer buying behavior is one of the most complicated and most important for any type of organizations around the world. Some organizations are in need of it more than others. When the competition of any organization increases the need for studying the buying behavior of the consumers becomes more and more important. If any organization wants the consumers to buy their products, to retain the customer or to even know what the consumers think of their brand/products/services they must know how the consumer behaves. Banking industry has started to face increase in the competition as more and more banks have started to open which offer a diverse range of services to their customers and increased quality in the services as well.

Consumer buying behavior by itself is the biggest and most complicated part of marketing. It consists of several stages which take place while the consumers' purchase process takes place which are described briefly below (Cooper, 2014):

- *Activation*: First stage is the beginning stage which helps to reel in the consumer. If done properly consumers' needs and wants are met, it is done by having to market your product/service properly. Through this the consumers become aware of the existence of the company.
- *Nomination*: In this stage the consumer goes through the available choices and evaluate them according to their needs.
- *Investigation and Decision*: Here the consumer will do proper research on the available products/services and see which one fits their needs and make the purchase.
- *Retention*: The consumer consumes the product/service and evaluates whether to purchase the product/service in the future or to move on to choices which they were offered.
- *Recommendation*: In the last stage, if the consumer is satisfied with the product/service which they have consumed, then they will recommend others to purchase it but if they did not like it, they will recommend not to purchase it.

Consumer buying behavior has become one of the hottest topics among the researchers and marketers themselves due to its importance for any type of organization. Marketers who have the knowledge of consumer behavior have the upper hand in marketing. The organizations can take advantage by applying this knowledge because it gives them the ability to see how the consumers make the decisions while making a purchase (Gabbott & Hogg, 1998). Through the knowledge of consumer buying behavior they are able to know how the consumer feels while they see or use a product/service. Having the knowledge gives them the advantage and power of understanding of how a consumer might feel, think and make their decision on selecting from a range of products and services, how a consumer selects a certain brand over the rest, and most importantly it gives them the knowledge of knowing how demographic factors influence their buying behavior (Engel, et al., 1990). Number of demographical factors which influence the buying behavior of the consumer are not in control of the marketer yet there are certain factors which the

marketers can control and take advantage of in order to make the consumer behave in a certain way. According to Solomon (1995) consumer buying behavior is “the process involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.” There is no doubt that consumers are the only and single reason for which the businesses are surviving today, if the consumers are to turn away from a brand and go to another (competitor) than it will cause the first brand to eventually close down. There is no business without consumers, this is why it is important to understand the consumers and what their needs are.

2.1.1. Definitions

Researchers over time have given various definitions to the term. For this we will break down the term in two and define what is defined as a consumer and then define consumer behavior.

Consumer – According to Blackwell et al. (2006), consumer is “anyone who purchases goods and services from a shop for his or her personal use, or it can be defined as someone who consumes the goods and services as they are purchased.” In other words, we can define consumer as the end user of the product or service which was purchased either by them or by someone else. Kotler & Armstrong (2001) defined it simply as “consumers are purchasers of goods and services for immediate use and consumption.” Basically, it is the both the purchaser or the consumer who uses the product.

Consumer Behavior – Behavior is one of the most complicated acts to be thought of before it takes place. It is most very difficult for one to know what someone is thinking, what do they want, need, how they feel the taste of a certain product and their perspective and this is what makes each and every consumer unique and unpredictable in their own way (Elliot & Cameron, 1994). Without a doubt consumer have power over the businesses today because due to great number of businesses offering the same services if any of the brand which the consumer currently consumes makes a mistake or offers low quality than expected than the consumer would change their brand right away without any notice. This

also applies to the banking industry as it is one of the most important for the consumers as they keep all of their finances in the bank they make sure that their bank provides them with the best services out there in the market. Due to consumer buying behavior being one of the vital parts of the marketing strategy throughout the business world, there is a psychological war between businesses (De Mooij, 2004). It is the job of marketers to study how the consumers act or react to certain actions. They must study the factors which influence the consumer, so they can influence them through those factors. This area of study is not easy or simple as the behavior of people changes time to time and depending on a certain situation it might change suddenly; this is why it is one of the most complicated area of study.

2.1.2. Factors impacting Consumer Buying Behavior

As consumer Buying behavior is sophisticated to study, there are great number of factors which impact's consumers buying behavior. Some of the major factors which play an important role while this process takes place and sets each individual apart from another are culture, social, personal and psychological factors. Figure 1 adopted from work of Kotler (2001) shows the breakdown of the factors:

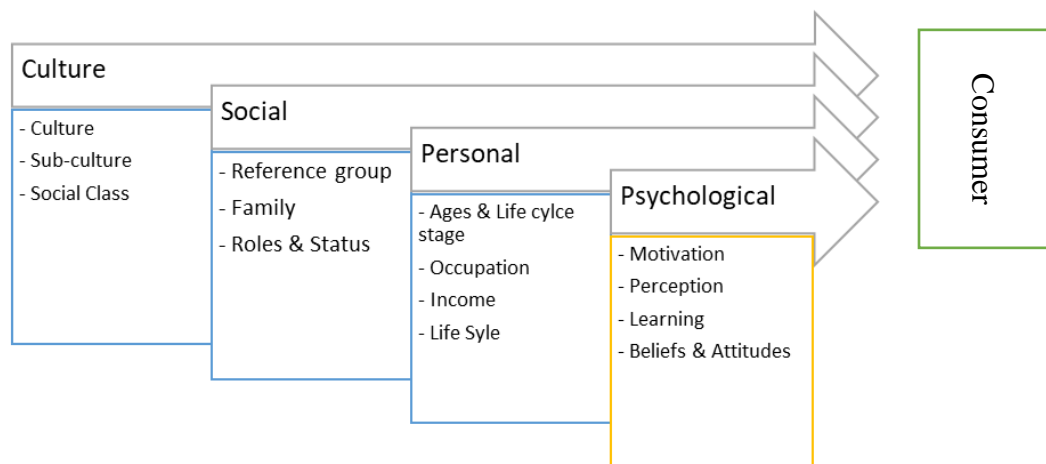


Figure 1: Influencers of Consumer Buying Behavior (Kotler, 2001)

As each individual makes their decision on purchasing a certain product or service factors mentioned above influence how they do so. These factors are described briefly below.

1.1.1.1.Cultural Factors

Culture – Culture has one a great influence on the buying behavior of the consumers as it is what one learns from the beginning. As Armstrong (1991) describes it as “a set of values learned through one’s family, the society which they live in, from the surrounding community and people, and from the educational institutes.”

Sub-Culture – sub-cultures are known as the small groups which are within the umbrella of the main culture. These groups can be described as the different racial groups, living styles, nationalities, geographic regions and religious groups (Wood, 2005).

Social Class – It is known as the small groups which the people of a society define and divide them into classes. They are categorized according to the life style which the group might share among its members. The members of the class might share same interests, values and behavior (Wood, 2005). Main factors which put certain people within a same social class are the occupation of the members, their income level, education level, their wealth which they might possess and several other variables. Mostly all over the world the classes are categorized from high to low.

1.1.1.2.Social Factors

Reference Groups – When the matter of achieving a task comes in of any type, when there are either two or more people involved when one is influenced in completing a goal these people who are the influences become reference group. According to Suleiman (2000) “one’s behavior is a result of interaction with groups and these groups become reference

groups as they influence an individual's in making decisions.” The reference groups are can be any member of the society for example friends, family, religious group, schoolmates, colleagues etc.

Family – As soon an individual's birth takes place, they learn everything through their family, how to eat, talk, walk, consumer etc. The family of the individual becomes the first who influences them, and they are the ones who teach them how to behave, through them they learn what to purchase (Keegan et al., 1992).

Roles & Status – this certain part of the social factor defines one's position and role in the social class or group to which they belong. And this role of the individual has an impact on their behavior as in how they think and act (Keegan et al., 1992). Status of an individual also influences the way they behavior and how they behave while buying goods and services.

1.1.1.3. Personal Factors

Age and life cycle state – This certain factor has impact on the person's buying behavior as they age. As the person grows older there comes a change in their thinking, choices, and consumption. They start to either change brands or try new brands (Abo Ahmad, 2004).

Occupation – It influences the choices which the individual makes towards their consumption of goods and services (Hasslinger et al., 2007). This influence takes place according to the occupation in which the individual works, as their status changes in the occupation their thinking and behavior towards buying behavior as well.

Income – Income of an individual is one of the most important and influencing factor which can change the consumption of an individual. If the individual's income level is high than they would be able to afford more

luxurious and prestigious brands but if the level is low than they would think of saving money and consuming cheaper brands which would be within their budgets (Abo Ahmad, 2004).

Life Style – This factor has a certain influence on the buying behavior of the individual. It forces an individual to purchase certain brands, products and services which would show their life style (Brosekhan & Muthu, 2013).

1.1.1.4. Psychological Factors

Motivation – motivation would drive an individual to fulfill their needs. Motivation of a person is something while arises from the inside or could also be delivered by another individual (Barak & Gould, 1985). One is able to motivate another person or themselves by turning their wants into needs. Other individuals can motivate an individual to purchase a certain product which they did not intend on purchasing.

Perception – Perception of an individual is the outcome in form of an idea, understanding of a certain product when one looks at it for the first time, or from the experience from the past, and from knowledge which they possess either related to the product or not. Once this knowledge is used, it is interpreted into perception (Gupta, 1988).

Learning – Human beings never stop learning. This factor also plays an important role in influencing the buying behavior of an individual. One is able to learn from everything which takes place in an individual's daily life. As an action is performed there is a reaction to it, the individual learns from the reaction. Just like that as the individual tries a product or service they gain knowledge about them and learn from the experience (Stavkova et al., 2008).

Beliefs and Attitudes – Beliefs of a society or culture impact the individuals strongly. If a society prohibits certain products than those products will never be consumer by a consumer as they believe that they are prohibited (Sulieman, 2000).

2.2. Brand Loyalty

When it comes to purchasing a certain brand over a period of time, the question of brand loyalty comes in. Marketing is an art which thrives for bringing in consumers to buy a certain product or service of a brand. There are strategies which are developed by marketers which target consumers to purchase the product or services over and over again and not changing their brand (Day, 1969). As the business world has taken over the world with a great pace, brands from one nation can be found in every part of the world or at least have knowledge of them. Some of the world's well-known brands are known in every single country and people of the nation even without having to consume the product or service of those brands have great knowledge of them. Through marketing brands have been able to set a certain image in the minds of the consumers which is very difficult to change or to be forgotten about. Brand loyalty by itself is something which does not happen overnight, it is a time-consuming process and can take years for one consumer to become loyal to a certain brand and there lay number of factors which influence an individual to become loyal. These factors are able to build a bond between the brand and the consumer which is difficult to break, and one of the factors which plays an important role in loyalty is the experience which the brand delivers to the consumer (Reichheld and Schefter, 2000). Even in the banking industry, when it comes to loyalty the brand (bank) must deliver the best experience to their consumer which they cannot get from other banks.

2.2.1. Brand Loyalty and its Dimensions

There are several factors (dimensions) which play an important role in the consumers' loyalty towards a certain brand. The following dimensions are the main dimensions which are given in the literature of brand loyalty. For this study, the names of the dimensions

have been changed to show the loyalty of the consumers towards their bank's brand. Functional Benefit has been renamed to Service Quality, Brand Trust has been changed to Consumer Trust, and Brand Symbolism has been changed to Bank's Reputation. Total of five dimensions are briefly explained as follow:

2.2.1.1.Functional Benefits

There are the benefits that the individual consumer gets from the product (Sheth & Whan, 1974). Throughout the history of human beings, products have been purchased for the functional benefits they offer to its consumers, if the product offers greater functional benefit than its competitor than the consumer is more likely to become loyal to that certain product's brand (Green & Jain, 1972). One example is of the Apple Corporation whose MacBook Computers have been a great supplier of number of functions to the consumers. Their computers offer number of functions students, professionals and for industries. And due to providing such great functions Apple is able to capture and attract number of consumers towards them and offer them their other products as well and this results in brand loyalty (Knox & Walker, 2001).

