



**Sudan University of Science &  
Technology  
College of Graduate Studies**

**THE MEDIATING EFFECT OF PERCEIVED VALUE ON  
THE RELATIONSHIP BETWEEN SERVICE QUALITY AND  
CUSTOMER LOYALTY, SWITCHING COSTS AS  
MODERATOR ,IN SUDANESE BANKING SECTOR**

الدور الوسيط للقيمة المدركة في أثر العلاقة بين جودة الخدمة وولاء العملاء  
التكاليف التحويلية كمتغير معدل , دراسة قطاع البنوك في السودان

**By**

**Afraa Ahmed Mohmmmed Khalid**

Supervisor

**Dr Abdel Hafiez Ali Hasaballah**

Co-Supervisor

**Dr. Saddig balal Ibrahim**

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## DEDICATION

- ❖ To my parents who taught me discipline and patience, may ALLAH reward and forgive them.
- ❖ To my husband **Ahmed** who share me the hard time and gave me moral support while I was preparing this dissertation.
- ❖ To my Father and my Mother.
- ❖ To my children **abd Alrahman, Rawan and Mohmmed.**
- ❖ To my second mother Teacher **Amaal algam.**
- ❖ To my brother (**Abed**) and my sisters

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## **ABSTRACT**

In today business environment the concentration should be given to loyalty of customer in strategy development to sustain service quality. Based on SERVIQUAL and social exchange theory, the purpose of this study was to examine the mediating role of perceived value on the relationship between service quality using (SERVIQUAL) and customer loyalty (attitudinal, behavioral) in Sudanese banking sector. Besides, the moderating effect of switching costs on the relationship between perceived value and customer loyalty. The present study obtained data from 364 customers in 34 banks in Sudan by Quota sampling techniques of non-probability sampling and response rate was 73%. To test Goodness of Measures the study used factor analysis and reliability tests, and to test hypotheses the study used multiple regression analysis. The findings indicated that three components of service quality (responsiveness, tangible, and empathy) have positive relationship with a customer loyalty (attitudinal loyalty, behavioral loyalty), but reliability and assurance has a negative effect. In addition the study revealed that responsiveness and empathy have positive relationship, but reliability, assurance and tangible have negative relationship with perceived value. Moreover the study explored the relationship between perceived value and customer loyalty was positive. Furthermore, mediating effects of perceived value was partially. This study also provided the moderating effect of the two dimensions Of switching costs (relational costs, and procedural) were not supported in the relationship between perceived value and customer loyalty except the moderating effect of relational costs on the relationship between social value and behavioral loyalty and the moderating effect procedural on the relationship between price value and behavioral loyalty.

## المستخلص

في بيئة الأعمال اليوم يجب أن يعطى التركيز على ولاء العملاء وذلك عن طريق استراتيجية الحفاظ على جودة الخدمة. وبناء على نظرية جودة الخدمة ونظرية التبادل الاجتماعي، كان الغرض من هذه الدراسة دراسة الدور الوسيط للقيمة المدركة في العلاقة بين جودة الخدمة وولاء العملاء الموقفي والسلوكي في القطاع المصرفي السوداني. الى جانب ذلك، دراسة اثر التكاليف التحويلية كمتغير معدل في العلاقة بين القيمة المدركة وولاء العملاء. حصلت هذه الدراسة على بيانات من 364 عميل في 34 مصرفا في السودان من خلال تقنية أخذ العينات الحصصية للعينات غير الاحتمالية وكان معدل الاستجابة 73%. لاختبار جودة المقاييس استخدمت الدراسة التحليل العاملي وموثوقية الاختبارات، و لاختبار الفرضيات استخدمت الدراسة تحليل الانحدار المتعدد. بينت النتائج أن ثلاثة من عناصر جودة الخدمة وهي الاستجابة، الملموسية، والتعاطف لها علاقة إيجابية مع ولاء العملاء الموقفي و السلوكي، ولكن الاعتمادية والضمان لها علاقة سلبية. وبالإضافة إلى ذلك كشفت الدراسة أن الاستجابة والتعاطف علاقتها إيجابية مع القيمة المدركة، ولكن الموثوقية، والضمان علاقتها سلبية مع القيمة المدركة. وعلاوة على ذلك، كان الأثر الوسيط للقيمة المدركة جزئيا. كما دعمت هذه الدراسة الدور المعدل للتكاليف التحويلية في العلاقة بين ابعاد القيمة المدركة هي قيمة السعر و القيمة الاجتماعية مع الولاء السلوكي.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Chapter Overview**

The purpose of this chapter is to provide an overview of this study and its organization. It begins with contribution of the service sector in the general economy of Sudan, then a discussion of the origins of the research, follows by the problem statement, research questions, the objectives of the research, the scope of the study, and the significance of the study. In addition, the chapter contains a section on definitions and descriptions of the key terminologies used, as well as an outline of the organization of the study.

### **1.1 Banking System In Sudan 2014**

The evolution of the Sudanese banking system is an important development mark during the last decades. It is an integration of the old banks, the new ones, and the Arab capital that has been invested in Sudan. It composes of 37 banks, all of which operate Islamic banking system. The law requires all the banks operating in Sudan's membership should have guarantee bank deposits and the Union of Sudanese banks fund. Central Bank of Sudan has arisen in 1960. The commercial banks that operated in Sudan until 2014 are: Bank of Khartoum (1913), Agricultural Bank (1959), Niles Bank (1963), Real Estate Commercial Bank (1967), the Savings and Social Development Bank (1973 ), the National Bank of Abu Dhabi (1976), the Sudanese France Bank (1978), Faisal Islamic Bank (1978), National Bank of Sudan (1981), the Bank of blue Nile Levant (1981-1983), Cooperative development Bank (1983), the Islamic Bank of Sudan (1983), Islamic solidarity Bank (1983), Al Baraka Bank Sudan (1984), Export development Bank (1984), Saudi Arabia's Bank of Sudan (1986), the National Workers' Bank (1988), the Muslim North of Sudan Bank (1990), the Commercial Farms Bank (1992),

Livestock Bank (1993), National Bank of Omdurman (1993), the Bank of Ivory (1994), Financial Investment Bank (1998), Coast Bank and the Desert (2001), Salam Bank Sudan (2003), Industrial development Bank ( 2005), the Sudanese Bank of Egypt (2005), Capital Bank United (2006), Family Bank (2008), Bank Al Jazeera Sudanese Jordanian (2008), Qatar National Bank (2009), the Arab Bank of Sudan (2009), Sudan's Bank of Egypt (2012 ), Abu Dhabi Islamic Bank (2013), Pioneer Bank & Investment (2013), the Bank of Creativity Microfinance (2013), and the Arab Bank for Economic Development in Africa (1975).

## **1.2 Banking Technology**

Line of the Central Bank of Sudan holds steps to cut the distance between Sudan and the world using the technology, and achieved in record time, a big jump in banking technology. What has been achieved in the field of electronic banking in Sudan is to:

Build a company that specializes in the creation, operation and management of banking technology services, company projects a pain electronic banking (lofty) EBS. Sudanese banks use global network Swift, and implementing the banking information network project in order to link the banking units and the presidencies of banks with each other and with the Central Bank of Sudan. The live examples of the banking technology are the ATMs which run services 24 hours a day. Besides that enables POS the citizens to purchase using the bank cards without the need to carry cash. In addition to that Electronic clearing of checks traded between banks, where the collection of checks in the beneficiary's account on the same day. Telephone banking, where you can inquire about a series of information requested without access to the bank online banking services, the bank-mail. Charge phone credit, pay off bills and buy electricity and pay some government institutions fees and salaries of bank cards and other services, banking via mobile phone, and E-

wallet. All the mentioned services are achievements of the banking technology so that you can manage your accounts in banks weather they are far or near.

### **1.3 Problem Statement**

Companies can decrease their operating cost, overall expenses and increase their profit by having loyal customers (Copacino 1997). Copacino also concluded that five percent reduction in the number of customers may decrease firm's profits by as much as 50 percent or more. In contrast, an improvement of five percent in loyalty and customer retention, may lead to upturn from 25 percent to 75 percent in the company's profit (Reichheld & Sasser, 1990). Some evidence by Wills (2009) suggests that the expense of gaining new customers may cost companies to spend five times more than to keep an existing one. Hence, customer loyalty can contribute to the improvement of corporate revenues and consequently, profit margins can decrease cost expenditures. Such positive relationship is also made by Reichheld and Teal (1996). This is primarily caused by the fact that consumers generally tend to be price sensitive in the services sector such as banking and insurance according to Reichheld and Teal (1996), who found that 8% of annual sales amongst premium customers is caused by loyalty (Firend & Rasheed, 2014 ).

The relations between service quality, customer satisfaction and loyalty are one of the most popular research topics among service researchers (Chai, Ding, & Xing, 2009; Pilkington & Chai 2008). Pilkington & Chai (2008) studied the importance of quality of products and services on customer satisfaction and found out that loyal customers generally lie in category of customers who have used higher quality products. This implies that better quality of products tends to increase customers' loyalty. Researches by Chai and Colleagues (2009) show that quality of services to a customer are one of the major important factors in identifying new customer needs. Other studies done by Bastos & Gallego (2008); Yi, (1990); Chai et al, (2009); Bloemer, et al (1995) also show the importance of products and



services quality in enhancing customer satisfaction and loyalty. And it is well-known that, the key to customer satisfaction and loyalty is to provide the customers with customers undiscovered needs. In places where companies do not depend on others to serve customers, they use their own perception, and hence the direct link between perceived quality, customer satisfaction and loyalty is naturally expected. This has been proven by many researchers in both pure product (e.g. Zeithaml 1988, Cronin et al. 2000, Brady and Cronin 2001) and pure service settings (e.g. Parasuraman et al. 2005, Wofinbarger and Gilly 2003). It is easy to point out that customer satisfaction increases customers loyalty, but there are also many satisfied customers who are not loyal to that particular brand. Thus, paying attention to satisfaction and loyalty at the same time is a critical and also a challenging task for a company. Studies undertaken by Coyne (1989); Oliva et al., (1992); Fornell (1992); Gultinan, et al. (1997); Sivadas and Baker-Prewitt (2000); Bowen, and Chen (2001); Bansal and Gupta (2001); Silvestro, and Low (2006), demonstrate that there is a positive and meaningful relationship between customer satisfaction and increase in the customers loyalty. (Su, Pollack, Yavas & Babakus, 2009), also found that higher levels of service quality lead to higher levels of customer's loyalty.