2.2.1.2.Price Consciousness

Brand Loyalty's price consciousness dimension emphasizes on the price which is put on the product which the producers are willing to pay for a certain product offered by a brand. Consumers want to pay the minimum price possible for a product (Lichtenstein et al., 1990). This dimension is concerned with the consumers who always tend to look for products with lowest price, the price they pay is more important than the time which they spent on looking for the product (Monroe, 1990). On the other hand, there are consumers which do not give much importance to the price of the product but rather save their time.

2.2.1.3.Brand Trust

Brand trust dimension emphasizes on creating a relationship between the brand and its consumers. This relationship comes into existence as the bond of trust between the consumer and the brand is created (Sheth & Paravatiyar, 1995). Chaudhuri and Holbrook (2001) defined brand trust as “the readiness of the consumer to depend on and to trust the brand on delivering what is promised by the brand.” Brand Trust relationship between the brand and the consumer is established as the consumer is satisfied with the product and is delivered what is promised by the brand to the consumer. A great example for this are the Japanese automobile brands such as Honda, Toyota, Mazda, etc. These brands are able to offer long lasting cars to the consumers in USA and due to this, consumers in USA trust Japanese cars more than local brands.

2.2.1.4.Brand Symbolism

This dimension is one of the dimensions which the consumers tend to get involved with at a great level due to the self-satisfaction which it brings even if the brand does not deliver the functional benefit to the consumer but having to consume the product shows the reflation of the brand on its consumer. Consumers tend to buy expensive brands or well-known brands to show they belong in a certain group or to satisfy themselves psychologically (O’Cass and Frost, 2002). Such psychological needs of a human being cannot be fulfilled via other things and it gives them the feeling of belonging to a high class even if they do not belong in it due to other factors (Eastman et al., 1999). Brands today and in the past were able to help individuals make and break their personalities. Great example would be of Dolce and Gabana which is considered as a brand of elite class,

and individuals from around the world love to wear the knock-off of this brand in order to feel the belonging to the elite class.

2.2.1.5. Genetic Influence

Genetic influence refers to the reference groups that are the individual consumers' own family, friends, colleagues etc. But mostly this dimension emphasizes on the family as it is the one reference group through which the individuals are influenced in their youth. According to Olsen (1993), when it comes to one's loyalty towards a brand the lineage of the individual consumer has a great influence on their buying behavior. Consumers tend to purchase the products from same brands as their parents or grandparents did (Carlson, 1990). Their family can greatly impact the way one defines certain values of a brand and this can result into brand loyalty.

2.3. Customer Loyalty Concept

Loyalty of a consumer is one of the most important aspect for any business in today's business world. It could help any of the businesses out there to be more successful. As there are more and more businesses coming up in the world, it is increasing the competition in the market and making it difficult for the businesses to survive in today's harsh business environment. Oliver (1997) defined the concept of loyalty as a process where the consumer is committed on buying the preferred good or service over and over again, which causes a repetitive purchasing behavior. Despite any blocking influencers either internal or external. Jacoby and Kyner (1973) in their paper have proposed six conditions which are to be met in order for the loyalty of a consumer to exist. The conditions are:

1. prejudiced;
2. behavioral reaction (purchase);
3. takes place over a certain amount of time;

4. having a unit for decision making;
5. existence of number of different brands; and
6. existence of a decision process which is psychological.

There are several loyalty models proposed by number of researchers based on the Oliver's loyalty concept:

1. Quality models of consumer loyalty have been proposed from the literature of service quality which looks upon the relationships among satisfaction, quality of service, and intentions related to individual's behavior. Number of these models of quality have argued that quality of a service is only able to influence loyalty if there is satisfaction and value received by the consumer (Patterson and Spreng, 1997; Woodruff, 1997). On the other hand, several models argue that the quality itself is the direct influencer of loyalty of individual customer (Zeithaml et al., 1996; Parasuraman et al., 1991).
2. Number of researchers have proposed models based on the literature of service and value. Such models proposed that value obtained from the attainment of goods or services influences directly the customer's loyalty, and these models put satisfaction and service quality as forerunners of value that one obtains from the consumption of the product/service (Sweeney et al., 1999; Gale, 1994).
3. Researchers have proposed that loyalty of a consumer is influenced linked directly through the satisfaction which they attained through the consumption of product/services. And they propose that the services quality and value attained are the precursors to satisfaction (Spreng et al., 1990; Anderson and Fornell, 1994). The consumers' loyalty is directly impacted by the satisfaction which an individual consumer gets from the product/service consumption (Hallowell, 1996; Fornell et al., 1996; Anderson and Fornell, 1993).
4. An integrated model of consumer loyalty was proposed by Oh (1999), this model proposes that perception which a consumer has of service quality, value, satisfaction and their intentions on purchasing product/service of a certain brand

have an impact on their loyalty towards the brand. And that the value is obtained directly through the satisfaction and intention of repurchasing the product/service of the valued brand.

Studies mentioned above emphasized on the variables service quality, value, satisfaction and the intention. These studies had shown that one of the mentioned variables had a direct impact on the loyalty of the consumer. Yet there are number of studies which proposed that the mentioned variables do not directly impact the consumer loyalty but are important variables when it comes to influencing the loyalty of a consumer (Cronin et al, 2000; Salegna and Goodwin, 2005; Fornell et al., 1996). It can be seen that different scholars have different perspectives of what loyalty is and how they believe that loyalty of a consumer can be derived from various different variables.

2.3.1. Definitions

As there are different perspectives of how the loyalty of consumer comes into play towards a certain brand, there are several definitions which are given to this concept as well. One of the definition which is given in the book “The Intuitive Customer” by Shaw & Hamilton (2016) describe that loyalty of a consumer towards a brand or an organization is having positive emotions for it, positive experience, satisfaction, and value attained as perceived., this definition gives the essence of the loyalty concept as the positive result which is obtained through consumption of a product or service. As defined by Cunningham (1956) customer loyalty is basically the purchases made over a certain time period either by an individual or a household.

2.3.1.1. Conceptualization of Customer Loyalty

The concept of loyalty initially entered the marketing discipline as the loyalty towards the products which are tangible goods (Day, 1969; Tucker;1964). And over the time how one percepts this concept has become more complicated and the researchers proposed various scales for

the measurement tools for the loyalty of a consumer (Jones & Taylor, 2007). Researchers who have studied the concept of loyalty viewed this concept from multi-dimensions, yet there still stands a debate on the number of dimensions this concept has or could be measured through. Reichheld (2003) argues that the variable “willingness to recommend” is the only variable which is able to measure the loyalty concept. Whereas Chitty, Ward & Chua (2007) argue that the concept of loyalty is multi-dimensional, where they point out that the repetitive purchase takes place due to the behavioral loyalty and attitudinal behavior of the individual impacts the affective and cognitive aspects of the loyalty. As seen initially the loyalty was studied through the behavioral aspect and not from the other factors of the customer (Tranberg & Hansen, 1986; Tucker, 1964). The behavioral approach to the loyalty of a consumer is studied by studying the different behaviors an individual consumer shows while deciding on repurchasing a product or a service from a certain brand. Psychological and Marketing literature both have shown that the behavioral loyalty of a consumer is measured via intentions on repurchasing, intentions of switching to another brand, and exclusively, the intention of actually purchasing the product or service from the brand (Jones & Taylor, 2007).

Another approach which has been studied is of individual consumer’s attitude. This approach includes both the emotional and psychological aspects which are essential to loyalty. It is argued that the attitudinal perspective of an individual shows reflection of loyalty, engagement, and allegiance of the individual’s personality. An example of this would be of an individual who likes a computer brand and recommends others to purchase it but him/herself does not purchase it because it is expensive for them. This factor known as attitude loyalty is difficult to build through basic marketing practices. Kumar & Shah (2004) argued, that over a certain period of time there must be a positive relationship and attitude built

towards the brand by the customers. Nevertheless, commitment plays a vital role in the attitudinal loyalty of an individual consumer as Erstad (2001) described that commitment which an individual customer puts into the brand is evaluated by themselves and it shows the way they consumer products or services, and this commitment builds an ongoing relationship between them. Commitment which would be effective to keep a relationship between the consumer and the brand would take place if the consumer believes that there is value in that relationship (Morgan & Hunt, 1994). According to Petrick (2002), commitment is the psychological bond which an individual customer has established with the brand or with their products that creates an emotional bond between them. Therefore, the emotional or psychological attachment which a consumer has towards the brand can turn into a very strong loyalty which is based on their attitude (Dick & Basu, 1994). It has also been pointed out that affective commitment turns to loyalty which a consumer has towards the brand simply because the consumer wants to be loyal to the brand.

2.3.1.2. Major Determinant of Loyalty

For a long period, the conceptualization of loyalty has been as the one mentioned above, it has been greatly helpful for the marketers and has been used to produce fruitful results towards the development of customer loyalty in the business world. Whatsoever, there stands criticism towards these conceptualizations (Cronin & Taylor, 1992; Cronin et al., 2000; Smith and Wheeler, 2002; Salenga and Goodwin, 2005). The criticism which has risen is towards rejection of any new variables as the determinants of loyalty, variables which previously have been accepted are value, quality and satisfaction. Yet the criticism stands are that there could be new variables which could be helpful in building the loyal relationship between the consumer and brand. One of the critics has pointed out that

customer experience is one of the key variable which effects an individual's loyalty towards a brand. Agreeing with this Smith and Wheeler (2002), along with them number of other researchers have argued that as the contemporary we are in the age where the experience is given a great importance, it is important that a brand must deliver "branded customer experience." Through the study of literature in relationship management and brand, it is clear that they give importance and keep customer experience as one of the key variables in the loyalty-building process. It does not matter either if the customer is purchasing a product or a service, the experience which they attain from the usage of it plays a vital role in the loyalty building process; therefore, it is clear that experience gained from a product or service is a key factor in building loyal customers.

2.3.2. Customer Value Concept

In contemporary literature, "value" has been mentioned in numerous diverse contexts which relate to business, economics, marketing, pricing, and several other areas (Normann, 2001; Wikstrom & Normann, 1994). Customer value has a great impact on retaining of the customers and attracting them towards a business. It has become one of the most important part of any business in both the manufacturing industries and in services (Woodruff, 1997). As the competition in the business world has increased in the past years, businesses have started to put great importance on developing and providing value to the customers because it is the only way through which they are able to either attract new customers or retain the old ones (Gale, 1994; Woodruff, 1997). Researchers have suggested the businesses out there to increase their emphasis on the customer values due to the increased competition, increased technology, and development in the business world and mostly due to the information which the consumers are able to attain from the internet. There is a vast research which exists on the concept of value, yet the concept is still unclear. It might be understood in three different ways (Huber et al., 2001):

1. The customer's value to a business which might be calculated through the benefits they get from the customer being loyal to them;
2. it could be the actual personal value of the customer;
3. or the value which the customer receives from the consumption of a product or a service of a certain brand.

Even though there the research related to customer value has delivered a great amount of knowledge to this concept, yet there still is need for the understanding of the dimensions of value and even a definition which could be used as a universal definition (Patterson et al., 1997; Lapierre, 2000; Wang et al., 2004).

2.3.2.1. Customer Value measures

Initially the concept of customer value had come into the academia as the term which was only studied in the context of quality and price, nevertheless, as the business arena has expanded, customers are being given greater options to choose from, the prices of products are ranging from lowest to highest, it has become a great deal to study the customer value from a different point of view. Now new ways of creating the value for a customer are being developed. Sheth et al. (1991) has proposed five dimensions which they believe value is composed of – emotional, functional, epistemic, social, and conditional. Whereas, Sweeney and Soutar (2001) have taken value and split it into two elements – price and quality – which they called “PERVAL” model. This model excluded the conditional value and epistemic value as they did not consider them importance.

Number of researcher have faced a great deal of difficulty in defining the term (Percy & Morgan, 1997; Woodruff, 1997). This difficulty is being created due to the conceptual changes in the customer value, time to time the concept changes and evolves into a new concept which is totally different from the one before (Naumann, 1995). Managers believe that if they were to increase the level of value which they deliver to the customers that are highly valued than it would automatically increase business's value in eyes of customers (Slyworky, 1996). According to Webster (1994) the value of a product or service is not

determined by the company which supply's it but rather by the consumer of it, or as Doyle (1989) mentions that the value of a product is the outcome that is attained by the customer and not what business has put into the product or service.

A model developed by Kane (1985) is shown below in the Figure 3. This model has split value into several elements – dissatisfiers (must be), satisfiers (more or better), and delighters (exciters) and the model itself is centered on the disconfirmation model which is used mainly in the consumer behavior literature (Oliver, 1997; Rust and Oliver, 2000).

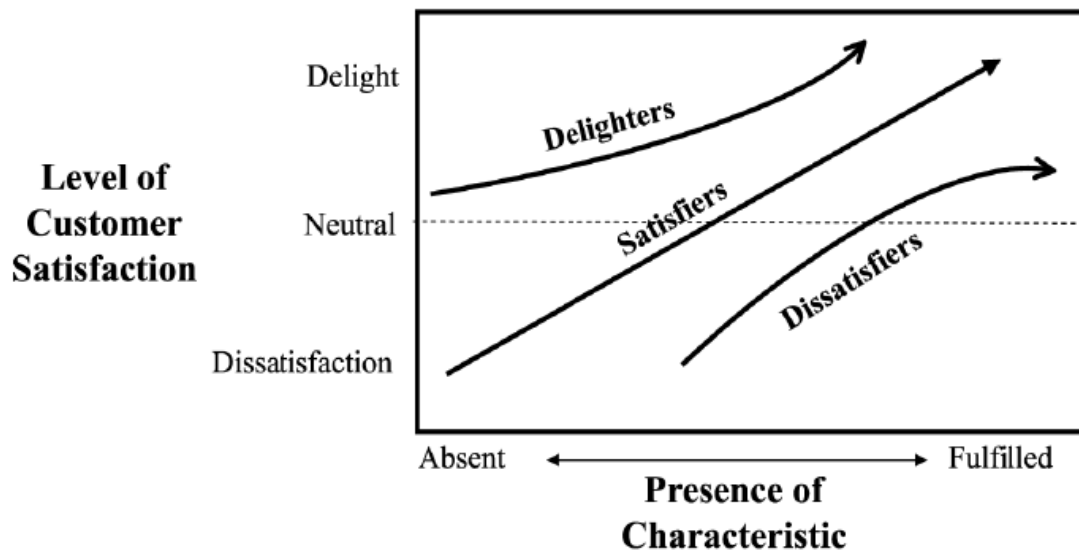


Figure 2 - Value Model (Kane, 1985)

Three values of the model are described as (Thompson, 1998):

1. Dissatisfiers – this element is described as qualities or characteristics of a product or service which are taken for granted as expectations by the customer. If the expected qualities and characteristics are present in the product or service than it provides satisfaction but it they are missing than it would cause dissatisfaction

2. Satisfiers – this element is described as qualities which are mostly related to the performance of the product. These are the qualities which are demanded by the consumers.
3. Delighters – this element denotes the qualities and characteristics which are unique, new, or novel. These are unexpected and come as a surprise to the consumer. These qualities or characteristics could include any type of innovation, new features which the consumer had not expected but came as a surprise and satisfies hidden needs of the consumer.

According to Huber et al. (2001), that the main issue is the price which a consumer has to pay in order to obtain the perceived benefit and this is how the perceived customer value of a good or service is assessed. If the customer believes that the benefit which they attain from getting a loan from a bank is much more than the cost (interest) they pay for it, than they value delivered to them is either as expected or over their expectations and as well as perceived value.

2.3.2.2. Customer Value Relation to Customer Experiences and Loyalty

There is no doubt that the value delivered to the consumer impacts their loyalty towards a brand. The value which one attains from a certain service also adds on to their experience of the service, and it impacts their decision on becoming loyal to the brand. As Lanning (1998) points out that one of the vital problems which is related to the concept of value is the value which is experienced by the consumer and not the value which the producer believes is in the goods or services provided. According to him the vital part of value is in its experience which is attained from consuming the service. The customer perceives the value of a service according to the experience which is offered by one brand and their competitors and this results in experience which is either inferior, equal, or superior to those of the competitor's delivered service. This difference which the customers perceive has a value to the consumers of the service. Lanning (1998) also defined the value concept as the experience which the customer gets through the costs of the service and the cost

that the consumer is prepared to for it. Poulsson and Kale (2004) describes that when it comes to experience, the value is attained through the degree of emotions which develop as the product or service is consumed. Moreover, they pointed out that value which is perceived by the customer must be of great experience that it would be worth what the customer is eager to pay it. Fynes and Lally (2006) in their study described that, the experiences offered by the company must be very special, innovative, and original in order to create the value. From this perspective it can be seen that it is the company which is able to create the experience for the customer in a way which will suit the customer and give them a certain value from that experience. As Smith and Wheeler (2002) stating regarding the brand experience which a brand must deliver to the consumers, that the brands (companies) must carry out full research and know the market segments that would be fruitful for them, the perceived values of the consumers, and how the brand can offer something which can be valued by the consumers. Moreover, they argued that it is possible to attract consumers and to make current customers loyal by having to deliver higher value and experience than what is expected and perceived by the customers. But for a company to achieve this, it must identify its target customers according to the values which they are willing to deliver in order for the customers to value the experience as expected by the company.

2.3.3. Concept of Customer Satisfaction

Satisfaction of a consumer is very important for all the businesses, no matter which market the business targets, it is always a vital part of the business. There is no business in the world which does not look to satisfy its customer. It is an important variable which helps with the expansion and growth, as if one satisfied customer tells another regarding the products or services which they consumed of certain brand, it leads to a growth in the share of market and can lead to loyalty of the consumers (Barsky, 1992). Hence, it becomes very important for the marketing managers to make assure that they can satisfy the customers. When it comes to businesses in the service sector it is more valuable than for those of offering products to their consumers. Businesses have taken customer

satisfaction to be a measuring tool for checking the loyalty of their. Bennet and Rundle-Thiele (2004) have argued that only the use of one variable “satisfaction” is not enough, there are number of influencers which impact the behaviors and actions of the consumers and lead to loyalty and must be taken into consideration. In the health sector it is vitally when measuring the future purchase intention of a consumer that the service quality and the satisfaction is taken into consideration (Mc Alexander et al., 1994). Another study showed that the customer satisfaction and quality delivered to them impacts their intentions on recommending the product or service to another consumer (Getty and Thompson, 1994). This means that the customer satisfaction and quality have a substantial association with the loyalty of a consumer. Due to the significant impact on the consumer loyalty (Anderson and Fornell, 1994), satisfaction has been taken into consideration in the marketing literature (Bolton and Drew, 1994; Oliver 1980).

2.3.3.1. Customer Satisfaction and Customer Loyalty

There is an important role played by the satisfaction of customer loyalty. It has received a great amount of attention from the researchers in the Customer Relationship Management (CRM) field (Cronin & Taylor, 1992; Cronin et al., 2000). Bearden and Teel (1983) in their study mentioned that satisfaction which is attained by the consumer by consuming product or service is one of the most important aspect which turns a consumer to purchase selected product/service in repetitive manner, positive WOM, and eventually leading to loyalty. Correlating to them, LaBarbera and Maursky (1983) also shown same response towards the satisfaction, they mentioned the consumer of a product or service of a certain brand in unlikely to change to another brand if their satisfaction level is high with the existing brand. This shows the impact which satisfaction has on the loyalty of the consumers towards a certain brand. Cronin and Taylor (1992) in their study showed a positive link between customer satisfaction and purchase intentions. According to Kandampully and Sahartanto's (2000)

study that was carried out on the loyalty of consumers in hotel industry, that if the consumer will either stay at the hotel again or recommend it to someone, then the services such as reception, housekeeping, meals, and the cost which is paid for them are very vital. Moreover, various other studies have concluded that a little change in the level of customer's satisfaction can lead to loyalty of the consumer (Bowen and Chen, 2001; Olivia et al., 1992). Most of the studies which have been carried out on the customer satisfaction's impact on the customer loyalty have shown positive relationship among them (Cronin et al., 2000; Gronholdt et al., 2000; Reicheld and Sasser, 1990). Nevertheless, there is a small number of studies which show that there is a very little impact of satisfaction on the consumer's loyalty and that other variables played much more important role (Khatibit et al., 2002). Reichheld (1996) has mentioned that satisfaction does play a role in the customer loyalty but it cannot be surely said that it can promise higher loyalty or guarantee it. Which shows that customers who are currently loyal need to be satisfied yet it does not mean that the customers who are satisfied will be loyal.

2.3.3.2. Customer Satisfaction Measures

According to Oliver (1996) customer satisfaction is nothing more than a emotion which is attained after consuming the product or service, and it is either satisfactory if the expectations are met or it is unsatisfactory if the expectations are not met. Similarly, Hunt (1993) said "satisfaction is an evaluation of an emotion" which shows the feeling of a consumer after they have consumed the product/service. Oliver (1989) proposed five models for the measurement of satisfaction. Out of which three of the models proposed were based on the disconfirmation of expectations, and the other two were evaluative models which are the outcomes of non-rational processes. Cronin et al. (2000) developed a model which consisted of

several variables as interest, enjoyment, surprise, and anger. He proposed that these variables are responsible for creating the satisfaction for a consumer as the product or service is consumed. According to Oluruniwo et al. (2006), if a business wants to produce a satisfactory experience for its consumers than it must know what the consumers want or need, and know how to measure the quality of the service provided to them in order to know if the expected and perceived satisfaction is delivered to the consumer.

2.3.4. Interrelationship Between Quality, Value and Satisfaction

As mentioned above there are several variables which play an important role in creating consumer loyalty. Above they were mentioned as how they impact the loyalty as a singular variable, yet quality, value, and satisfaction have a strong bond among them which helps to attain loyalty. If any business is able to deliver all three of the influencers of loyalty to their consumers than the chances of producing loyal customers increases greatly than having to fulfill just one of the influencers. As Rust and Oliver (1994) noted there is a relationship which exists between these three variables and needs to be studied for a company to create increased loyalty among its customers. One of the first studies which had taken on to study the relationship among the three variables was of Bagozzi (1992). It described that the actual behavioral outcomes are obtained via the first experience that a consumer obtains from the service. Most of the research carried out on the topic of relationship among the three variables determined that the service quality which is delivered to the consumer impacts the behavioral intentions indirectly through the other two variables (Anderson and Sullivan, 1993; Gottlieb et al., 1994). Oh (1999) in his study came to conclusion that there was a direct relationship between perceived customer value and satisfaction, and it was influenced mainly by perceived service quality, at the same time there was a positive influence of perceived customer value on the satisfaction and the behavior of repetitive purchase, and this in end has positive impact on WOM referrals. It shows that all three of the variables are interrelated to each other and have impact on each

other in order to produce loyalty. If loyalty of a consumer was to be obtained all three variables were to be taken into consideration or else the loyalty could not be obtained in a well-manner.

2.4.Trust

Trust is one of the keystones in building a relationship between a customer and the brand (business). It shows how an individual customer can rely on the brand to provide them with what is expected to be delivered to them. Trust between a customer and a brand can take place right away when the customer tries the product or it might a while for the trust to be built as it depends on the customer themselves. But the keystone in building a loyal relationship between the two is of trust which could help the customer to purchase the product from the brand at any given time without having to search for information on it and from the brand's side it would be a promise delivered which they had promised to deliver. If the trust among the customer and the brand is broken, then in most cases it ends up in the end of loyal relationship among them. Deutsch (1958) described trust as a belief or confidence which an individual consumer would have on a certain brand, this develops a bond between them and is due to having a confidence that the brand will deliver what it has promised. If an organization is to deliver a product without fulfilling the promise they have made to the customer then it would never be trusted. For a brand to make sure that their product is repurchased by the same consumer, they must deliver what they promise so that it could become trustworthy. Trust is a symbol which shows that we always fulfill the promise we make and what is expected of our products is always delivered without any problems.