However, (Alok Rai, 2013) stresses that service quality holds greatest significance for the customers while taking conscious or unconscious decision of connecting their loyalty with a life insurer. Additionally, (Rahim Mosahab, 2010) demonstrates service quality has a direct relation with loyalty, and nearly 45 percent of loyalty changes can be explained by service quality changes. (Muchtar Rizka, 2013) Also a report has that service quality has direct effect on customer loyalty. Moreover, (Robabeh Hosseini, 2015) examines the relative importance of service performance and quality of experience in building the brand image and then the brand loyalty. (Van, 2012) emphasizes dimensions of service quality as

the most important variables of service quality to determine the customer loyalty, responsiveness and reliability have very high correlation coefficients with customer loyalty. About 80% of the variance in customer loyalty is explained by these constructs. On the other hand, (Huang, 2009) asserts service quality has direct effects on passengers' behavioral intention.

(Wang, 2011) Study the relationship between e-service quality and customer loyalty, Furthermore, (Ruyter & Wetzels, 1998) suggest there are three dimensions of service loyalty that can be identified: preference loyalty, price indifference loyalty and dissatisfaction response. Besides, they found a positive relationship between perceived service quality and preference loyalty and price indifference loyalty. Furthermore, Sureshchandar et al. (2003) and (Van, 2012) revealed the tangible significant impact on customer loyalty. In addition (Leong, Ying, Soon & Oo, 2015) found the impacts of SERVPERF dimensions towards customer satisfaction and loyalty of the airline industry.

(Choudhury, 2013) Explores the relationship between service quality (attitude, competence, tangibles and convenience) and WOM by linking both constructs at their dimensional level in banks. Also (Al-Zoubi & Majed, 2013) discovered a strong and positive correlation between SERVQUAL and customer loyalty in the Jordanian telecom market.

(Daniel Auka, 2013), Lai (2004), and (Alok Rai, 2010) claim that there is relationship between tangibility and customer loyalty. And , (Alok Kumar Rai, 2010), (Daniel Auka, 2013), Mengi (2009) studies the effect of responsiveness on loyalty. (Alok Rai, 2010), ( (Jorge Vera, 2013), (Daniel Auka, 2013) and (Daniel Auka, 2013) examined the relationship between empathy and customer loyalty. Alok Rai, 2010, (2006), Ndubisi (2006), (Es, 2012) , (Rahim Mosahab, 2010), (Daniel Onwonga Auka, 2013), Kumar et al (2010), (Al-Zoubi & Majed, 2013), and Lai (2004) explore the relationship between assurance and customer loyalty.

(Daniel Auka, 2013), (Badara, Kamariah, Mujtaba, & Abubakar, 2013) found out the mediating effect of customer satisfaction on the relationship between service quality and customer loyalty.

Many studies conducted on customer loyalty as a uni dimensional construct. However, this study has adopted two dimensions for customer loyalty:

Attitudinal loyalty and behavioral loyalty, to represent the entire relationship of the customer loyalty in the banking industry, This was recommended by, Hasan, Kiong , and Teo ( 2014).

(Cemal Zehira, 2014), (mumel, 2004) , Sweeney et al. (1999), Teas and Agarwal (2000), (Sadia Jahanzeb, 2013), He and Li, 2011; Yang and Peterson, 2004), (Wang, 2011), (Ismail, Abdullah, & Francis, 2009), (Hung, Hsin, Joo, & Hong, 2013)and (Manoj Edward, 2011), studied the relationship between Service quality and perceived value. (Anderson & Gerbing, 1988) Revealed relationship between the functional value, emotional value, and price value of the service quality. (Juan Roig, 2006) asserted the multidimensionality of the accepted perceived value, differentiating functional and affective dimensions, and a scale of measurement of the perceived value by the customer in the banking sector, which incorporates not only functional or utilitarian characteristics, but also affective aspects represented by the emotional and social dimension. (Moliner, 2009) Discusses the influence of perceived value on relationship quality. (Muhammad Raza, 2012) reveals three dimensions of service quality (consistency, service convenience and customer demand fulfillment), and two dimensions of perceived value (social and emotional value).However, these relationships did not reach specific conclusions.

Some researchers demonstrated the relationship between perceived value and customer loyalty (Mohammad Majid, 2012), (Pin Luarn, 2003), Cemal Zehira, 2014) , (Pooja Jain, 2015), Wang, 2011). Other studies carried out in the

telecommunication (Bolton and Drew, 1991), banking (Roiget al., 2006), airline, tourism and retail services industries (Sirdeshmukhet al., 2002; Parasuraman and Grewal, 2000; Reichheld, 1996).

(Floh, Zauner, & Tho, 2014) Found strong support that perceived value dimensions (Functional Value, Economical Value, Emotional Value, and Social Value) influences behavioral intentions. And (Paul G. Patterson, 1997) examine the impact of perceived value in concert with satisfaction and repeat purchase intentions. (Sadia Jahanzeb, 2013) suggest a strong and positive relationship between perceived value and brand equity. Furthermore, (Jamal & Sharifuddin, 2015) in the study the link between PV (perceived value) and IP (Intention to purchase) ,and link between PV and IB (Intention to buy). In addition to that (Wang, 2011) examine the E-service quality, customer perceived value and customer satisfaction influence in customer loyalty. Moreover, (Chi, 2013) points out that the consumer perceived price, quality and emotional values significantly affected by where they usually purchase casual sportswear.

(Chen ,2014) substantiates the impact of perceived program value, particularly the psychological value on active loyalty. But, (Andrea Eggert, 2002) investigate the relationship between customer perceived value, customer satisfaction and behavioral outcomes.(Ariff, 2012) demonstrates customers' perceived emotional value of the mobile phone which has the a strong impact on customer satisfaction and their loyalty.

(Sadia Jahanzeb, 2013) Also explains the impact of perceived value on brand corporate. (Pura, 2005) Pointed out, the three value dimensions: conditional, convenience and monetary value which have a significant positive relationship with behavioral intentions.

(Vladimir Seni´, 2014) demonstrates the significance of the influence of emotional and social values on attitudinal loyalty, as well as the significant effects of

functional and monetary value on behavioral intentions. The study of (Vladimir Seni', 2014), has similarity to this research. Another two dimensions are added namely, price value and quality value.

(Cemal Zehira, 2014), and (Wang, 2011) showed the perceived value act as a mediator between Service quality and loyalty Intentions. (Sadia Jahanzeb, 2013) found that alongside perceived value, corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm.

(Serkan Akinci, 2015) Confirmed the mediating role of all perceived value dimensions (emotional value, functional value, price value, and perceived service quality) except social value in the relation between satisfaction and loyalty intention. Also (Paul Patterson, 1997) findings clearly showed that the value as well as each performance dimension completely mediates through satisfaction in influencing repeat purchase behavior. However, those scholars have not taken perceived value (4 dimensions) as mediator in their discussion.

Most previous studies have considered switching costs as a moderator in the satisfaction–loyalty linkage. When switching costs are substantial or the switching processes are painful, the dissatisfied customers are likely to maintain business relationships with existing service providers and resist the dissolution of the relationship (Jackson, 1985; Port, 1980) cited in (Peterson, 2004). For instance, Lee, Lee, & Feick (2001) have examined the effect of switching costs on the satisfaction and loyalty linkage. Sharma and Patterson (2000) concluded findings indicating that in a personal financial-planning service context, switching costs positively moderate the effect of trust and satisfaction on relationship commitment. (Yanqun He, 2009) Found the moderating effects of switching costs through direct influences of the three primary antecedents. The moderating effects of switching costs on loyalty dimensions through service quality and service value are supported in general. In contrary, (Dagger, 2012) suggested, negative moderating

effect of switching costs on the relationship between satisfaction and customer loyalty which becomes stronger as customers perceive greater benefit from being in the relationship. (Serkan &Go`khan, 2005) focused on two issues in order to explain customer loyalty. The first is whether or not perceived switching cost is a basic factor, along with customer satisfaction and trust, in explaining customer loyalty. The findings supported the results in the existing literature. However, noted that perceived switching cost had a positive effect on customer loyalty the second issue was whether or not perceived switching cost had a moderator effect on the relationships between customer satisfaction and loyalty, and trust and loyalty. But, “to the best of my knowledge”, we found no study provided switching cost as moderator between perceived value and customer loyalty.

The research problem is to investigate the relationship between the service quality using SERVIQUAL and customer loyalty as (attitudinal and behavioral). Furthermore, mediating role of perceived value on the relationship between service quality and customer loyalty. Besides, the moderating effect of switching costs on the relationship between perceived value and customer loyalty. The research covered all Sudanese banking sector (37) banks.

#### **1.4 Research Questions**

- 1-Do service quality dimensions (assurance, reliability, responsiveness, empathy, and tangible) have influence on customer loyalty dimensions (attitudinal and loyalty) in Sudanese’s banking?
- 2-Do service quality dimensions have influence on perceived value on Sudanese’s banking sector?
- 3-Do perceived value dimensions (price value, emotional value, social value, and quality value) have a direct effect on customer loyalty in Sudanese’s banking sector?

4-Do perceived value dimensions mediator between relationship between service quality and customer loyalty.

5-Do switching costs have moderating effect on the relationship between perceived value variables and customer loyalty variables?

## **Research Objectives**

1-To investigate relationship between service quality and customer loyalty in Sudanese banking sector.

2-To examine the effect of service quality and perceived value in Sudanese banking sector.

3-To measure the effect of perceived value on customer loyalty in Sudanese banking sector.

4-To observe the effect of mediator role of perceived value on the relationship between service quality and customer loyalty in Sudanese banking sector.

5-To test the moderating effect of switching costs on the relationship between perceived value and customer loyalty in Sudanese banking sector.

## **1.5 Significance Of The Research**

### **1.5.1 Theoretical Significance**

This study is expected to add to the following areas of knowledge about customer loyalty:

1. The study identifies the service quality adopted among Sudanese banking sector. In general, knowledge about existence of service quality practices in Sudan and developing countries is still lacking. Thus, the study can add considerable knowledge in this area and provide a base for future researches on this issue.

2. The study identifies the influence of service quality towards the customer loyalty. This can add to the knowledge about the value and importance of service quality to the organization and society at large.

3. This study attempts to service quality and perceived value and customer loyalty as two dimension (attitudinal and behavioral) deriving the theoretical framework.
4. The proposed research questions are important for the subject- matter, which complements the two basic concepts of service quality and customer loyalty(attitudinal and behavioral). It's assumed that the studying the interrelatedness between the two concepts will be of great interest for both academicians and practitioners.
5. The study also attempting to test the theory Resource Based View on Sudanese Banking sector.
6. This study identifies the influence of the switching costs toward the customer loyalty.
7. This study is expected to add to the knowledge in areas of switching costs as moderator in the banking sector.