2.4.1. Customer Trust and Customer Loyalty

Customer being the consumer of the product has to make the decision on whether the brand has delivered what they expected from them and that their expectations are met by the product or service consumed. Trust is said to be the relation which is able to attach the consumer and the brand. Trust just doesn't involve brand as a whole but rather the

employees of the brand as well, as they are the ones who represent the brand, they are able to make this relationship of trust between the consumer and the brand by having the consumer to trust them. Also there has to be trust relationship between the employees and the brand. According to Leonidou, Tailas & Leonidou (2008) the higher the level of trust will be among organizations, it will help to create and maintain a relationship among them for a long term and will be beneficial for both organizations. From this it could be seen that trust is only valuable for creating a loyal relationship between brand and customers but also between the employees as well. For E-businesses the variable trust holds great importance as they are given the personal information of the consumers and must keep it out of hands of others. Once the e-business is able to provide the security and privacy to user, the trust is built and this leads to long-term relationship among them (Yousafzai, Pallister & Foxall, 2003). The concept of building trust is more valuable for the brand which tend to business to consumer than the ones who do conduct business with other businesses (Wirtz & Lihotzky, 2003). A salesperson working at the cash register at a grocery store can also impact the trust relationship which the consumer can have with the store, the behavior of the salesperson will impact how the consumer will think of the store (brand) (Swan, Bowers, & Richardson, 1999). Effectiveness of sale of a grocery store also has an impact on the trust relationship which a customer might build with the store. The behavior of the salesperson is the vital part in trust building (Pappas & Flaherty, 2008). Just as the teller in bank acts as connection between customer and the bank, their behavior impacts trust relationship between the bank and the customer (Johnson & Grayson, 2005).

Loan officers, teller, managers or any other employees of the bank which come in direct interaction with the customers can have a great impact on trust relationship, it is important that each and every employee of the bank behaves in friendliest and welcoming manner, and deliver the information to the customers as needed so that the trust between them and the bank itself can be built (Bowers & Richardson, 1999; Pappas & Flaherty, 2008). Brands which are highly known among the consumers and have a higher reputation seem to be more trustful to the consumers, this is why brands must market themselves more in order to gain the trust of consumers (Keh & Xie, 2009).

Trust and loyalty seem to have a connection which other variables cannot fill. As Ribbink, Lilijaner & Streukens (2004) in their study mentioned that trust and loyalty are related to each other in a direct manner, and in service industry, the concept of trust takes place between the customer and the provider of the service. Customer trust increases through sale of the products which are placed in a trustworthy location (trusted stores) and is sold by admirable individuals (salespersons) at any given time (Guenzi, Johnson & Castaldo, 2009).

Trust of a consumer towards a brand's product or service leads to consumer loyalty towards them (Ribbink, Lilijaner & Streukens (2004). Even though there are number of variables which play an important role in building consumer loyalty, trust is one of the most vital of all and can lead to loyal relationship if trust is built and if the trust at any time is broken then it can lead to the loyal customer to break this relationship. Studies shown that service quality is a great determinant of loyalty when the transaction takes place offline and perceived value is a great determinant of loyalty when the transaction between the customer and the company takes online (Harris & Goode, 2004). Several studies have observed that trust is much more significant relationship with the loyalty of a consumer than other variables (Rauyruen & Miller, 2007). As the trust between the consumer and the brand increases the chances of the retention increase along with it. As Kandampully & Suhartanto (2000) discussed that success for an organization can easily be obtained once it has attained customers which are loyal to it, and from loyalty the organization can enjoy the fruit of repetitive purchase (retention) which is in shape of an ongoing relationship between customer and the organization. When an organization is preparing its marketing strategies they emphasize on loyalty factor more than any other factor because it is not enough to have a consumer purchase the product or service once but to have them keep coming back to purchase more. Customer loyalty saves time and money both for the customer and for the brand as well. A loyal customer doesn't have to look for another brand to purchase their product or services and a brand doesn't have to do much to retain the customer or to spend lots of money on trying to find as many new customers. According to Duffy (2003) customer loyalty is just a tag given to their

inspiration towards a brand. Loyalty of a consumer is not beneficial or increases the market share of the company. It just facilitates the consumer by having to buy the product which is wanted or needed by them. In other words, it helps the customer to cut the painful search process which they would go through in order to find the right product or service.

2.4.2. Customer Trust and Retention

Customer retention is an important aspect for any type of organization either profitable or non-profit. Banking industry is one of the industries which is in need of customer retention as they basically run on their customer's fund which are deposited in their accounts. Bank being a service provider has to make sure that they provide the best service possible to their customer and satisfy them as the customer expects. Building a trust relationship with the customers for the bank is important because it is the vital factor which leads to retention, and to customer loyalty. In the literature of consumer loyalty, retention has taken the attention of researchers at a great level. Customer retention helps brands to save costs on marketing as they do not have to do as much as they would when the customer wasn't loyal (Ellinger, Daughety & Plair, 1999), but in order to facilitate the customers who are loyal there is a need to satisfy them by delivering them with the promised quality, experience and value (Woisetschlager, Lentz & Evanschitzky, 2011). Customer retention has gained importance both in big organizations and in small due to its long-term benefits. Companies tend to invest great amount of finances in customer retention to make sure that in the long-term this way pay off and as every organization knows short-term customers do not bear the fruit which long-term customers do (Ang & Buttle, 2006). In the literature of customer and retailer relationship, study carried out by Williams & Gerstner (2006) found that by having to add a tag to a product which shows low price guarantee with the money back guarantee promotion at the same time, it increases the chance of repetitive purchase by the consumer. Another study found that the behavior related to retention is one of the important aspect in customer retention, if the consumers have the adequate information on how they can retain with the brand than it makes them to retain much easier than if they did not know regarding retention (Guo, Xiao & Tang, 2009). In order

words, if a brand offers some sort of promotion along with its product or service or future coupon which could be used for the next purchase, then it would make the customer to retain with the brand as they offer future discounts or a way through which the product or service could be attained easier.

2.5.Service Quality

Service Quality is one of the main factors which plays a vital role in attaining consumer loyalty. While there being other factors which also have a role to play in the consumer loyalty, service quality is also an important role that is necessary in order for a consumer to consume or purchase the same product again. No consumer would like to pay for the same goods or services if the quality was not good, as expected, as perceived or satisfactory to them (Gronroos, 2005). When it comes to businesses which provide only service to their consumer without any product (tangibles) involved, it becomes important that the quality of the service provided is high as it would show how well the service is provided to them. Consumers do not want to pay for a service which does hold a quality that was perceived and expected by them. According to Gronroos (2005) there are five determinants which are looked upon while looking at the service quality, these determinants are tangibles, reliability, responsiveness, assurance and empathy. While others have proposed different determinants which are discussed later on. In the Banking industry which only offers services to their customers, it becomes important and vital to them to provide the best quality because if not done so the customers can easily change their brand of bank (Schneider & White, 2004). Service quality plays an important role in the loyalty of the consumer. It is necessary for an individual to receive an expected quality in order to retain themselves to a certain bank due to the satisfaction it brings.

2.5.1. Perceived Customer Quality

Not long ago in the marketing area, there have been rise of great number of factors which have been taken into consideration for their impact on the performance of the business, reduction of production cost, consumer satisfaction, consumer's loyalty towards the

brand, and most of all on the profitability of the business (Sureshcander et al., 2002; Newman, 2001; Guru, 2003; Lasser et al., 2000; Cronin and Taylor, 1992). Various researchers have defined service quality has a difference between the expectations consumers make towards a service and the perceptions they have of the actual service as it is performed (Gronroos, 1984; Lewis and Boon, 1983; Parasuraman et al., 1994). This concept of service quality has been studied as a separate concept from others, nevertheless, argument still stands on the measurement of this concept (Brown et al., 1993). However, the literature shows that the most efficient of measuring the service quality is through performance-related measures (Cronin et al., 2000; Zeithaml et al., 1996; McAlander et al., 1994). According to Parasuraman et al. (1988) service quality is the received service by the consumer and if it equals with their expected quality. This shows that the service quality is basically measured through the fulfillment of the expected perception of the consumer towards a service.

2.5.1.1. Perceived Customer Quality Measures

A study carried out by Parasuraman (1985) resulted in development of a seminal SERVQUAL instrument to measure the perceived customer quality. This instrument makes use of calculation through which the gap among the expectations and actual performance of the service is measured of a consumer's perception towards the service quality. The model of the instrument which was proposed by Parasuraman et al., (1985) could be seen in Figure 2 below.

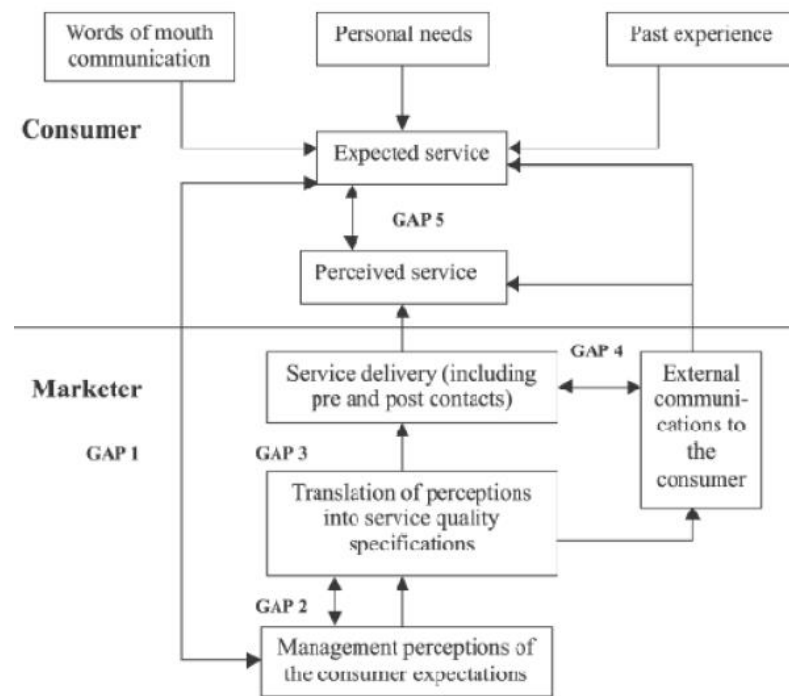


Figure 3 - Service Quality Gap Analysis Model (Parasuraman, 1985)

Gaps in the figure are defined as the difference between:

Gap 1 – expectations of the consumer and perceived expectations by the company for of a consumer's expenctations;

Gap 2 – Management's perception of the consumer's expectations and the specifications of the quality of service;

Gap 3 – What the service quality is described as, and actual delivered service quality;

Gap 4 – The actual service quality delivered to the consumer and the communication which takes place between the company and the consumer;

Gap 5 – Expectations of consumer of the quality of service and their perception of the service.

The model later on was refined by Parasuraman et al. in 1988. This study had also proposed a scale for the measurement of the customer's perceptions towards the service quality (SERVQUAL). This instrument proposed five different dimensions which would be able to indicate the perceived service quality through the customer's point of view. The five dimensions were: Responsiveness, reliability, tangibles, empathy and assurance. Nevertheless, number of scholars have criticized the model by arguing that these dimensions are not universal (Zeithaml et al., 1996; Buttle, 1996). Even though a great amount of criticism has been risen against the SERVQUAL model yet it remains one of the most applied, and adapted model for measuring service quality (Bebko, 2000).

2.5.2. Service Quality and Customer Loyalty

The quality of a service which the consumer receives a great impact on their experience and future purchase of the same service. If the consumer is satisfied with the service quality received which is either as they expected or over their expectations, then it would cause them to think about using the same service provider in the future for either the same service and/or for other services which the provider provides. Service quality has become one of the most influential factor towards the consumer's loyalty towards a brand. When it comes to the banking sector, all the banks provide to their consumers are service and if the services are delivered as the consumer expects than and only than the bank is able to win the loyalty of the consumer, yet other factors play an important role in the measurement of loyalty. Consumers if not provided the proper service are psychologically dissatisfied and may even switch their bank just because of the poor quality delivered to them. In any business which provides only services to its consumers, the service quality is measured during the period when the service is actually delivered to the consumer, and this is when the employee of the company encounters the customer. Current studies on the topic of service quality have shown the same results. Ing-san and Der-Jang (2005), have pointed out that it is the impression left by the employee of the company which delivers

the service to the consumer. Similarly, Berry & Bendapendi (2003) mention that it is the employee who leaves a powerful impact on the service quality which is perceived by the consumer at the time of service delivered.

Zeithmanl et al., (1993) in their study argue that perceptions of the consumers are their individual evaluation towards the service quality; the expectations of consumers are simply standards which are set in order to judge their own experiences. Due to this, the physical environment in which the service is being delivered or the employee and customer encounter takes place are great indicators of how the perception and the expectations within the mind of the consumer are formed towards the service quality (Wall and Berry, 2007). Businesses today not only tend to meet the expectations of the consumers, but also exceed those expectations in order to gain their trust and lower them towards loyalty, and these two clues must stay consistent in the messages which are delivered to the consumers from the company. A well-established example provided by Wall and Berry, 2007) is of a restaurant where they addressed a restaurant which is very nicely decorated, beautiful seating, well-mannered and dressed waiters is most likely to obtain high ranking from the customers in service quality than a restaurant which does not have any of the qualities as restaurant one. As noted by Berry et al. (2002), the functional clues of the services are related to the technical quality of the service which is delivered to the consumers. According to Rowley (1999), there is a great bond between the experience which customer gets from a service and its quality, he argued that the experience and the satisfaction which the customer receives has a direct link with the service quality. No doubt, there is a link between the experience one gains and the satisfaction which is received and the service quality because service quality to an individual is what they believe has delivered them satisfaction and great experience. Nevertheless, number of scholars have linked various different variables to which have a relationship or influence the consumer's perception service quality (Dabholkar, 1996; Haywood-Farmer, 1988).

Study carried out by Rust and Oliver (1994) indicated that further work had to be done to find the results of quality, value and satisfaction variables in respect to loyalty of a consumer. This study found there exists a mix relationship among the quality and loyalty. According to the study conducted by Zeithaml et al. (1996), there is a strong relationship between the service quality and loyalty of a consumer; whereas a study conducted by Cronin and Taylor (1992) did not find as significant relationship as others between the service quality and loyalty. Hence, they concluded that satisfaction had higher impact on the loyalty of a consumer than service quality. The connection between quality and loyalty in their study was not a direct connect rather through the satisfaction and value variables. There could be existence of gap between the expectations and perception of a service in consumer's mind and this gap is to be filled with the satisfaction level which the consumer might have and/or through the value which they put for the service (Pizam & Ellis, 1999). Relating to the banking sector, a study conducted by Caruana (2000) concluded that service quality was not the only variable which played independent role in influencing the customer's loyalty, satisfaction which one received from the services also impacted their expectations and perceptions. On the other hand, Cronin et al. (2000) found a direct link quality and loyalty in their study.

2.6.Reputation

Reputation of a brand can be related to the brand image which it holds in eyes of the consumers. This image of the brand is important aspect for attracting and retaining consumers. The better the reputation of a brand, the better the chances for attracting and retaining customers. As today, individuals want to be associated with a brand which has good reputation and image in eyes of other consumers. It gives them mental satisfaction to consumer a product or service from a brand which is well-known in the market. According to Fornell (1992), the trust and the promise of delivering quality service by a provider is known as reputation. In order words, the reputation of a brand is built through the trustful relationship it has with its consumers. And this in long-term turns into reputation as more and more consumer starts to become loyal to it due to trust it has built

and the image it has. Reputation is not built over night, nor is it possible for it to build within a small period of time. Reputation of a brand takes place over a long period because once the brand is understood and known for its good qualities which it delivers, the satisfaction which the consumers gain from it, the value attained by the customers, the experience which the consumers get from the consumption of the product/service and most of all the trust which is built between them and the brand creates a special bond which turns into customer loyalty. All this is needed for a brand to build its reputation, if any of the ingredients are missing from the mix, the reputation can take a fall within no time.

2.6.1. Reputation and Customer Loyalty

If looked at companies from around the world, the main name of the company which produces the product or provides the actual service is not mentioned, but rather their images are represented through a brand name. This brand is responsible for the reputation it gains. Apple is a brand which formally was Apple Computer Inc. and now it is known only as Apple brand. This brand has gained its name due to the computers it produced known as Mac and Mac itself became to be known as another brand which people had remember Apply by. This shows how the image of the brand is created and its reputation is built through the image it holds in the eyes of the consumers. Apple had successfully created a reputation in the market which has attracted millions of consumers towards their products and just because of reputation, it is able to retain consumers. As Cretu and Brodie (2007) pointed out that reputation of a company is like an umbrella, it can be obtained through a certain product and can be served for all products. This reputation of a brand also impacts the value which consumers attain from the product or service and keep that it provides a certain value to them (Brown and Dacin, 1997). Kirmani and Rao (2000) stated that perception of a consumer towards a good reputation of a company is same as bad reputation, as if a consumer thinks a brand is good or if a brand is bad. And reputation of a brand also acts as an alternative when the product quality is difficult to calculate, one simply looks for a brand with good reputation in the market. When one has to make a

decision in purchasing a product or service, if the decision is to be made between a brand that is not known and a brand which is well known with a good reputation, then the consumer automatically purchases the one with good reputation due to it being well known in the market. Reichheld and Sasser (1990) mentioned that if a brand or a product provided by a brand has a good reputation then it will decrease the perceived risk with its performance, this in return leads to trust, positive relationship between customer and brand, and to loyalty. Castro et al. (2006) defined reputation as an image of the brand from its past and present which shows how capable it is in delivering its promise. In other words, it is the overall result of the actions of the brand which took place in the past and take place in the present and represent what the brand is willing to promise in the future for its stakeholders.

When it comes to the consumer loyalty, reputation can help the brand to make it easy for building loyal relationship among the consumer and the brand. There is no doubt that if a brand has a good reputation and delivers as it promises, then it becomes easier for it to retain a consumer than for the ones with no or low reputation (Rose and Thomsen, 2004). Study conducted by Fombrun and Shanley (1990) showed that reputation of a brand had positive impact on the consumer loyalty. Chaudhuri and Holbrook (2001) identified reputation along with trust was one of the important factors which helped brands to retain customers and build loyal relationship with them. Some studies have considered reputation to be similar to the concept of brand image and some have taken reputation to be either part of brand image or as a separate concept which impacts customer loyalty (Szymanski and Henard, 2001; Percy and Elliot, 2007; Ganesan and Hess, 1997). However, almost all the studies have concluded that reputation plays an important role in the consumer loyalty and can help the brand to attract new customers.

It shows that majority of the banks are established in two cities Tripoli and Benghazi. As the total number of branches of banks are 229, Tripoli holds 79 of the branches, Benghazi homes 45, and rest of 105 branches are spread throughout the nation. Which means Tripoli and Benghazi are home to 124 branches. Another interesting factor is that 16 of the 24

banks have only one branch which is either located in Tripoli or in Benghazi, whereas only one bank out of these has a branch in a different city. As Tripoli is the capital of the nation, and accommodates the highest population size, it makes sense to have majority of the banks in this city. And the second biggest city is Benghazi, here the second largest number of banks are established.

CHAPTER 3

METHODOLOGY AND RESULTS

This chapter covers the literature associated to the topics of the study. It will cover consumer buying behavior which is the main aspect through which the consumer makes their choice of buying a product or service. The topic Brand loyalty will be looked upon in context of customer loyalty. Factors impacting the customer loyalty which include trust, service quality and reputation will be covered as well. Customer trust will cover the literature which demonstrates the relationship between customer loyalty towards a brand through the trust bond. Service quality section will cover the relationship between the customer's loyalty towards a brand that has been established due to the service quality that the brand (bank) provides to its customer. And reputation of a brand (bank) will cover the relationship which forms between a brand and a customer due to the reputation which the brand has in the market place. All the sections will be emphasized upon through intensive review of the literature.

3.1.Banks of Libya

Today there are number of banks in Libya. Most of which are established in the Capital of Libya Tripoli, and also in the city of Benghazi. Table 4 below shows the list of banks with the number of branches they have. The all of the Libyan banks which are registered with the banking authority of Libya.

Table 4: List of Libyan Banks (Source: <https://www.swiftbic.com/banks-in-LIBYA-1.html>)

No:	Bank Name	Total Branches	In Tripoli	In Benghazi	Other cities
1	Al Wafa Bank	1	1	0	0
2	Alejma'a Alarabi Bank	1	0	1	0
3	Alwaha Bank	1	1	0	0
4	Aman Bank for Commerce and Investment	3	2	1	0
5	Arab Commercial Bank	1	1	0	0
6	Assaray Trade and Investment Bank	1	1	0	0
7	Bank of Commerce and Development (L.J.S.C.)	34	9	11	14
8	Bankque Sahelo-Saharienne Pur L'Investissement Et Le Commerce (Tripoli)	1	1	0	0
9	Central Bank of Libya	6	3	1	2
10	Development Bank	1	1	0	0
11	First Gulf Libyan Bank	1	1	0	0
12	General National Maritime Transport Company	1	1	0	0
13	Jumhouria Bank	81	29	13	39
14	Libyan Foreign Bank	1	1	0	0
15	Libyan Investment Authority	1	1	0	0
16	Libyan Qatari Bank	1	1	0	0
17	Mabruk Oil Operation	1	1	0	0
18	Mediterranean Bank	1	0	1	0
19	National Commercial Bank	47	11	5	31
20	North Africa Bank	3	2	1	0
21	Sahara Bank	2	1	1	0
22	United Bank for Commerce and Investment	1	1	0	0
23	Waha Oil Company	1	0	0	1
24	Wahda Bank	37	9	10	18
	Total	229	79	45	105

3.2. Research Model

The research model is based on the hypotheses, and factors (variables) which impact the loyalty of the consumers towards a brand of bank.

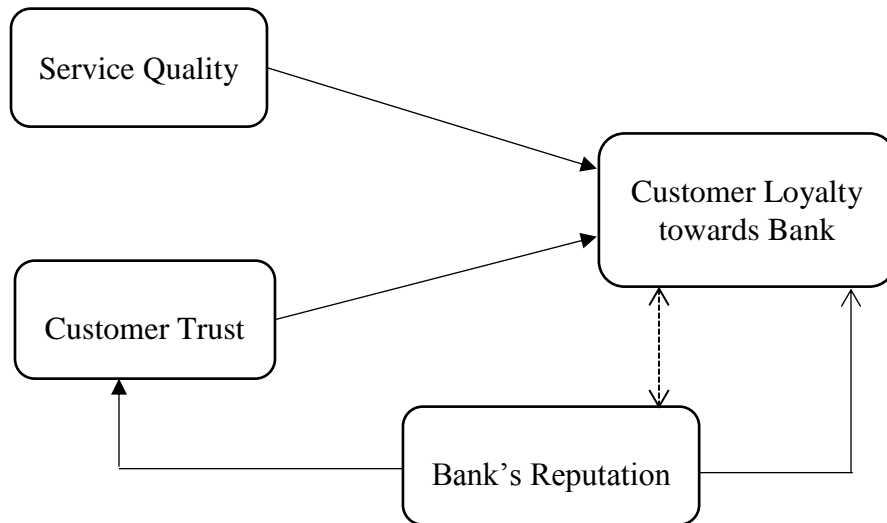


Figure 4: Research Model

This research model is designed to show how the selected variables have an impact on the customer's loyalty towards the bank. Three independent variables (services quality, customer trust, and bank's reputation) have been taken into consideration which impact the dependent variable (Customer Loyalty towards bank). The Figure 4 shows that service quality by itself has direct impact on the customer loyalty and it indirectly influences the customer trust which impacts their customer loyalty. Customer trust by itself impacts the customer loyalty but when the service quality is higher it increases the customer trust towards the bank. Bank reputation is another factor which plays an important role in the customer loyalty, it is a way variable which directly impacts the customer loyalty, it directly influences the customer trust and it is indirectly built up through the loyalty of the current customers. This study will show how these factors are able to help the banks to target the customers correctly in order increase the loyalty of the customers towards the banks.

3.3.Hypotheses

Based on the formulated conceptual framework, the study seeks to test the validity of the following hypothesis;

H₁: There is significant impact of service quality on customer loyalty.

H₂: There is significant impact of trust on customer loyalty.

H₃: There is significant impact of reputation on customer loyalty.

H₄: Reputation, Trust, and Service Quality correlate positively with customer loyalty.

H₅: Respondents' social factors (demographics) will differentiate their loyalty.