### **Practical Significance**

From a practical contribution perspective, the study is expected to enhance the Knowledge of customer (attitudinal loyalty and behavioral loyalty) in Sudanese banking sector in the following ways:

1. The study discloses the concept, significance and outcomes of service quality practice, thus it can advance managers in all banks in Sudan understanding on the importance and value of practices this is very crucial in view of the increasing practice and economic importance of service quality.
2. This study seeks to investigate the factors that affect the customer loyalty of Sudanese banking sector and hence it's expected to contribute significantly to the loyalty of the Sudanese banking sector through service quality and perceived value.



3. The study may help decision makers in Sudanese banking sector in developing countries in general and Sudan in particular, in setting appropriate strategies for improving customer loyalty of banks as general.

## **1.6 The Scope Of The Study**

This study probes on the Sudanese service industry banks. The justification is instituted on; firstly) the substantial resource in the nation's economy. Furthermore, service quality underpinnings, and customer loyalty both can easily identified and better implemented in the banking sector, in order to direct relationship between bank and its customers. Secondly: In addition, the best services are applied in banking sector. Thirdly: One of the key elements in the service industry is the development of long-term, value-laden relationships with customers .Fourthly: the quality about service and processes that banks were possessed. Finally: the components of service quality underpinnings adopted from service industry.

Thus, any senior marketer in Sudanese banking industry banks have working experience for ten years as minimum will have the chance to choose him in this study sough to a bank's perspectives because the study population contains different types of banks so this can eliminated the emotional judgment and conducted from a firm's perspective.

## **1.7 Definition Of Key Terms**

**Service quality:** global judgment or attitude relating to the overall excellence or superiority of the service, Parasuraman et al (1998).

**Reliability:** the ability to deliver promised service in dependable, accurate manner.

**Responsiveness:** the willingness to spontaneously help customer and provide prompt service.

**Assurance:** service people with etiquette and expertise are available to help.

**Empathy:** customers are treated with special care and attentiveness.

**Tangible:** service faculties 'equipment, people, planning and implementation of service products.

**Perceived value:** is defined as a consumer's overall evaluation of the net benefit of a product or service based on a consumer's appraisal (Bolton and Drew, 1991; Patterson and Spreng, 1997).

Price value; the measures are reasonably priced, would be economical, offers value for money, and is a good product for the price (Ting Chi, 2012).

Social value: the measures are would help me to feel acceptable, would improve the way I am perceived, would make a good impression on other people, and would give its owner social approval (Ting Chi, 2012).

Quality value: the measures are has consistent quality, is well made, has poor workmanship, has an acceptable standard of quality, would not last a long time, and would perform consistently (Ting Chi, 2012).

Emotional value: the measures are is one that I would enjoy, would make me want to wear, would make me feel good, would give me pleasure, and is one that I would feel relaxed about using(Ting Chi, 2012).

**Customer loyalty:** loyalty as an Behavior and attitude relationship (relative attitude and repeat purchasing) Dick & Basu (1994).

**Behavioral loyalty:** means consumers repurchase behavioral or intension of specific brand.(Russell-Bennett et al 2006).

**Attitudinal loyalty:** means customers' sense of specific products or service(Kumar and Reinartz 2006).

**Switching costs:** defined as the costs involved in changing on service provide to anther (porter 1980).

## **1.8 Organization Of The Research Chapters**

The research has been organized in six Chapters, **Chapter one** provided an overview about research background, followed by the problem of the research, research questions, the objectives of the research, significance of the study, and the scope of the study. In addition, the chapter contained a section on definitions of the key variables used, as well as an outline of the organization of the study.

**Chapter two** comprises of four main parts, and it will provide an extensive literature. The first part covers the Integrative reviews on service quality concepts. Part two concept of perceived value .Part three covers different factors associated with customer loyalty(attitudinal and behavioral), Part four covers switching costs concepts and its theoretical perspective, and **Chapter three** includes; the conceptualization framework, the hypotheses which will be drawn from the model, and **Chapter four** will describe the research methodology, which will use to answer the research questions. This includes; research design, data collection procedures, questionnaire development, measures which will be used, and the proposed statistical analysis, **Chapter five** presents the survey findings and the analysis. And finally, **Chapter six** concentrates on the discussion of the findings and conclusion.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.0 Introduction

Chapter two comprises of five main parts, and will provide an extensive literature. The first part covers the concepts of service quality. Part two concepts of customer loyalty. Part three covers concepts of perceived value. Part four covers concepts of switching costs. Part five covers mediating role of perceived value between service quality and service loyalty. The moderating role of switching costs and the summary of the chapter then follows:

### 2.1 Service Quality Definitions and Concepts

The service quality for a long time has been one of the most essential research areas for understanding customers' evaluation of service (Fisk *et al*, 1993). Researchers frequently emphasized the subjective facet of the concept of service quality. Zeitham *et al.*, 1990 defined the service quality as: "Only customers can judge quality: all other judgments are basically having no considerations. Any company wants to control service quality, it is very important to focus on the specific attributes that are valued as main to the target customers and to deliver the right type of service with respect to these attributes. The service quality considered a critical accomplishment factor for recent service companies. Service quality close conceptual as well as experiential connection to customer satisfaction turned it in to the core marketing instrument.

The international market is a tough competitive scope, and service providers are focusing to achieve high levels of customer satisfaction by offering excellent service quality (Sharabi & Davidow, 2010).

Generally, quality defined as (fitness for use; and those product features which meet customer need and that by provide customer satisfaction. (Juran & Godfreg1999; Juga, juntunen &Grant 2010) sited in (Aftab, 2012).

Parasurman, et al (1985-1993) defined the Service quality as a group of expected service quality: quality level that customer expects to be providing by service provider, and the perceived service quality: the level resulted direct perception of customers to every service quality item. (venetis & Ghauri, 2004).Furthermore, in (1998) Parasuraman et al defined Service quality as a” global judgment or attitude relating to the overall excellence or superiority of the service”, sited in (Aftab, 2012). Farthermore, Attracting new customers and contributors to the market share and competitive advantage is regarded to Service quality; in addition service quality is viewed as essential means for customer retention. (venetis& Ghauri, 2004).

Late 1970s service quality has been derived from the field of marketing which value the human interaction between a business and customers. Service quality incorporates the concept of meeting and the customers’ expectations. . The popular of the literature on service quality in the 1970s and 1980s reveals four main attributes: intangibility, heterogeneity, perish ability and attribute often cited as having no tangible quality .And also, (Harvey1998) suggested that quality measurement are impossible because Services quality is so intangible.

Generally, customers cannot evaluate a service before consumption, during consumption and after consumption (Zeithaml 1981,Shostack 1984) , sited in (Ghosh, 2004).

Smith (1998) defined Service quality as meeting the need and expectations of the customer. On the other hand, Spreng & Mackoy (1996) revealed, service quality has formerly been proposed as a construct that is dissimilar from customer satisfaction and at the same time it is an essential predecessor of the latter.

### 2.1.1 Dimension of Service Quality

Table 2.1 Dimensions of Service quality

Table: 2.1 Dimensions of Service quality

No	Authors	Dimensions of Service quality
1	Parasuraman et al. (1988). (SERVQUAL)	1:tangible 2-reliability 3-Responsiveness 4- assurance 5- empathy
2	Gronroos, 1982, 1984	1-terms of functional 2- technical quality
3	Syed and Amiya (1994)	1- facility 2- empathy 3-responsiveness 4-reliability 5- convenience
4	Brady and Cronin (2001)	1-interaction quality 2-physical environment quality 3-outcome quality.
5	Gilmore and Carson, 1992).	1:tangible 2-reliability 3-Responsiveness 4- assurance 5- empathy 6- price 7-accessibility

6	Cronin and Taylor 1992(SERVPERF)	1- Empathy 2-Assurance 3-Visual Aspect
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*Source: researcher from literature.2015*

The above table 2.1 show the different dimensions of service quality from various perspectives , these definitions included many dimensions of service quality that mean there are no one acceptable definition . Across a multiplicity of journals and books. Based upon the literature review, surely the most current studies reviewed in the table it is proposed that the service quality is as a global judgment or attitude relating to the overall excellence or superiority of the service. Fundamentally, “SERVQUAL measures customers’ expectations of what firms should give in the industry organism studied and their perceptions of how a given Service contributor performs against these criteria (East, 1997).

This SERVQUAL adopts the gathering expectations example to measure service against firms (Iadhari2009). Zeithaml, Parasuraman and Berry (1990) sophisticated the ten dimensions in to five to measure customer’s perceived value of service quality .which is known as SERVQUAL. Many researchers have used the SERVQUAL dimensions as the basis for their research, and therefore SERVQUAL has certainly had a main impact on the business and academic communities (Buttle, 1996). Nevertheless, SERVQUAL has been criticized by dissimilar authors for various reasons, such as the operationalization of expectations (Sureshchandar, Rajendran & Kamalanabhan, 2001). SERVQUAL has been tested and used to measure service quality in various contexts for example banking. (Lassar et al 2000, Angur et al 1999). Service quality is an essential factor in banking, and SERVQUAL provides a technology for measuring and administration service quality (Buttle, 1996).

SERVQUAL includes five dimensions: tangible, reliability, assurance, responsiveness, and empathy. They condition that the SERVQUAL thing symbolize core assessment criteria that transcend specific companies and industries providing a fundamental skeleton underlying service quality that can be supplemented with context precise items when important (AlMadan, 2004).

**Tangibility:** means physical amenities, manifestation and equipment of personnel. In bank's tangible factor include comfortable designee, up to date equipment for customer utilize and adequate staff to provide service. Tangibility represents physical facilities, equipment and appearance of personnel. (Lau, Cheung, Lam, & Chu, 2013).

Physical facilities, equipment, and appearance of personnel, Parasuraman *et al.* (1988) cited in (Siami & Gorji, 2011).

**2 - Responsiveness:** The readiness to help customers and give punctual service. In order to be cooperative and responsive to customers (Chu, 2013). Parasuraman *et al.* (1988) defined **responsiveness** as: Ability to perform the promised service dependably and accurately, cited in (Siami & Gorji, 2011). Responsiveness represents the willingness to help customers and provide prompt service. (Lau, et al, 2013).

**3-Reliability:** means the aptitude to execute the promised service dependably and precisely. The main cause for customers to decide banks, banks for all time promise customers a high level of safety through transactions (Chu, 2013). Parasuraman *et al.* (1988) defined reliability as: Willingness to help customers and provide prompt service, cited in (Siami & Gorji, 2011).

**4- Assurance:** The knowledge and their aptitude to motivate confidence and trust. Bank commitments are essential as customers might save a great sum of money in banks. (Chu, 2013). (Parasuraman *et al.* (1988) defined assurance as: Knowledge



and courtesy of employees and their ability to inspire Trust and confidence, cited in (Siami & Gorji, 2011).