H_{5a}: Respondents' age will differentiate their loyalty.

H_{5b}: Respondents' gender will differentiate their loyalty.

H_{5c}: Respondents' monthly Income will differentiate their loyalty.

H_{5a}: Respondents' education will differentiate their loyalty.

H_{5e}: Respondents' monthly expenditure will differentiate their loyalty.

3.4.Universe and Sampling

The sample size was estimated based on the Cochran Occult method (Endersby, 2000) which asserts that for larger population sizes which are above 6000 a sample size of 250 respondents be used. The Cochran formula was based on a 5% margin of error and a confidence interval of 95%. 250 questionnaires were given out using the Snow-ball sampling approach to hand out the questionnaires. It was passed to the customers of the following banks: Al-Wafa Bank, Alwaha Bank, Aman Bank for Commerce and Investment, Arab Commercial Bank, Assaray Trade and Investment Bank, Bank of Commerce and Development, Bankque Sahelo-Saharienne Pur L'Investissement Et Le

Commerce, Central Bank of Libya, Development Bank, First Gulf Libyan Bank, General National Maritime Transport Company, Jumhouria Bank, Libyan Foreign Bank, Libyan Investment Authority, Libyan Qatari Bank, Mabruk Oil Operation, National Commercial Bank, North African Bank, Sahara Bank, and United Bank for Commerce and Investment. The identities of the volunteers were kept anonymous and were given information regarding the aim of the research before they filled the questionnaire. No volunteers were asked to give away their personal information (name, address, phone number, etc.). The questionnaires were given out only in the city of Tripoli and nowhere else.

3.5.Data Collection Instruments

Study use quantitative method approach for the data collection. The primary data for the study was collected via questionnaires (Appendix-A). The questionnaire had been passed out the volunteers through snowball technique. Scales for the study were adopted from various studies and were modified to fit the study. Some questions for the scales were developed by the researcher in order to get better understanding of the factors. Section B of the study which calculates the factors which impact the consumers' loyalty towards brand of a bank consisted of items which used 5-point Likert scale (Figure 5) (Likert, 1932).

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
1	2	3	4	5

Figure 5: 5-point Likert Scale (Likert, 1932)

3.5.1. Reputation

Scale for the Reputation variable which calculates the reputation of the bank in the was adopted from Almahy et al. (2014). Reliability of the scale was calculated via Cronbach's Alpha (Appendix-B). The reliability test shows score of 0.700, which makes the scale highly reliable.

Table 5: Cronbach Alpha Reliability Score for Reputation

Cronbach's Alpha	N of Items
.700	6

3.5.2. Loyalty

Scale for the Loyalty variable was adopted from Haung and Lin (2008). This variable tests the loyalty of the consumers towards their brand of the bank. This is the dependent variable and will be used to see how others correlate with it. 5-point Likert scale was applied for the scale. Reliability of the scale was calculated via Cronbach's Alpha. The reliability test shows score of 0.598, which makes the scale moderately reliable.

Table 6: Cronbach Alpha Reliability Score for Loyalty

Cronbach's Alpha	N of Items
.598	6

3.5.3. Trust

Scale for the Trust variable was adopted from Hess (1995). This variable calculates the trust of consumers towards their banks. It shows how much banks are trusted by their consumers. Items 7,8,9, and 10 were developed by the researcher himself. Reliability of the scale was calculated via Cronbach's Alpha. The reliability test shows score of 0.885, which makes the scale highly reliable.

Table 7: Cronbach Alpha Reliability Score for Trust

Cronbach's Alpha	N of Items
.885	10

3.5.4. Service Quality

Scale for Service quality variable was adopted form Nurpur (2010). This variable calculates the service quality of the banks which is perceived by the consumers and how it impacts the loyalty of the consumers towards the banks. Items 6 and 7 were developed by the research himself. 5-point Likert scale was applied for the scale. Reliability of the scale was calculated via Cronbach's Alpha. The reliability test shows score of 0.704, which makes the scale highly reliable.

Table 8: Cronbach Alpha Reliability Score for Service Quality

Cronbach's Alpha	N of Items
.704	7

3.5.5. Demographic (social) Factors

The social factors which were used to gather the demographics of the volunteers are: Age, gender, family monthly income, employment status, education and monthly expenditure. These factors were selected as various studies had used the same factors. These factors were measured via various different multiple choices for each factor.

3.6. Analysis

In order to analyze the data which was obtained through questionnaires Statistical Package for Social Sciences (SPSS) version 21 was used. The analysis was done in order to obtain the results which would help with testing the hypotheses which were created by the researcher to see the impact of the factors on the loyalty of consumers towards the choice of banks. Various tests were performed which were: Descriptive analysis were conducted for the demographics (social) factors of the sample, reliability analysis (Cronbach Alpha) was conducted on multiple items (questions) for each variable. And in order to test the hypotheses Multiple Linear Regression, Correlation and ANOVA tests were carried out.

3.6.1. Factor Analysis

Factor analysis can be defined as a tool which helps to shrink large down a big set of variables to less variables (factors). This analysis mines out the highest number of common variance from the set of variables and places them in a common score. And those scores can be used to carry out the analysis further (Duntelman, 1989). Therefore, as explained by Gorsuch (1983) the factor analysis falls under general linear model (GML) and GML has assumptions that: there is a linear relationship in the variables which are tested, there is no multicollinearity, it includes are the variables that are relevant into groups, and that there is a correlation among the variables which have been put into groups.

Table 9: Factor Analysis - KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.907
Bartlett's Test of Sphericity	Approx. Chi-Square	3229.217
	Df	406
	Sig.	.000

The Kaiser-Meyer-Olkin is a measure which shows how suitable is the data applying factor analysis on the dataset. As noted in Harrington's (2008) work that values above 0.5 are acceptable and any value under 0.5 is not acceptable. And that any values between 0.5 and 0.7 are accepted as mediocre, values between 0.7 and 0.8 are known to be good, 0.8 to 0.9 are great and any values above 0.9 are accepted as superb. As our data gives the KMO value of .907, it makes it superb meaning that carrying out factor analysis on this data is appropriate.

As for the Bartlett's test, it is applied in order to test null hypothesis of the study, that in the original correlation matrix is set as the identity matrix. In order for the factor analysis to be correct there has to be some sort of relationship among variables and if the R-matrix were an identity matrix then all of the correlation coefficients would be at zero value (Fabrigar & Duane, 2011). As Bartlett's test results show that significance value is 0.000 which means we have significance value less than 0.05. It shows that our data is appropriate for factor analysis.

Table 10 shows the component matrix which is the outcome of the factor analysis. The absolute value was kept below .250, so any value below .250 was automatically eliminated from the table due to low correlation with the factor. The matrix shows which items belong to which factor and after having to examine the questions which belong to each item numbers. The follow factors were developed: (1) Reputation, (2) Loyalty, (3) Trust, and Lastly (4) Quality.

Through the factor analysis we see that the SPSS has shown that items from one factor could be related to another factor as well but due to the low correlation with the other

factor it was not put there. It is closely related to the initial questionnaire which was proposed by the researcher, the only difference it shows is that some questions could be put into other factors but as they won't be able to measure the factor correctly if moved to another factor. This is why, factors and items shown in the Table 10 below were used.

Table 10: Factor Analysis - Rotated Component Matrix

	Component			
	1	2	3	4
Item 16			.757	
Item 6	.718			
Item 19		.381	.701	
Item 27	.251			.676
Item 20		.431	.674	
Item 29	.672			.271
Item 2	.649			
Item 23				.277
Item 11		.400		.642
Item 5	.608			
Item 28			.290	.557
Item 21	.270	.465	.547	
Item 24			.333	.534
Item 22		.522	.267	
Item 12	.413	.487		
Item 17	.414	.477		
Item 3	.444		.345	
Item 13		.807		
Item 14		.802		
Item 15		.689		
Item 10		.463	.412	
Item 18		.458	.283	
Item 26		.326		.353
Item 7		.834	.737	
Item 9		.265		.374
Item 8			-.522	
Item 1	.605			
Item 4	.554			
Item 25				-.522

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Table 11: Factor Analysis - Matrix used by study

	Component			
	Reputation	Loyalty	Trust	Quality
Item 1	.605			
Item 2	.649			
Item 3	.444		.345	
Item 4	.554			
Item 5	.608			.542
Item 6	.718	.322		
Item 7		.834	.737	
Item 8			-.522	
Item 9		.265		.374
Item 10		.463	.412	
Item 11		.400		.642
Item 12	.413	.487		
Item 13		.807	.368	
Item 14		.802		.287
Item 15		.689		
Item 16			.757	
Item 17	.414	.477		
Item 18		.458	.283	
Item 19		.381	.701	
Item 20		.431	.674	
Item 21	.270	.465	.547	
Item 22		.522	.267	
Item 23				.277
Item 24			.333	.534
Item 25				-.522
Item 26		.326		.353
Item 27	.251			.676
Item 28			.290	.557
Item 29	.672			.271

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

3.7.Results

Once the data has been collected and fed into SPSS v.21, tests were performed which are presented in this section. The results which have been obtained are as follow:

Table 12: Statistics of the Sample (N=250)

Questionnaires	Frequency	Percentage
Target	250	100
Returned	250	100
Missing/Invalid	0	0

Statistics of the sample is expressed in the Table 12 above. It shows the targeted number of questionnaire was 250 and 250 were returned filled without any missing information. It means 100 percent of the questionnaires came filled and can be used for analysis of the study.

3.7.1. Demographics

This subsection will present the demographics (social) factors of the study. These demographics are presented in order to see the different type of volunteers and how it impacts the choices (perspectives) of the consumers towards different factors and loyalty towards the banking industry.

Table 13: Demographics of Sample

	Frequency	Percent	Valid Percent	Cumulative Percent
Age	18 – 27	49	19.6	19.6
	28 – 37	79	31.6	51.2
	38 – 47	59	23.6	74.8
	48 - 57	42	16.8	91.6
	58 or above	21	8.4	100.0
	Total	250	100.0	100.0

Gender	Male	134	53.6	53.6	53.6
	Female	116	46.4	46.4	100.0
	Total	250	100.0	100.0	
Family monthly income	0-500	39	15.6	15.6	15.6
	500-1000	79	31.6	31.6	47.2
	1001-2000	62	24.8	24.8	72.0
	2001-3000	44	17.6	17.6	89.6
	3001 & Above	26	10.4	10.4	100.0
	Total	250	100.0	100.0	
Employment status	Yes	183	73.2	73.2	73.2
	No	67	26.8	26.8	100.0
	Total	250	100.0	100.0	
Education Level	Undergraduate	200	80.0	80.0	80.0
	Masters	31	12.4	12.4	92.4
	PhD	19	7.6	7.6	100.0
	Total	250	100.0	100.0	
Monthly Expenditure	200 – 500	49	19.6	19.6	19.6
	501 – 1000	71	28.4	28.4	48.0
	1001 – 1500	58	23.2	23.2	71.2
	1501 & above	72	28.8	28.8	100.0
	Total	250	100.0	100.0	

The demographics of the study are presented in the Table 13, which shows the age, gender, family monthly income, employment status, education level and the monthly expenditure of the respondents. Age of the 250 is divided into five groups out of which the highest number of respondents belong to 28-37 years of age, this group represents 31.6 percent of the total respondents. The second highest number of respondents fall in the 38-47-year age group which accounts for 23.6 percent and 59 respondents. Age groups of 18-27 and 28-57 are not far apart and nearly account for 17 to 19 percent each. Whereas, the oldest

of the respondents account for the lowest number at only being 8.4 percent of the whole sample size.

Comparing the gender of the respondents it seems that the both genders participated almost the same. Males consisted of 134 respondents making it 53.6 percent and the female gender consisted of 116 respondents accounting for 46.4 percent of the total sample size. This would give a good comparison between genders and their loyalty towards the banks. Also it will help to see how both genders view the banks according to the factors which influence the loyalty.