**5- Empathy:** Represents the individualized concentration that firm provides to its customers. Staffs that show considerate of customer desires and are knowledge to solve customer problems are achievement factors for the service industry (Chu, 2013). (Parasuraman *et al.* (1988) defined empathy as: Caring, individualized attention the firm provides its customers, cited in (Siami & Gorji, 2011). Empathy represents the individualized attention that firms provide to its customers. Employees who show understanding of customer needs and are knowledgeable to solve customer problems are success factors for the service industry (Lau, et al, 2013).

## **2.2 Customer loyalty Definitions and Concepts**

A helpful starting point to observe what constitutes loyalty is to summaries the variety of survey-based loyalty measures that have been used in previous studies. Additionally, many researchers have identified customer loyalty as a primary driver to organizational accomplishment. Customer loyalty is a prime determinant of long-term financial performance of firms (Jones & Sasser, 1995).

The first concept of loyalty appeared in 1940s. In its first day's loyalty was proposed as a uni-dimensional construct, which was connected to the measurement perspective taken by the researcher two split loyalty concepts evolved. That is to say, "brand preference" (Guest, 1944, 1955) which was later referred to as attitudinal loyalty and "share of market" (Cunningham, 1956), which was afterward referred to as behavioral loyalty. In the 1960s and 1970s, customer loyalty was approached mainly from a behavioral standpoint. In (1978) Jacoby and Chestnut focus on interpreting patterns of repeat purchasing in mainly board data as a demonstration of loyalty. (Seni'c & Marinkovi'c, 2014). Loyalty is usually defined as a customer's intention to provide exclusive benefaction to a particular

product or service above a continued period of time. Initially, more attention was given to the behavioral component,( Miguel Moliner 2009). Moreover Loyalty is usually puzzled with repeat purchase behaviour. Nevertheless, from the conceptual point of view, repurchase is no more than a demonstration of loyalty, jointly with word-of-mouth communication (Oliver, 1999).

For this cause, loyalty is conceived as an attitude or an intention that gives increase to certain behaviors in the course of a relationship (Oliver, 1999). This approach is supported by those situations in which the customer has no real possibility of choice, as occurs with public services. In these cases, although repurchase behavior does take place, the attitude or intention may not be loyal to the supplier, though the non-existence of alternatives prevents dissimilar behavior (Miguel, 2009).On the other hand (Cunningham, 1956) described the Customer loyalty as the proportion of customers 'total purchases to a given product brand (Qiu, Yeb, Baic, & Heng, 2015).

Furthermore, Dick & Basu (1994) defined loyalty as “the potency of the relationship between an individual’s comparative attitude and repeat clientele and supplemented the behavioral approach with the concept of comparative attitude which reflects the degree to which the consumer’s assessment of one service dominates that of another. In addition Jones and Sasser (1995) state that customer loyalty is “a feeling of attachment to or affection for a company’s people, products, or services” cited in (Rugter & Wetzels, 1997).besides, Loyalty is a behavioral or attitudinal phenomenon defining attitudinal and behavioral representations of loyalty; and discerning between supplementary dimensions of loyalty and sympathetic the interrelationships between them (Sharyn Rundle2005). Practically 30 years after loyalty first appeared in the academic literature researchers ( Day, 1969) proposed that loyalty may be more multifaceted and that it may include both attitudinal and behavioral loyalty. This bi-dimensional concept

has since been communal and referred to as complex loyalty ( Jacoby, 1971). The complex definition of loyalty considers that loyalty should always include favorable attitudes, intentions and repeat-purchase (Jacoby & Chestnut, 1978). Loyalty is the key to the longevity of any brand and one type of loyalty, namely word of mouth has lately been correlated with company growth (Reichheld, 2003) cited in (Rundle, 2005). Loyalty is considered by many practitioners and academics as organism one of the key elements to a company's achievement (Set & Pamies, 2012), except this constituent alone seemed inadequate to detain what is sometimes called "true" or "full" loyalty (Han & Back, 2008).

The attitudinal constituent of loyalty can be viewed as the level of unremitting favorable temperament to some value connected with the brand or the company (Dick & Basu, 1994; Han & Back, 2008). While the behavioral constituent exists when customers repeatedly purchase the same brand or from the same company (Sonmez & Graefe, 1998) cited in (Seni'c & Marinkovi'c, 2014).

Behavioral measures such as replicate buy incidence and repurchase likelihood have been employed to evaluate loyalty. Nevertheless, such an approach has been criticized by scholars for its incompleteness. Day (1969) indicated that to minimally mirror on the purchasing behavior is not sufficient to define loyalty. In this regard, he advocated the adding of attitudinal variables to broaden the concept of brand loyalty and differentiate true and spurious loyalty. Oliver (1999), among others, argued that the behavioral approach ignores the mental meaning of loyalty and thus lacks of descriptive power. Also Oliver (1999) proposed four ascending brand-loyalty stages: cognitive loyalty, affective loyalty, cognitive loyalty or behavioral intentions, and action loyalty. Customers' loyalty is first generated from the information they have on that brand, the positive attitude toward a brand, their obligation to purchase and the final stage, where customers transform their intentions into action.

Although the enriched conceptualization has shed more light on customer loyalty, measurement issues arise. Due to the difficulties in measuring actual repatronage behaviors, many studies focus on the attitudinal aspects of loyalty (Skogland & Siguaw, 2004). Loyal customers purchase more repeatedly, decrease marketing cost, show less price sensitivity, and carry referrals through positive word-of-mouth (Hennig, 2002; Payne & Holt, 2001) which certification the future income of an organization (Sharpan and Sharp, 1997) sited in (Qiua et al,2015). Customer loyalty can be defined from an expression of mental (attitudinal) and procedure (behavioral) loyalty in a relationship between a actor and another entity, in the attendance of alternative entities (Dick & Basu, 1994; Melnyk et al, 2009). Keeping a loyal customer furthermore costs less than creating a new customer (Reichheld, 2001).

Creating and maintaining customer loyalty are important to firms In addition, numerous positive benefits can originate from the behavior of loyal customers; subordinate degree of searching for alternatives (Macintosh, 2002), favorable word-of-mouth greater steadiness despite of contestant efforts(BoveandJohnson,2009), and further tolerance of slight mistakes (Blackman,1985). The communications between service employees and customers can guide to the customer remain- ing loyal; or not; to the organization (Bove & Johnson, 2006). Certainly, most studies of the drivers of customer loyalty emphasize customer value as a major driving force. (Parasuraman &Grewal, 2000) suggested customer value has been empirically found to be a precursor of loyalty sited in (Chen, 2014).

Wulf, Schored & Lacobucci (2001) defines loyalty as the size of the utilization and purchase frequency. While (Sheth & Mittal 2004), defined customer loyalty as the obligation of customers to a brand, superstore, or suppliers, based on a extremely positive attitude and is reflected in the reliable repeat purchases. According to

Kotler & Keller (2006) Indicators the customer loyalty are a Repeat purchase loyalty towards the purchase of a product); Retention (resistance to the negative influence of the company) Refer alls (give reference to others regarding to the products and services) (Ningsih & Segoro, 2014). Loyal customers tend to have superior probability of repurchasing from a supplier than non-loyal customers. Also, those loyal customers considerably contribute to market share enlargement (Lam & Burton, 2006). Moreover, Bennet & Thiele (2002) described loyalty as customers' intention towards a firm as a purpose and undergoes a mental procedure (Rasheed & Abadi, 2014).

Customer loyalty defined as two dimensions: behavioral and attitudinal. Attitudinal dimension refers to parameters such as repurchasing imagination, resistant to purchase to other firms, tend to introduce, persevere and influence the others to use a company's specific product or service (Parasuraman, Leonard, & Zeithaml, 1991). Attitude denotes the degree to which a consumer's temperament towards a service is favorably tending (Azjen & Fishbein, 1980).

This is reflected, for example the readiness to advise a service provider to other consumers or the commitment to repatronise a preferred service provider (Pritchard, 1991). Based on a favorable attitude towards a service provider, customers may develop preference loyalty. (Rugter & Wetzels, 1997).

Behavioral dimension refers to a behavior of customers on repurchase and illustrates a precedence for products or services (Dick & Basu, 1994).The reason being, is that behavioral dimension can drive customers to the utilization of services and repurchase of products from vendors. Therefore, consumer's propensity to commit is advanced over time (Lee, Lee, & Feick, 2001). Jacoby (1971) supposed that repeating purchase is an indication of several classic key factors of attitude, which he considers to be evaluative, cognitive, dispositional and effectiveness. (Jacoby) specified the loyalty is the amount of customers' service

alternative, switching propensity, purchase's regularity and the overall shopping. SDedication and repurchasing verdict consequently is influenced by customers' loyalty (Bowen & Chen, 2001) sited in (Rasheed & Abadi, 2014).

(Jacoby & Chestnut, 1978) suggested a loyalty consists of one behavioral dimension and one attitudinal dimension. Trust, commitment (i.e. motivation to maintain a valued relationship (Morgan & Hunt, 1994), and resistance to counter-persuasion from competitors (Lessne & Didow, 1987) are necessary features of loyalty. True loyalty entails repeat purchasing behavior, accompanied by an underlying positive attitude and high degree of commitment, as well as resistance to counter-persuasion from competitors (Waarden & Lars, 2013).

(Dick & Basu, 1994 defined loyalty is as a strong relationship between individual relative attitudes and repurchase, representing the proportion, the succession and likelihood of purchases with the same supplier studies on customer loyalty have focused on different references for exploration, such as brand (Farley, 1964), shops and activities (Bellenger et al, 1976), service (Pritchard et al., 1999) and product (Homburg & Gering, 2001). There are besides the behavioral (Seiders et al, 2005) and attitudinal approaches (Jacoby & Chesnut, 1978).

The behavioral approach is based on aspects of future repurchase behavior, purchases frequencies and amount and brand switches above time (Liang et al. 2009). Conversely, the attitudinal approach emphasizes the role of cognitive and affective aspects on the construction of loyalty and reflects the consumer's events, connecting the measure of the past purchase of a meticulous brand or a set of brands and/or, motionless, a future purchase likelihood due to past purchases behavior (Evanschitzky et al., 2006). On the other hand, some authors prefer the exploration of behavioral intention without the attitudinal assessment (Chaudhuri & Holbrook, 2001). The behavioral approach has received condemnation, similar to the nonappearance of cognitive and affective aspects related with consumer

behavior and the stimulus-response logic present in the reliable repurchase behavior, given that the behavioral approach does not incorporate consumer attitudes or preferences and intentions towards brands.

To the critics, in the behavioral approach it is not probable to differentiate right loyalty from bogus loyalty (Day, 1969; Bennett, Thiele, 2002). However, behavioral loyalty is influenced by attitudinal loyalty (Bandyopadhyay & Martel, 2007), which makes probable the connection between customers' behavioral patterns of loyalty to underlying attitudes (Baldinger & Rubinson, 1996).