Monthly income of a family consisted of five options to choose which consisted of income groups from 0-500, 501-1000, 1001-2000, 2001-3000, and 3001 & above. These groups were selected as other studies have used similar figures (Zhao et al., 2010; Jameel & Ali, 2016). Largest group consisted of 79 respondents which is 501-1000, whereas, the smallest group consisted of 26 respondents which earn income of 3001 & above accounting for 10.4 percent. Respondents with the lowest income consists of 39 respondents, 44 respondents with monthly income of 2001-3000 made up 17.6 percent and the second largest group was of 62 respondents and it belonged to the 1001-2000 monthly income. Considering these figures, 47.2 percent of the respondents fall in the first two categories and 42.4 respondents fall in the 3rd and 4th categories. Considering the figures, it would mean that respondents who are earning the most money would be very selective about the bank they choose to deposit their money.

Education level of the respondent is also important because it shows how much research one would do when selecting a bank. It shows that the consumer has knowledge of pros and cons of the bank and knowing which services they are looking for. Most of the respondents (200, 80.0 percent) of the study had finished their undergraduate study. Whereas, 31 (12.4 percent) respondents were Masters graduate and 19 (7.6 percent) were PhD holders.

Monthly expenditures which is important factor as well because it would show how much money is spent by the respondents and how much they would keep aside for savings or to deposit in the bank. Largest number of respondents spend 1500 or above monthly 72 or 28.8 percent. Second largest number of respondents spend 501-1000 monthly accounting for 28.4 percent of the sample size. Third largest group which consists of 58 (23.2 percent) respondents spends 1001-1500 monthly. And the small group which consists of 49 respondents spends 200-500 monthly accounting for 19.6 percent of the sample size.

Demographics of the respondents tell how they save their money depending on the age and gender. Also it shows how one spends their money depending on the income they earn monthly. The following subsection will present the results of the tests for hypotheses testing.

Independent Samples T-Test

To check whether there is a difference between the genders in the way they think of loyalty towards banks can be obtained from an Independent Samples T-Test. The T-Test will show us if there is a statistical difference among the two genders.

Table 14: Independent Samples Test (Genders)

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Loyalty	Equal variances assumed	2.524	.113	1.804	248	.072	.17520	.09709	-.01603	.36643
	Equal variances not assumed			1.822	247.988	.070	.17520	.09614	-.01414	.36455

As the results of the independent samples t-tests show that there is no significance between males and females. The Significance in the Levene's Test for Equality of Variances = .113 which exceeds the significance of 0.05, and significance of two-tailed test also has exceeded 0.05, therefore, there is no statistical significant difference between the genders.

3.7.2. Hypotheses Testing

The researcher had proposed hypotheses after carrying out the literature review. These hypotheses were proposed in order to see the relationship which (if) exists between the independent variables and dependent variable of the study. Independent variables include Reputation, Trust, and Service Quality; Only one dependent variable is Loyalty. Multiple linear regression, Correlation and ANOVA tests are carried out for testing the hypotheses. Preceding the hypotheses testing, reliability of scales was checked by conducting reliability test (Cronbach's Alpha) to make sure the scale was reliable for testing the hypotheses.

3.7.3. Correlation

For studying relationship between loyalty and other factors correlation analysis is conducted. Correlation analysis is also known as bivariate analysis which is used to measure the strength of connection among two variables and the direction of the relationship. Strength is measured by the correlation coefficient values which varies between +1 and -1. The correlation value of ± 1 is an indicator that there is a perfect relationship among the tested variables. And the relationship among the variables becomes weaker when the value starts to move closer to 0. The direction of the relationship among the variables is specified through the sign of the coefficient; a + sign shows that there is a positive relationship and a – sign shows a negative relationship among the test variables (Kendall & Gibbons, 1990).

Table 15: Correlation Analysis

	1	2	3	4	5	6	7	8	9	10
1. Loyalty	1									
2. Reputation	.556**	1								
3. Trust	.698**	.652**	1							
4. Service Quality	.567**	.592**	.696**	1						
5. Age	.058	.035	.022	.095	1					
6. Gender	-.114*	-.038	-.116*	-.077	-.065	1				
7. Family monthly income	.106*	.210**	.096	.121*	.183**	-.150**	1			
8. Employment	-.093	-.127*	-.095	-.041	-.023	.143*	-.183**	1		
9. Education	.026	.081	.014	-.019	.054	.027	.433**	-.084	1	
10. Monthly Expenditure	.044	.063	.082	.103	.165**	-.058	.529**	-.148**	.257**	1

** Correlation is significant at the 0.01 level

* Correlation is significant at the 0.05 level

The correlation analysis (Table 15) shows that not all the factors correlate positively with loyalty, and some of them have weak correlations. Reputation ($r = .556$), Trust ($r = .698$), and Service quality ($r = .567$) (Ali et al., 2014) have the strong positive correlation with loyalty. Whereas, age ($r = .058$), family monthly income ($r = .106$), education ($r = .026$) and monthly expenditure ($r = .044$) has weak positive correlation. Gender ($r = -.114$) and employment ($r = -.093$) have weak negative correlation. Therefore, it is apparent that reputation, trust, and service quality have significant relationship with loyalty. Whereas, other demographic (social) factors show weak relationship. Therefore, H4 is accepted.

3.7.4. Regression Analysis

Regression analysis is a way of mathematically sorting out which of those variables does indeed have an impact. It answers the questions: Which factors matter most? Which can we ignore? How do those factors interact with each other? And, perhaps most importantly, how certain are we about all these factors? Regression analysis aims to determine the nature of relationships that exist between variables and the significance of their

relationships (Gujarat, 2003). It analyzes the impact of single or multiple independent variables (Reputation, trust, and service quality) on an individual dependent variable (loyalty). Another way to explain regression analysis is that it is a form of predictive modelling technique which investigates the relationship between a dependent (target) and independent variable(s) (predictor). This technique is used for forecasting, time series modelling and finding the causal effect relationship between the variables. Such is important in this study for it allows examinations to be made of whether brand loyalty factors will have a positive influence or not and if such influence is significant or not.

Regression Model Development

For this study, multiple linear regression model has been developed for the influencer (factors) that impact the loyalty of the consumers towards banks. In statistical terms, loyalty of the consumers can be said to be determined by service quality, trust and reputation which can be expressed as follows;

$$\text{Customer loyalty (CL)} = f \{ \text{Service quality (SQ), Trust (T) and Reputation (R)} \}$$

Which can be expressed symbolically as follows;

$$CL = F (SQ, T, R)$$

Introducing regression analysis into expression (1) gives the following expression

$$CL = \alpha + \beta_1 SQ + \beta_2 T, \beta_3 R + \mu$$

The estimated parameters will be β_1 - β_3 , while α is the coefficient of determination and μ is the error term.

Multiple Linear Regression

Multiple linear regression was applied to find out the relationship between multiple independent variables and a dependent variable. Independent variables consisted of three

variables reputation, trust and service quality, and the independent variable consists of one variable which is loyalty. The multiple linear regression has been used in order to test H1, H2, and H3. The results presented below in table 16 shows reputation ($\beta = .132^*$) (Andreassen, 1998), trust ($\beta = .426^*$), and service quality ($\beta = .108^*$) have significance with the loyalty (Rasheed et al., 2015). Trust shows the highest significance out of the three factors. Hence, H1, H2, and H3 are accepted. Study carried out by Ali, Leifu and Rehman (2014) also conducted regression analysis in order to find the relationship between independent variables (customer satisfaction, trust, and service quality) and dependent variable (customer loyalty); their results support the findings of our results.

Table 16: Multiple Linear Regression

Independent Variables	Brand Loyalty	
	β	R ²
Reputation	.132	
Trust	.426	
Service Quality	.108	
	R ²	51.10%
	F	85.72**

* $p < 0.05$ ** $p < 0.001$

Fit of model which is represented by “ R^2 shows the extent to which variations in customer loyalty is explained by service quality, trust and reputation” (Greene, 2003). Results show R^2 is 0.511. This shows that independent variables reputation, trust and service quality explain 51.10% of the variation in the dependent variable loyalty. There is no adjustment of degree of freedom involved in calculation of R^2 . Therefore, model’s fit is acceptable.

Table 17: Model Summary

Model	R	R Square	Adjusted R Square	Change Statistics		
				R Square	F	Sig. F
1	.715 ^a	.511	.505	.511	85.723	.000

The F value indicated in the table about is ratio of the mean regression sum of squares divided by the mean error sum of squares. Through the F value we can tell the overall

significance of the regression model. The F value (85.723) which is very high shows that the over significance is very high.

3.7.5. One-way ANOVA

One-way ANOVA test is carried out on social (demographic) factors for testing differences in loyalty of consumers (Witkowska, 2010). This analysis is conducted in order to test H5 (H5a, H5b, H5c, H5d, & H5e). Table 8 shows the ANOVA scores on age, gender, monthly income, employment, education and monthly expenditure of the respondents towards loyalty. None of the social (demographic) factors are favorable towards loyalty. Hence, H5 is rejected.

Table 18: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	20.329	21	.968	.638	.888
	Within Groups	346.075	228	1.518		
	Total	366.404	249			
Gender	Between Groups	5.954	21	.284	1.150	.298
	Within Groups	56.222	228	.247		
	Total	62.176	249			
Monthly Income	Between Groups	31.799	21	1.514	1.027	.432
	Within Groups	336.317	228	1.475		
	Total	368.116	249			
Employment	Between Groups	5.050	21	.240	1.246	.215
	Within Groups	43.994	228	.193		
	Total	49.044	249			
Education	Between Groups	4.305	21	.205	.559	.942
	Within Groups	83.651	228	.367		
	Total	87.956	249			
Expenditure	Between Groups	43.877	21	2.089	1.850	.015
	Within Groups	257.487	228	1.129		
	Total	301.364	249			

CHAPTER 4

DISCUSSION AND CONCLUSION

4.1.Discussion

The results from statistical analysis conducted on the obtained data have revealed that reputation, trust, and service quality impact the loyalty of the consumers toward the choice of the bank (Rasheed et al., 2015). Reputation, Trust, and Service Quality correlate positively and have high correlation with Loyalty (see Table 15); the results can be compared with the study of Rathi & Devan (2016). Though demographical factors did not correlate as the independent variables. Age, education, monthly expenditure did not have significant with the loyalty; whereas, gender and employment had negative correlation yet did not hold any significance. In order to see the strength of the relationship between the independent variables (Reputation, Trust, and Service Quality) and dependent variable (Loyalty) multiple linear regression was applied. Which showed (Table 16) that all the independent variables have significant relationship with the dependent variable. Study carried out by Andreassen (1998) also found Reputation to have a significant relationship with loyalty. And another study conducted by Ali, Leifu and Rehman (2014) also found the reputation, trust, and service quality to have a significant relationship with loyalty. Same conclusion was made by study conducted by Rasheed et al., 2015). These studies support the results of current study and strengthen the theoretical perspective that reputation, trust, and service quality have a positive impact on the loyalty of the customer towards a brand.

Reputation of the bank effects the loyalty of the consumers towards the bank. Study conducted by Fomburn and Shanley (1990) showed that reputation of a brand had positive impact on the consumer loyalty. It is a factor when it comes to choosing the bank of the choice and as well as if the customer will be loyal to the bank or not. Majority (49.6 %)

of the consumers agreed to the statement “this bank is well known in Libya,” which shows that most of them knew of the bank’s in the nation and through that reputation they had selected that certain bank. Study conducted by Choi and Jeon (2007) showed that reputation of the company is built through credibility transactions made by the company towards their customers. In other words, if the bank is providing reliable services to the customers of the bank then it leads to increase in its reputation. Another statement which could define the reputation of the bank is by seeing the agreement of respondents to “this bank is used by majority of companies as well as public,” which means people use this bank because it is used by majority of the people and as well companies throughout Libya. In contrast, if the bank does not provide reliable and valuable services to its customers then it would damage its reputation as a good and reliable bank. An example of it would be where the bank does not fulfill its promises which it has made to the customers. Chaudhuri and Holbrook (2001) identified reputation along with trust was one of the important factors which helped brands to retain customers and build loyal relationship with them. Some studies have considered reputation to be similar to the concept of brand image and some have taken reputation to be either part of brand image or as a separate concept which impacts customer loyalty (Szymanski and Henard, 2001; Percy and Elliot, 2007; Ganesan and Hess, 1997).