In this study, customer loyalty is defined as a consumer's loyal attitude and behavior toward a specific service firm, despite competitors providing alternative services in the market.

### 2.2.1. Dimension of Customer Loyalty

**Table 2.2 Dimensions of customer loyalty**

No	Authors	Dimensions of customer loyalty
1	Dick & Basu, 1994 Melnik et al, 2009	1: attitudinal 2-behavioral.
2	Macintosh, 2002 Reinartz & Kumar, 2002 (Bove & Johnson, 2009) Blackman, 1985	1-lower degree of searching for alternatives 2-favorable word-of-mouth 3-greater stability regardless of competitor efforts 4-greater stability regardless of competitor efforts 5- more tolerance of minor mistakes
3	Oliver 1997	1-cognitive loyalty 2- Affective loyalty 3-cognitive loyalty or behavioral intention 4-action loyalty.
4	Jane et al, 2009	1-Behavioral Response (repeat purchasing) 2-Commitment to the People providing the service Commitment to the Institution.

Customer loyalty is complex and comprises many dimension .It is presently accepted that loyalty includes two dimensions: attitudinal; and behavioral (Oliver, 1999; Zeithaml, 2000; Chaudhuri &Holbrook, 2001; Anderson & Srinivasan, 2003; Koo, 2006).

Attitudinal loyalty indicates a long-term and mental commitment of a customer to continue a relationship with a service contributor (Czepiel &Gilmore, 1987; Caruana, 2002; Shankar et al., 2003). Behavioral loyalty is defined as repeat benefaction, meaning the percentage of purchases of a specific brand (Neal, 1999; Koo, 2006).

Nevertheless, action loyalty is too complicated to monitor and measure, so research tends to employ the behavioral intention to measure customer loyalty (Yang & Peterson, 2004). Attitudinal loyalty measures it from two dimensions: Repurchase intention and word-of-mouth.

Repurchase intention refers to consumers' estimation of future purchases from the identical company based on their preceding experience (Patterson and Spreng, 1997; Hellier et al., 2003; Durvasula et al., 2004; Seiders et al., 2005; Olaru et al., 2008). Word of mouth refers to assessment in verbal form of a supplier's performance (Buttle, 1998), which is positively linked with satisfaction (File et al., 1994) and contains consumers' positive or negative statements concerning a product for sale on a shopping website and is cooperative for decision-making on purchases (Park et al., 2007; Park and Lee, 2009) sited in (Chang & Wang).

(Aaker, 1991) defend Brand loyalty is a pointer of customers' extent of passion and commitment to the brand.

Jacoby and Chestnut approaches to the brand loyalty in five different aspects. These are: biased, behavioral response expressed over time by some decision-making unit, with respect to one or more brands out of a set of such brands, and is a function of mental processes (Jacoby &Chestnut, 1978). Engel (1990) defined



brand loyalty as a customer's positive attitude and behavioral response towards one or several brands that are in the same product line, over a period. In the literature, behavioral loyalty represents repetitive purchasing of a brand over a period by customer.

Nevertheless, behavioral loyalty unaccompanied is not considered sufficient to explain the diverse buying situations as there are personal motives that incite the customer to purchase the same brand and consequently behavior must be accompanied with positive attitude (Hardeep & Bala, 2010). Additionally, Jacoby and Chestnut (1978) observe 33 specific measures of behavioral loyalty. They subdivided these measures into five sub groups; percentage of purchases dedicated to a given brand, those anxious with the succession in which brands are purchased, those that reflect likelihood of purchase, those that synthesize or combine numerous behavioral criteria, finally, a number of miscellaneous measures (Jacoby & Chestnut, 1978).

To sum up, the issues of loyalty mainly anxious on how loyalty is operationalized. It is very important to comprehend how we should measure loyalty. Although there are three approaches that can be used to measure loyalty (behavioral, attitudinal, and composite approaches), most researchers resorted to attitudinal measurement in terms of intention to repurchase and intention to recommend as an pointer of loyalty (Sondon, 2007) sited in (Zehira, Sehitoglub, Narcikaraa, & Zehi, 2014).

Reichheld & Sasser (1990) argued that loyalty is the petroleum that drives financial achievement. The concept of "loyalty" is approached and defined in a number of ways in literature (Hallowell, 1996). Harris & Goode (2004) provided an introduction to the customer loyalty conceptualization procedure. They claimed that the initial phase of loyalty conceptualization emphasizes the consumer behavioral feature of the construct. Harris and Goode (2004) indicated further that later researchers enthused from the extreme focus on the behavioral elements to the

utilize of more attitudinal facets of loyalty such as Jacoby (1971). Subsequently, more researchers such as Dick & Basu (1994), El-Manstrly et al. (2011) argued that the comprehensive measure of customer loyalty should combine both of attitudinal and behavioral aspects.

### **2.3 Linkage Between Service Quality and Customer Loyalty**

Service firms focus on achieving customer satisfaction and loyalty by delivering better value, an underlying source of competitive advantage (Woodruff, 1997). For service firms the challenge is identifying the critical factors that determine customer satisfaction and loyalty.

Firend & Rasheed, (2014) found that improving service quality leads to increase appropriate customer loyalty among subscribers of various services. Furthermore (Segoro, 2013 ) study confirm Customer loyalty as maintainable in an organization when the organization is able to increase customer satisfaction. Customer satisfaction will enhance when the organization improve their service quality and relationship quality. (He, 2014) study tested the relationships among casino service quality; customer satisfaction and loyalty show that service quality does have a direct effect on customer. The findings indicate that member loyalty is directly influenced by their attitudes (satisfaction), and service has indirect effect on their loyalty whereas nonmember loyalty can be achieved by focusing on service offerings which directly impact on their future patronage. The findings also indicate that member loyalty is directly influenced by their attitudes (satisfaction), and casino service has indirect effect on their loyalty ,whereas nonmember loyalty can be achieved by focusing on service offerings which directly impact on their future patronage .When analyzing the influence of each casino service quality on customer satisfaction and loyalty, and that service quality does explain significant variance in customer satisfaction and loyalty, that service quality dimensions have different effects on gambler satisfaction and loyalty. the study suggest that casinos

should focus on the aspects that exert significant influence on their attitudes (satisfaction) and behaviors (loyalty), each dimension has different effect on outcome variables. Four SERVQUAL dimensions (tangibility, reliability, responsiveness and assurance) affect satisfaction significantly; however, empathy has negative influence. Also (Prentice, 2013) in his study indicate that empathy has a negative effect on loyalty. (Kheng & Mahamad, 2010) found that Tangibles have no significant impact on customer loyalty. This result is contrary to the findings by Sureshchandar et al (2003), Reliability is found positive relationship with customer loyalty. The finding is supported by the previous researchers including Nguyen & Leblanc (2001) and Bellini et al, (2005). (Joseph et al, 2005) study indicated that the relationship between responsiveness and customer loyalty is insignificant., these results are contrary to the prior findings in other studies ,Empathy has significant positive relationship with customer loyalty. This evidence is supported by the findings by Butcher (2001), Ndubisi (2006) and Ehigie (2006), Lymperopoulos et al (2006) shows in the study that a significant relationship between assurance and customer loyalty.

In study which predicts that of service quality a positive relationship with the customer loyalty.

## **2.4 Perceived Value Definitions and Concepts**

The concept of 'perceived value' has emerged to define the business matter since 1990s. The unremitting developments reflect such a great attention that has been generated by the phenomenon of 'value creation' among the marketing researchers and practitioners in both academia and industry (Chen, 2010; Chen, Shang, & Li, 2014; Kuo et al., 2009; Park, Gu, Leung, & Konana, 2014; Sánchez-Fernández & Iniesta-Bonillo, 2007; Terzis & Economides, 2011).

Perceived value has proven to be a complicated concept to define and measure (Woodruff, 1997; Holbrook, 1994; Zeithaml, 1988). Broadly defined, perceived

value is the results or benefits customers receive in relation to total costs (which include the price paid plus other costs associated with the purchase) (Gordon & Levesque, 2000).

Perceived value is often surrounded ambiguously, particularly to the terms value and values as well as the research object. It is apparent that the conception of value and values must be eminent (Agle, Solomon & Caldwell, 1999; de Chernatony et al., 2000; Woo, 1992).

While the term “value” refers to a preferential decision of either a lone transaction or an eventual end-state, values are the determinants of any social behavior including attitude, ideology, justifications and beliefs (Rokeach’s1973) . In other words, values respectively standards, regulations, criteria, ideals serve as a basis for any preferential judgment.

The second source of the nebulous differentiation of perceived value drives from its concurrent utilize in customer behaviour research and service administration and marketing research. However, an apparent separation desires to be made between the demand and supply perspective. The utilitarian perspective of perceived value is derived from a mental construct describing the common intuition that any increase in wealth, no substance how important, will always result in an increase in utility which is inversely proportionate to the amount of goods already possessed. (Bernoulli, 1967). In this context, utility of a service is measured and defined as an individuals’ subjective value of currency below risk and uncertainty. Predictable utility theory (Neumann & Morgenstern, 2004) consequently states that price is the value of a service and consequently customers spend their income so as to maximize the value they obtain from services. Therefore, the utilitarian perspective of perceived value is conceptualized as a trade-off between the utility from a service use and the disutility of obtaining and using the service (Sinden & Worrell, 1979; Ostrom &Iacobucci, 1995) sited in

(Waarden & Lars, 2013). Perceived value is composed of all factors: quantitative and qualitative, subjective and objective, that jointly appearance a customer's buying experience (Schechter, 1984, in Zeithaml, 1988).

The customer's overall assessment of the utility of a product based on perception of what is received and what is given (Zeithaml, 1988; Sinha and DeSarbo, 1998; Sweeney et al., 1999; Zeithaml et al., 1990, in Ulaga and Chacour, 2001). Proportion of perceived benefits relative to perceived sacrifice (Monroe, 1990; Dodds et al., 1991; Naumann & Jackson, 1999).

Product value to a customer is a contrast of tangible and intangible benefits from the generic as well as the accompanying levels of a product and the total costs of construction and usage of a product (Nilson, 1992).

Trade-off between enviable attributes compared with forfeit attributes (Woodruff & Gardial, 1996). Perceived value in financial units of the set of, service, technical, economic, and social benefits received by a consumer's firm in switch for the price salaried for product's offering, and taking it into contemplation, the obtainable option of supplier's offerings and price (Anderson et al., 1993, in Ulaga & Chacour, 2001; Anderson & Narus, 1998). The customer's evaluation of the value that has been fashioned for them by a supplier given the trade-offs between all relevant benefits and sacrifices in a specific-use circumstances (Woodruff et al., 1997, in Ulaga & Chacour, 2001). Value equals a perceived quality relative to the price (Cronin et al., 2000) sited in (Snoj, Korda, & Mumel, 2004).

Previous study has extensively explored perceived value because it has a positive consequence on marketing performance (Sweeney et al., 1999). Because perceived value is more essential these days, companies can boost customer purchase intentions during product value (Steenkamp & Geyskens, 2006). A product can deliver value to consumers by offering them benefit and by differentiating the product from competitors' (Zeithaml, 1988; Aaker, 1996). exceptional product

value for companies can distinguish their products from their competitors' (Kim et al, 2008). Perceived value could not only be a vital determinant in maintaining long-term consumer relationships, but also play a key function in affecting buy intentions (Zeithaml, 1988; Zhuang et al., 2010). Moreover, perceived value is also essential in influencing consumer belief (Kim et al., 2008) cited in (Chen & Chang, 2012).

Perceived value is the necessary result of marketing activities and is an initial order constituent in relationship marketing (Oh, 2003; MSI, 2004; Peterson, 1995; Ravald & Gronroos, 1996). On the other hand, (Dodds et al., 2001; Oh, 2003; Rapp & Collins, 1996; Grewal et al., 1998; Cronin et al., 2000; Bigné et al. 2001) suggested perceived value is understood as a construct by two main approaches, one of benefits received by the consumer (social, economic, and relationship) and another of sacrifices made (convenience, time, price, risk and effort) newly an approach based on the conception of perceived value as a multidimensional build has been gaining ground (Rust et al., 2000; De Ruyter et al, 1998; Sinha & DeSarbo, 1998; Sweeney & Soutar, 2001; Woodruff, 1997). This approach allows us to conquer some of the problems of the first approach to perceived value, particularly its extreme concentration on economic utility (Zeithaml, 1988). Another significant asset of the second approach is that it echoes the empirical view. (Havlena & Holbrook, 1986) study the perceived value construct, two conclusions can be drawn. First, the view of perceived value as a cognitive variable is incomplete, since it is essential to integrate the affective constituent. Second, maintaining the concept of perceived value as a comparison between "getting" and "giving", the affective variables should also enter the equation: "emotional benefits may also affect choices between instrumental alternatives that are functionally equivalent in other aspects" .Since perceived value is a dynamic variable that is also experienced after expenditure, it is essential

to comprise subjective or emotional reactions that are generated in the customer (Havlena & Holbrook, 1986; Bolton & Drew, 1991; Sweeney & Soutar, 2001). These affective elements refer to specific emotions (fear, anger, envy) generated at the moment of the deal (Ajzen & Fishbein, 2000; Giner-Sorolla, 1999; Schwarz & Clore, 1996). Consequently, the perceived value of a acquire influences the structure of the customer's attitude towards the supplier not only through cognitive processes (beliefs) but also during primary affective processes (Gordon & Levesque, 2000).

Perceived value is constantly comparative to competition (Eggert & Ulaga, 2002). Where option for the beneficiary side exists, all value propositions are consideration to be evaluated taking into account choice offers. Perceived value is an advanced order create driven by a number of lower order constructs (Songailiene, Winklhofer, & McKechnie, 2011).

Should the field of the customer-perceived value construct be limited to some parts or cover a broader standpoint? Mazumdar (1993) states: value-conscious consumers are neither impressed by the best product nor convinced by the lowest price only. Instead, consumer buy decisions are often guided by a cautious appraisal of what benefits they get in switch for the costs they incur to obtain and consume the product. Consumer-perceived value can, consequently, be defined as the dissimilarity between the benefits and the sacrifices (the whole costs, both financial and non-monetary) perceived by consumers (Slater, 1997; Berry et al, 1996 Haas, 1995; Mazumdar, 1993; Slater & Narver, 1992; Narver et al, 1990; Day, 1990; Zeithaml, 1988) in stipulations of their expectations needs and wants. Customer sacrifices are the overall monetary and non-monetary costs the consumer gives or invests to the supplier in order to absolute a deal or to maintain a relationship with a supplier. Non-monetary costs can be defined as the time/effort/energy and conflict invested by the consumer to acquire the products or

services or to institute a relationship with a supplier. Non-monetary costs are essential, since, as reported by Carothers and Adams (1991): numerous consumers count time rather than dollar cost as their mainly valuable asset. (Hunt & Morgan, 1995; Hamel & Prahalad, 1994) argue that perceived value is made of only benefits.

#### **2.4.1. Dimension of Perceived Value**

In (1991) Sheth et al conceptualization of perceived value by five dimensions: social, emotional, functional, epistemic and conditional. The functional dimension refers to the economic utility derived from the attributes of the products and services. The emotional dimension refers to the value associated with the affective or thoughts states generated by the products and services, as well as the human relationships urbanized between the parties.

The social dimension is the value generated from the social image transmitted by the use of the product or service.

The epistemic dimension is the capability of the product to revelation, arouse curiosity, offer innovation or satisfy the craving for knowledge.

lastly, the conditional dimension derives from the temporal nature of the functional value or the social value, and refers to a sequence of circumstantial factors or situations, such as illnesses or specific social situations that may situation perceived value (Moliner, Sa'nchez, Rodri'guez, & Ca, 2007). Much of the present theory focuses on attributes associated to product and service offerings and customer value is innate in or linked during the use of some products (Woodruff, 1997) sited in (Lapierre, 2000). Several essential efforts to test this theoretical proposal are those of Sweeney and Soutar (2001), who during diverse empirical studies design a scale of measurement of perceived value (PERVAL). These authors carried out in designing PERVAL resulted in a decrease of the five dimensions proposed by Sheth et al. (1991) to three: emotional, functional, and



social. Although they identify three types in the functional dimension (quality, price, and versatility). Most subsequent studies concur in the identification of functional and emotional components (De Ruyter et al., 1997; Gwinner et al., 1998; Henning-Thurau et al., 2002; Sweeney et al 2001; Barry and Tamara, 2008). In general, scholars tend to concur on the existence of at slightest three dimensions in perceived value: social emotional, and functional (Fiol, Tena, & Garcí, 2011). Mattson (1991) defines three generic perceived value dimensions: practical value emotional value, and logical value. Subsequent research adopted the idea of multidimensional conceptualization and proposed typologies of perceived value. In these typologies, perceived value characteristically refers to the assessment of some concept by some subject (usually a customer). Therefore, it can be affirmed that, in line with this definition, these values are interactive and preferential. Afterward, various studies applied these consumption values in a number of different contexts. In particular, Sweeney and Soutar (2001) developed a multiple item scale based on the broader framework of Sheth et al. (1991) “consumption values”. Their PERVAL instrument is a multiple item measure that can be used to assess customers’ perceptions of the value of tangible products at brand level. PERVAL was tested in the pre-purchase and post-purchase situation and establish to be both reliable and applicable in each context. In order to operationalise a sufficient measurement for the perceived value of services as opposed to products. Perceived value is extensively recognized as occurring at different stages of the purchase and expenditure procedure, including the pre-purchase stage, at the moment of purchase, at the time of use and finally after uses (Sa´nchez et al., 2006). This derives a require to think all of these stages and measure perceived value holistically. Sa´nchez et al. (2006) developed GLOVAL a multiple item measure which covers the three underlying categories of perceived value which have remained invariable during it research: functional value, emotional value and

social value. cited in (Boksberger & Lisa Melsen, 2011). Zeithaml (1988) In a extensive review of the literature, reports four consumer definitions of perceived value: i.e. "value is low price, value is want satisfaction, value is the quality I get for the price I pay, and value is what I get for what I give". Numerous researchers have defined the value create in terms of the consumer's concern with the quality received in comparison to the price paid for the product/service (Tellis & Gaeth, 1990).

According to Rao & Monroe (1989), this value operationalisation is frequently applied in studies predicting customer alternative. Kiefer & Kelly (1995), for their fraction, found that when consumers do not like their consumption experience, they memorize price as being higher than it was and feel they did not get good value. On the other hand, Berry & Yadav (1996) argue that the key to enhanced services pricing is to evidently relate the price that consumers pay to the value that they receive.

Babin et al. (1994) argue that value represents the tradeoffs between benefits and costs and arises from both price and quality. Rust & Oliver (1994), indicate that value should increase as quality increases and price decreases. Although value can be conceptualized as depending on price and quality, they memorandum that it is not nevertheless well understood how these two variables interact to form value (LeBlanc & Nguyen, 1999).

In economics value is equated with utility or attraction, in the social sciences it is understood in the context of human values such as the instrumental and terminal values recommended by Rokeach (1973), while in industrial settings value engineering refers to processes designed to decrease costs while maintaining standards. In marketing nevertheless, value is characteristically defined from the customer's perspective. The most ordinary definition of value in the marketing literature is as a ratio or trade-off of total benefits received to total sacrifices

(Buzzell and Gale, 1987; Monroe, 1979; 1990; Monroe and Krishnan, 1985, Sweeney, 1994) cited in (Patterson & Spreng, 1997). Many of the conceptualizations involve quality as the benefit and price as the sacrifice. The perspective of value taken is either a multiplicative or additive function of benefit and sacrifice (Cronin et al., 1997). In the former case, value has been seen as the ratio of benefit to sacrifice. The stabilizer model recognizes the integrative nature of benefit and sacrifice and denotes the compensatory trade-off between benefit and sacrifice (Heinonen, 2004). Perceived value is the necessary consequence of marketing activities and is a first-order element in relationship marketing (Oh, 2003; MSI, 2004; Dumond, 2000; Peterson, 1995; Ravald and Gronroos, 1996. several studies operationalize the perceived value construct according to the “give-versus-get” trade-off concept, and measure it with indicators such as “fair price”, “good value” (Baker et al., 2002; Sweeney et al., 1999), “value for money” and “meeting quality and price requirements” (Grewal et al., 1998) cited in (Lin, Sher, & Shih, 2005). However, Kantamneni and Coulson (1996) argued a four-dimensional model consisting of societal, experiential, functional, and market values to capture CPV. (Grewal et al 1998) used different terms to group CPV into two dimensions: perceived acquisition value which focuses on good value for the money, and perceived transaction value which is about the pleasure of finding a good deal.

Parasuraman & Grewal (2000) added in-use value and redemption value into Grewal et al.’s (1998) two dimensional CPV model.

For statistical analysis purpose, the dimensions of CPV were operationalized into four dimensions (Price value, Social value, Emotional value, and Quality value) (Chi, 2013).