Trust being a bridge between a customer and the company holds great significance for both the company and the customer (Hess, 1995). Trust according to Moorman and colleagues (1993) is “the willingness to rely on an exchange partner in whom one has confidence.” A customer would deal with a company if they trust them, and for a company to build its trust with a customer is vital because if a customer loses the trust which it has for the company then it will never perform any act of transaction with them and might even talk negatively about them. A statement which was agreed upon by over half of the respondents was “this bank is honest,” honesty being one of the main pillars of building trust between two parties (Gecti & Zengin, 2013) shows that the consumers trust the bank which they are customers of. Another statement that holds great importance for the customers to build trust towards their banks is “I have never faced any problems with this

bank,” 56.4 percent of the respondents agreed with this statement, which shows that most of them have never faced any problem and this has help build the trust between them and the bank. Rasheed and colleagues (2015) also concluded that trust has positive impact on the customer loyalty in the banking sector. Therefore, trust has holds positive relations with loyalty.

Third factor which is service quality is a main factor when it comes for the satisfaction, trust, and reputation of a company. A consumer which purchases a service looks for the quality of the product in order to satisfied, build trust and perceive the company as reputable or not. Statistical results of the study show that service quality has positive impact on the loyalty of the customers towards the choice of the bank. Sum of 126 respondents which accounts for 50.6 percent of total sample were in agreement that “Information provided by bank employees are clear and understandable,” which shows that the service quality is efficient and its helpful for the consumers. The bank is able to information to the customers in a manner which is easily understood by them. Another statement in which 65.2 percent had disagreed was “the bank provides internet banking” and only 31.2 percent had agreed with it. Finding of study carried out by Mian (2014) concluded that service quality is a vital factor which impacts the loyalty of a consumer, there for it is needed the employees of the bank to practice courtesy at all times while working. This shows the ones whose bank does not provide internet banking are probably not fully satisfied, yet it shows that the services provided by the bank has an impact on the loyalty of the customer because if the service quality is good and good services are provided than the customer will be happy and satisfied with its bank (Rasheed et al., 2015).

Loyalty of a consumer is very important for all types of businesses as it keeps the customers coming back for more purchases. Shaw & Hamilton (2016) describe loyalty as that loyalty of a consumer towards a brand or an organization is having positive emotions for it, positive experience, satisfaction, and value attained as perceived., this definition gives the essence of the loyalty concept as the positive result which is obtained through consumption of a product or service. When it comes to banking sector, loyalty plays much

more important role as there are not many banks and once one becomes loyal to one, it becomes hard for them to switch. The loyalty of the customers towards the bank was calculated via a scale adopted from a prior study. The respondents showed that they were regularly visiting their same bank and that they used the same bank and not any other bank, and that majority of them disagreed with switching over to another bank. This could be due to the service quality which the banks provide to its customers, the trust which has been built between the customers and the bank, and the reputation of the bank.

4.2.Recommendations

This section will present several recommendations both for practitioners and for the researchers who wish to carry out research on the similar topic in the future.

4.2.1. Recommendations for Managers

For the practitioners it would be recommended that they put emphasis on the three factors which have been discussed in this study. As the study found that reputation, trust, service quality has positive impact on the loyalty of the customers in banking industry. As the Libyan economy has taken a fall in the past few years, it is important for the banks to do everything possible to boost their reputation, build trust between them, and provide high service quality and as many services as possible. The bank managers must look into the needs and wants of the consumers currently as the country is trying to recover from the economic crisis. People are still afraid of depositing money in the banks due to the prior experience of the crisis. Managers must take regular surveys and find what exactly the customers want and how the banks can build better relationship with them in order to increase the loyalty.

4.2.2. Recommendations for Future Studies

For the future studies there are several recommendations which could be helpful for the literature of consumer behavior, banking sector, and administrative studies. It would be recommended that the future research:

- Add several other variables along with the ones studied in this studied,
 - customer satisfaction
 - brand relationship
 - Rewards (promotion and giveaways)
 - Etc....
- Use larger sample size
- Cover larger geographical area

4.2.3. Contribution to the Literature and Literature Gap Filled

This study has contributed to the consumer behavior, banking, buying behavior, business, administration and customer loyalty literature. And the major contribution is to the consumer behavior and psychology field as consumer loyalty, trust, reputation and service quality are part of these literature. It has added to literature the situation of loyalty of consumers in banking sector after the economic collapse of Libya in 2014. It shows how the consumers' loyalty is perceived by the customers and how reputation, trust, and service quality are important factors impacting the loyalty of the consumers even after the crisis.

The study fills the literature gap of no similar studies carried out in the geographical area of Libya in the past on this topic. And no study priory to this one consisted reputation, trust, and service quality factors together to see their impact on the customer loyalty. Previously studies have been conducting which consisted of two of the studied factors together (Rasheed et al., 2015), or one of the studied factor (Mian, 2014; Hilmi, 2014;

Gecti & Zengin, 2013; Choi & Jeon, 2007). Therefore, this study has filled a great gap which will be beneficial for the literature.

4.3.Conclusion

Consumer loyalty being important to every business is an important concept which must be studied and must be given importance by the businesses. This study has found that reputation of a business helps the banks to build loyal customers, trust is a bridge between the bank and its customers which must be established in order for customers to believe, have confidence and relay on the bank, and service quality leads to the satisfaction which consumers perceive of. The three factor recipe is a key which could lead to build loyal customers. The results of this study align with the results of Rasheed and colleagues (2015) which concluded that trust, customer satisfaction and service quality has positive impact on the customer loyalty. As reputation being a factor for loyalty which this study found matches with the results of study carried out by Choi and Jeon (2007), And service quality being a factor which has significant impact on the loyalty has also been found by Mian (2014). Therefore, it can be concluded that reputation, trust, and service quality impact the brand loyalty in banking industry of Libya as of after the economic crisis in 2014.

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APPENDIX

Appendix A

Questionnaires

The purpose of this study is to find out how customers of a bank stay loyal to a bank. It intends to find out which of the factors play important role in developing customer loyalty towards a bank.

**The following survey is for research purpose only; it is being carried out as a part of Master's Thesis. The data collected from this study will kept confidential and will only be used for the purpose for the study only. None of the participants are asked for their personal information (Name, address, Identity card etc.) or any information which could link the survey to them.

The Survey consists of two sections, first section is to collect the demographical information and second consists of questions related to the factors associated with customer's loyalty.

Dear Respondent, please indicate in the space provided your answers to the following questions by circling your choice where applicable.

Section A

1) Age

- a) 18-27 b) 28-37 c) 38-47 d) 48-57 e) 58 or above

2) Gender

- a) Male b) Female

3) Family Monthly Income Level (USD)

- a) 0- 500 b) 500- 1000 c) 1000- 2000 d) 2000 – 3000 e) 3000 & Above

4) Are you employed?

- a) Yes b) No

5) Which university level are you studying in?

- a) Undergraduate b) Masters c) Ph.D.

6) Monthly Expenditure (USD)

- a) 200 – 500 b) 500 – 1000 c) 1000 – 1500 d) 1500 and above
-

Section B

Please read the following statement carefully and mark them appropriately ranging on scale of 1 to 5. (1: Strongly disagree and 5: strongly agree)

Bank Reputation

1. This bank is well known in the Libya

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
2. It has a good name for providing what it promises

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
3. This bank is well recommended by majority of the people

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
4. This bank is used by majority of companies as well as public

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
5. Its name speaks for itself

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
6. This bank is known for its loyalty with its customers

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		

Customer Loyalty

1. I regularly visit this bank

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
2. I seldom think of changing this bank to another one

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
3. I use this bank each time

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		
4. I need to make any financial transaction

1) Strongly disagree	2) Disagree	3) Neutral	4) Agree	5) Strongly
		Agree		

5. I consider this bank as my preferred choice

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

6. Each time I want to make any financial transaction, this bank is my first choice.

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

Trust

1. This bank keeps my information confidential.

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

2. This bank is honest.

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

3. This bank is reliable.

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

4. This bank meets my needs.

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

5. This bank is always making sure that their customers do not face any problems

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

6. I have never faced any problems with this bank

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

7. I am satisfied with the decision to choose this bank

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

8. This bank leaves me a pleasant impression

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

9. I want to return to this bank in the future

- | | | | | |
|----------------------|-------------|------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral | 4) Agree | 5) Strongly |
| | | Agree | | |

10. I will advise about this bank to my friends.

- | | | | | |
|----------------------|-------------|---------------------|----------|-------------|
| 1) Strongly disagree | 2) Disagree | 3) Neutral
Agree | 4) Agree | 5) Strongly |
|----------------------|-------------|---------------------|----------|-------------|

Service Quality

1. Ease of depositing and withdrawing money from any branch

1) Strongly disagree	2) Disagree	3) Neutral Agree	4) Agree	5) Strongly
----------------------	-------------	---------------------	----------	-------------
2. Continuous and ordered functionality of equipment such as computer and printer etc...

1) Strongly disagree	2) Disagree	3) Neutral Agree	4) Agree	5) Strongly
----------------------	-------------	---------------------	----------	-------------
3. Staff takes interest in solving problem Bank Maintains error free records

1) Strongly disagree	2) Disagree	3) Neutral Agree	4) Agree	5) Strongly
----------------------	-------------	---------------------	----------	-------------
4. Information provided by bank employees are clear and understandable.

1) Strongly disagree	2) Disagree	3) Neutral Agree	4) Agree	5) Strongly
----------------------	-------------	---------------------	----------	-------------
5. This bank provides great services to its customers

1) Strongly disagree	2) Disagree	3) Neutral Agree	4) Agree	5) Strongly
----------------------	-------------	---------------------	----------	-------------
6. This bank provides internet banking

1) Strongly disagree	2) Disagree	3) Neutral Agree	4) Agree	5) Strongly
----------------------	-------------	---------------------	----------	-------------
7. This bank has offers more services than any other banks

1) Strongly disagree	2) Disagree	3) Neutral Agree	4) Agree	5) Strongly
----------------------	-------------	---------------------	----------	-------------

Appendix B

Statistics of the Study

Reliability Test Scores (Cronbach Alpha)

Reputation

Reliability Statistics	
Cronbach's Alpha	N of Items
.700	6

Loyalty

Reliability Statistics	
Cronbach's Alpha	N of Items
.598	6

Trust

Reliability Statistics	
Cronbach's Alpha	N of Items
.885	10

Service Quality

Reliability Statistics	
Cronbach's Alpha	N of Items
.704	7

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BİLİMSEL ARAŞTIRMALAR ETİK KURULU

26.09.2018

Sayın Nabil Abdalla Shanta

Bilimsel Araştırmalar Etik Kurulu'na yapmış olduğunuz YDÜ/SB/2018/93 proje numaralı ve **“Factors impacting the brand loyalty in banking industry: Empirical Study on Libya after the economic collapse in 2014”** başlıklı proje önerisi kurulumuzca değerlendirilmiş olup, etik olarak uygun bulunmuştur. Bu yazı ile birlikte, başvuru formunuzda belirttiğiniz bilgilerin dışına çıkmamak suretiyle araştırmaya başlayabilirsiniz.

Doçent Doktor Direnç Kanol

Bilimsel Araştırmalar Etik Kurulu Raportörü



Not: Eğer bir kuruma resmi bir kabul yazısı sunmak istiyorsanız, Yakın Doğu Üniversitesi Bilimsel Araştırmalar Etik Kurulu'na bu yazı ile başvurup, kurulun başkanının imzasını taşıyan resmi bir yazı temin edebilirsiniz.

BİLİMSEL ARAŞTIRMALAR ETİK KURULU

26.09.2018

Dear Nabil Abdalla Shanta

Your application titled **“Factors impacting the brand loyalty in banking industry: Empirical Study on Libya after the economic collapse in 2014”** with the application number YDÜ/SB/2018/93 has been evaluated by the Scientific Research Ethics Committee and granted approval. You can start your research on the condition that you will abide by the information provided in your application form.

Assoc. Prof. Dr. Direnç Kanol

Rapporteur of the Scientific Research Ethics Committee



Note:If you need to provide an official letter to an institution with the signature of the Head of NEU Scientific Research Ethics Committee, please apply to the secretariat of the ethics committee by showing this document.