This view of value incorporates, as well as the functional dimension, an affective dimension that captures emotional and social aspects of the individual, examining

more closely subjects relating to the consumer's purchasing behavior. The functional value is defined by the rational and economic valuations of individuals. The quality of the product and the quality of service form part of this dimension. The affective dimension is divided into an emotional dimension (relating to feelings or internal emotions) and a social dimension (relating to the social impact of the purchase). Sheth et al. (1991) go in the same direction, identifying up to five dimensions of the concept of value (social, emotional, functional, conditional and epistemic). They define functional value as a perceived utility of the attributes of the products and services. Emotional value consists of the feelings or the affective states generated by the experience of consumption. Social value is the acceptability or utility at the level of the individual's relationships with his social environment. Epistemic value for its part is the capacity of the product or service to surprise, arouse curiosity or satisfy the desire for knowledge. Finally, conditional value refers to the conjectural or situational factors such as illness or specific social situations. In the same line, De Ruyter et al. (1997) propose comprehensive approach to value, which incorporates a cognitive response (value for money) and affective components. According to these authors, perceived value is made up of three dimensions: one emotional, one functional and one logical. The emotional dimension shows the customer's affective evaluation of the service encounter, the functional dimension reflects practical aspects of the service episode, and finally the logical dimension is made up of the quality of service and the price, the aforementioned value for money.

Each phase of the process of performance of the service can be evaluated in terms of these dimensions. In a later study, Sweeney and Soutar (2001) did not consider the epistemic and conditional dimensions proposed by Sheth et al. (1991) to be important. The five initial dimensions were therefore reduced to three: functional value, social value and emotional value. These authors designed a scale of

measurement of value known as PERVAL. Within the functional dimension of value they include factors like price (value-for-money), quality (perceived quality and expected yield of the product or service), and versatility (adaptability and practicality of the product). The social and emotional dimensions are represented by the set of intangibles that affect the relationship.

Sánchez et al. (2006) developed a scale of measurement of post-purchase perceived value of 24 items, called GLOVAL. In this paper six dimensions of perceived value are identified. Four of them correspond to dimensions of functional value: functional value of the establishment (installations), functional value of the contact personnel (professionalism), functional value of the service purchased (quality) and functional value price. The two remaining dimensions refer to the affective dimension of perceived value, made up of emotional value and social value.

In general the authors who treat the concept of value as a multidimensional construct agree that two dimensions can be differentiated: one of a functional character and another emotional or affective. Factors identified in the functional dimension include value for money (Sweeney et al., 1999), product quality (Sweeney et al., 1999; Sweeney and Soutar, 2001; Petrick, 2002), versatility (Sweeney et al., 1999), quality of service (Sanchez et al., 2006), non-monetary sacrifices (Sweeney et al., 1999; Petrick, 2002) and price (Sweeney et al., 1999; Sweeney and Soutar, 2001; Petrick, 2002). The affective dimension captures the feelings or emotions generated by the products or services. This affective dimension is formed by an emotional component, relating to internal emotions or feelings, and a social component, relating to the social impact of the purchase (Sánchez et al., 2006).sited in (Roig & Garcia, 2006)

Parasuraman and Grewal (2000) distinguished four value types: acquisition value, transaction value, in-use value, and redemption value. Acquisition value is defined

as the benefits buyers think they receive when acquiring the service. Transaction value is the pleasure consumers feel for getting a good deal. In-use value is the utility derived from using the service and redemption value is the residual benefits received at the time of termination. More recently, Petrick (2002) identified five dimensions of perceived service value. Three of the five dimensions represent what a consumer receives from the purchase: emotional responses to the service, quality received from the service, and reputation of the service. The two remaining dimensions are related to what is given and includes monetary and non-monetary price (Ladhari & Morales, 2008).

Customer perceived value has been discussed in marketing research for a long time. Certainly, considerate and delivering customer value is seen as a cornerstone of marketing, competitive strategy (Khalifa, 2004; Lindgreen & Wynstra, 2005), retention of customers and relationship management (Roberts, 2000; Payne et al., 2001). Perceived value has its root in equity theory, which represents the trade-off between the qualities, or benefits which the customer receives, and the costs such as financial, energy, time and psychological transaction costs that the consumer incurs by evaluating, obtaining and using a product (Oliver & DeSarbo, 1988; Kotler, 2000; Komulainen et al., 2007). However this generalization has been criticised for ignoring some essential intangible constructs (e.g. shopping experience, risk) and may be deceptive in measuring perceived customer value (Sinha and DeSarbo, 1998). Therefore, (Cronin et al., 2000) defines perceived customer value as a consumer's perception of the net benefits gained based on the trade-off between relevant benefits and sacrifices derived from the online shopping process, which is an objective assessment from personal cognition. Although perceived consumer value has long been documented in marketing research as an essential concept in influencing favorite, satisfaction, loyalty, and other significant outcomes most studies have examined consumer value in the context of offline

rather than online customer behavior (Overby & Lee, 2006) cited in (Chang & Wang). Despite this wide attention, the concept of 'value' has often not been clearly defined and thus, lacked of consensus in the prior studies related to this subject (Sánchez-Fernández & Iniesta-Bonillo, 2007). However, the nature of perceived value is quite complex and tends to be multi-dimensional. The concept of perceived value may imply an interaction existed between a consumer and a product (or service). perceived value could be used to investigate the effect of information sharing because it is a cognitive verdict made by individuals for a specific service. It may also be reliable with behavioral theories, such as TRA (Theory of Reasoned Action) (Fishbein & Ajzen, 1975), since the perceived value is a context specific perception that may drive users' attitudes and behaviors. (Chen S. C., 2014). Social value is the improvement of a person's self-concept provided by the product or service. The performance dimension is really a functional value that captured the utility resulting from the performance expectation. As to the quality perspective, less money is paid for high quality product/service, positive perceived value will be fashioned (Kuo et al., 2009) cited in (Lee, Yen, & Hsiao, 2014). By adding more value to their products or services, companies try to improve customer satisfaction so that the bonds are strengthened and customer loyalty is thereby achieved (Chen ,Zhu,& chen, 2012). Consumers are chiefly provoked to consume a service, if they perceive that a particular brand offers better gains or a meaningful lessening in its acquisition cost (Dodds et al., 1991). Consequently, one of the prime objectives of a firm should be to focus on continuously improving its customer-related value delivering mechanism to ensure greater perceived value for its brands (Payne et al., 2000). However, any strategic business investment can only be justified if the causality between such investments and desirable outcomes can be empirically demonstrated ( Jahanzeb, Fatima, & Butt, 2013).

**Table 2.3 Dimensions of perceived value**

No	Authors	Dimensions of perceived value
1	Sheth et al. (1991),	1 social 2 emotional 3 functional 4 epistemic 5 conditional
2	De Ruyter 1997 Gwinner 1998, Henning-Thurau 2002, Sweeney and Soutar, 2001. Robinette 2001, Barry & Tamara,2008	1-functional 2- emotional
3	Luis J. Callarisa Fiol, Miguel A. Moliner Tena and Javier Sa´nchez Garcı´a 2011)	1-functional 2-emotional 3-social
4	Mattson (1991)	1- emotional value 2- practical value 3-logical value.
5	fashion, Kantamneni and Coulson (1996	1-societal, 2- experiential 3- functional, 4- market values
6	(Grewal et al 1998	1-perceived acquisition value 2-perceived transaction value
7	Ting Chi, 2013	Price value, Social value, Emotional value, Quality value.

Source: researcher from literature.2015

In this research we will use the dimensions of the perceived value according to (Chi, 2013) namely; Price value, Social value, Emotional value, and Quality value, because most of the research in the banking sector focused on these dimensions.



## **2.5 Mediating Role of Perceived Value**

Baron and Kenny (1986) indicated the conditions of mediating effect ,regression variable significantly influences mediating variable, mediating variable significantly influences criterion variable, after including mediating variable, relationship between regression variable and criterion variable is more insignificant.

However, many researchers examined the relationship between service quality and perceived value, such as, (Cemal Zehira, 2014) who using ESQUAL scale; it is observed that the relationship of E-service Quality, with Perceived Values is significant relationship. Similar, (mumel, 2004) examined the impact of perceived quality on perceived value of mobile phone that showed the relationship between perceived quality and perceived value will be positive the effect of service quality was found in this study to have a significant and positive relationship with perceived value. Positive effect was also confirmed in the research with small household appliances by Sweeney et al. (1999) and in research with calculators by Teas and Agarwal (2000). On the other hand, (Sadia Jahanzeb, 2013) explain the perceived value has a positive and significant direct impact on brand corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm. Also, this result goes in line with the study of (Cemal Zehira, 2014) who demonstrated there is a positive significant relationship between Perceived Value and Loyalty Intentions. (Arne Floh a, 2014) Found strongly support the argument that perceived value dimensions (Functional Value, Economical Value, Emotional Value, and Social Value) influences behavioral intentions, but also that the effects differ in magnitude depending on the consumer segment.

Consequently, some studies have examined the mediator role of perceived value between service quality and customer loyalty such as; (Cemal Zehira, 2014) showed the Perceived Value act as a mediator between Service Quality and Loyalty Intentions. Furthermore, (Sadia Jahanzeb, 2013) suggest that alongside perceived

value, corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm. Also (Wang, 2011) show a strong moderating effect of perceived value in the relationship between satisfaction and loyalty. Moreover (Md.Ariff, 2012) findings revealed that customers' perceived high emotional value towards the mobile phone. Economic and social values were in the moderate level. The high and moderate positive correlations were found between customers' perceived emotional value and economic value with customer satisfaction. (Serkan Akinci, 2015) Confirmed the mediating role of all perceived value dimensions (emotional value, functional value, price value, and perceived service quality) except social value in the relation between satisfaction and loyalty intention. Also (Paul G. Patterson, 1997) findings clearly show value (as well as each performance dimension) is completely mediated through satisfaction in influencing repeat purchase behavior.

The link between value and quality may not be straightforward, still, as value is also what customers want from the product, in many cases, quality of the product and the benefits it offers often become consumer value drivers (Bolton and Drew, 1991;Zeithaml, 1988). Many studies support this association (Dodds et al., 1991; Oh, 1999). Relationship between perceived service value and word-of-mouth intentions Perceived service value has been found to be an indicator of patronage intentions (Chang and Wildt, 1994; Cronin et al., 1997; Sweeney et al., 1999; Baker et al., 2002; Jen and Hu, 2003; Harris and Goode, 2004).

## **2.6 Switching Costs**

SC can be defined as the costs (both monetary and non-monetary) involved in altering from one supplier to the other (Heide & Weiss, 1995). Nevertheless, multiple conceptualizations subsist for SC, and this is reflected in the variety of dimensions used to capture the construct. This comprise dimensions like mental, physical and economic (Jackson, 1985); continuity costs, learning costs, and sunk

costs (Guiltinan, 1989). Further, Burnham et al. (2003) attempted a more comprehensive categorization of SC in terms of procedural, financial, and relational costs. Despite the manifold conceptualizations and typologies, SC can broadly be categorized as economical and psychological. Even the economic risk cost identified within the procedural dimension of SC by Burnham et al. (2003) refers to the mental costs due to perceived risk from the uncertainty of trying new. Psychological SC, such as uncertainty associated or risk perceived or loss in relational investments and social bonds or the many other procedural costs (related to time, search, evaluation, and set up) have been found to have a main impact on switching barrier (Burnham et al., 2003; Jones et al., 2002; Wan-Ling Hu and Ing-San, 2006). Even the sunk costs, primarily economic in nature though economically not extremely pertinent, becomes psychologically significant in evaluating the perceived SC (Jones et al., 2002). Additionally, these mental costs span the entire switching procedure and beyond, making SC more than just a onetime cost (Wan Ling Hu & Ing San, 2006). This is because consumers may believe even the post switching behavioral and cognitive dissonance costs while switching and can consequently be considered as fraction of SC (Klemperer, 1995).

SC is also customer specific and its nature varies depending upon the industry structure and product characteristics (Shy, 2002; Gummesson, 1995), SC stems mainly from search and assessment costs, and the economic and performance risk related with trying a new provider (Bloemer et al., 1999; Klemperer, 1995). Instead of being objective and financially measurable, such costs are mostly mental in nature (Edward & Sahadev, 2011). Switching costs are monetary and nonmonetary and tend to comprise three categories: procedural (where time and effort are the chief losses), financial (where financial resources are lost), and relational (where the customer experiences psychological or emotional discomfort from the loss of

interactions and breaking of bonds with individuals involved with the relationship) (Burnham et al., 2003). The researchers stated that their findings might suggest that the perception of switching costs could be dependent on issues such as the complexity of the product or service, the heterogeneity of competitive offerings in the marketplace, and the customer's switching experience.

Consequently one might expect that as the benefits outweigh the costs of switching (thus providing Value to Switching) there would be an inverse relationship with the dimensions of loyalty (Licata & Chakraborty, 2009).

Switching costs are conceptualized as the customer's perception towards the magnitude of supplementary costs to finish the current relationship and guarantee an option one; such perceived costs prevent the customer from shifting to competitor's offers (Yanamandram & White, 2006). Switching costs include not only those that can be financially measured, but also the mental effect of becoming a consumer of a new provider, as well as the time and attempt involved in the acquisition of a new product (Dick & Basu, 1994). In other words, switching costs are consumer perceptions concerning time, money and effort related to the modify in service providers. (Jones et al., 2000), or the direct costs that customers associate to the processes of switching from one provider to another (Burnham et al., 2003). Those authors recognize three types of switching costs. The procedural costs, which involve mainly the time and effort spent, consist of economic risk, assessment, learning and set up costs. The financial costs consist of financial loss costs and benefits. The relational costs involve mental or emotional uneasiness due to identity loss or linkage breaking. These costs and satisfaction programs contribute with consumers' retention rate increase (Lee et al., 2001) cited in (Matos, Henrique, & Rosa, 2009). When customers manifest that it is not worthwhile switching suppliers, this may be because they are perceiving obstacles to it. These may include searching, transaction and learning costs, and discounts

for loyalty, habit, emotional costs and cognitive effort, together with the financial, social and psychological risk. Specifically, Burnham et al. (2003) describe three types of switching cost: procedural switching costs – these include the economic risk and evaluation costs, and involve expenditure of time and effort; financial switching costs, involve the loss of benefits and financial resources; and relational switching costs, the loss of the personal relationship and then relationship with the brand, which involves psychological and emotional discomfort due to the loss of identity and the breaking of bonds. Switching costs represent an impediment to exploring new suppliers (Wathne et al., 2001). To the extent that individuals perceive costs or barriers to exit, they will tend to maintain their supplier (Burnham et al., 2003; Lee et al., 2001). If switching costs are low, dissatisfaction with the service quality, price or firm will motivate the intention to switch suppliers. In contrast, if they are high, many dissatisfied consumers are likely to manifest a “false loyalty”. Numerous studies have shown that switching costs act as a moderating variable that negatively affects the relation between satisfaction and intention to maintain the relationship (Burnham et al., 2003; Jones et al., 2000; Oliva et al., 1992; Sharma and Patterson, 2000). As the costs rise, the influence of satisfaction on the intention to maintain the relationship declines and vice versa (Antoń, Camarero, & Carrero, 2007).

Switching cost is conceptualized as the perception of the magnitude of the supplementary costs required to terminate the current relationship and secure an option (Porter, 1980). Switching or termination cost has been identified as a factor contributing to maintaining a relationship (Morgan & Hunt, 1994). Morgan and Hunt (1994) see switching cost to be of an economic nature only. Switching cost, nevertheless, may include mental and emotional costs. For example, when social bonds, personal rapport and trust have been built up over a period of time between

adviser and client, then this is likely to present a psychological exit barrier (Sharma & Patterson, 2000).

Burnham et al. (2003) have presented that different types of switching costs that a customer may face include procedural switching costs, financial switching costs, and relational switching costs. Among the different switching costs faced by the customer. Relational switching costs consist of personal relationship loss and brand relationship costs, which involve psychological or emotional discomfort due to loss of identity and breaking of bonds (Burnham et al., 2003). It has been argued by Patterson et al. (2001) that once established social bonds could present a formidable barrier to exiting from a relationship. Exiting from a relationship means losing a friendly and comfortable association. Dwyer et al. (1987) have also observed that a switch in suppliers involves set-up costs and termination costs. The set-up costs include the cost of finding a replacement supplier who can provide the same or better performance than the current supplier or the opportunity cost of foregoing exchange with the incumbent.

Switching costs is conceptualized as the perception of the magnitude of the additional costs required to terminate the current relationship and secure an alternative (Porter, 1980). Although researchers have been investigative relationship marketing for more than a decade, most researchers have utilized switching costs as a mediating variable in the studies of trust. Evidence to indicate that switching costs have a important impact on alternative behavior is available in literature (Weiss & Jan, 1993). The concept of switching costs as an indication for the increased likelihood of retaining the customer was proposed by Jackson (1985). Thereafter some studies looked at the regulation of switching costs to the firm's advantage (Sharma and Patterson, 2000).

It was Nielson (1996) who looked at switching costs as constituting hard and soft assets. His study established that the investments by the supplier and the customer

in the hard and soft assets of their relationship are quantifiable. However, the common fact among these studies is that they looked at switching costs from the point of view of trust. Burnham et al. (2003) have concluded that investments in differentiation strengthen customers' bonds of identity with a firm. When customers use variety of products from the same supplier, they appear to be entering into a more advanced relationship stage in which switching is more costly. Further, customers who have less experience with other suppliers appear to perceive stronger ties to their existing providers (Vasudevan, Gaur & Rajesh Kumar, 2006). However, manifold conceptualizations exist for SC, and this is reflected in the variety of dimensions used to capture the construct. This includes dimensions like psychological, physical and economic (Jackson, 1985) continuity costs, learning costs, and sunk costs (Guitinan, 1989). Additionally, Burnham et al. (2003) attempted a more inclusive classification of SC in terms of procedural, financial, and relational costs. Despite the multiple conceptualizations and typologies, SC can broadly be categorized as economical and mental. Even the economic risk cost identified within the procedural dimension of SC by Burnham et al. (2003) refers to the psychological costs due to perceived risk from the uncertainty of trying new. Psychological SC, such as uncertainty related or risk perceived or loss in relational investments and social bonds or the many other procedural costs (related to time, search, evaluation, and set up) have been found to have a major impact on switching barrier (Burnham et al., 2003; Jones et al., 2002; Wan-Ling Hu and Ing-San, 2006). Even the sunk costs – primarily economic in nature – though economically not very relevant, becomes psychologically important in evaluating the perceived SC ( Jones et al., 2002). Further, these psychological costs span the entire switching process and beyond, making SC more than just a onetime cost (Wan-Ling Hu and Ing-San, 2006). This is because customers may consider even the post switching behavioral and cognitive

dissonance costs while switching and can therefore be considered as part of SC (Klemperer, 1995).

Research identifies that SC can be perceived positively and negatively by the customer. Jones et al. (2007) view that depending upon the sources of constraints which eventually creates the SC, its influences may be viewed differently by the customer, and contend that certain SCs may be viewed positively by the customer if they arise out of positive constraints. We contend that many of the procedural related SCs in the Burnham et al. (2003) classification, including the economic risk perceived (arising out of uncertainty of trying new) are of psychological nature and can be influenced in part through providing benefits and highly satisfying experience to customer. The primary role of SC, as far as firms are concerned, is to induce some sort of loyalty, be it a committed, or a passive one, in customers (Dwyer et al., 1987; Heide and Weiss, 1995). Moreover, switching to a new provider often involves effort, time, and money, which acts as a psychological barrier to switch for a customer (Gremler and Brown, 1996) cited in (Edward & Sahadev, 2011).

Switching costs are costs that are incurred by buyers for terminating transaction relationships and initiating a new relation.

Porter (1980) defined Switching cost as a onetime cost facing a buyer wishing to switch from one service provider to another.

Jackson (1985), however, defined switching cost as the psychological, physical and economic costs a customer faces in changing a supplier. Switching cost had been investigated extensively in literature. It is argued that switching is related to poor service quality in banks (Benkenstein &Stuhldreier, 2004); reaction to high price (Gerrard & Cunnningham, 2004); and customer satisfaction (Bowen and Chen, 2001).Some other researchers, however, had different argument. There is an argument in literature of the benefits of switching cost to prevent consumers from



switching service providers (Ganesh, Arnold and Reynolds, 2000; Keaveney and Parthasarathy, 2001). In terms of classification, Burnham, Frels and Mahajan (2003), classified switching cost as procedural switching costs, financial switching costs, and relational switching costs. These costs were found to be negatively correlated to consumers' intention to switch service providers.

Klemperer (1995) developed three types of switching cost: artificial cost, learning cost and transaction cost. In utility, however the most appropriate cost is the transaction cost.

A consumer must be aware that he can switch service providers before he takes steps. The next step is to decide whether to search and then whether to switch. The effect of customers' defection or switching could be significant on revenues and service continuity. Therefore, to reduce the level of customers switching to other service providers in a dynamic competitive environment, service providers develop strategies to respond to consumers' switching cost (Farrell and Shapiro, 1988; Zauberman, 2003). More importantly, time is found to be a critical factor that influence consumers' switching costs and lock-in (Zauberman, 2003). Empirical evidence, however, showed that reducing customer defections by five per cent increased profit by seventy five per cent and that defections have a stronger impact on profitability than market share, unit costs and many other factors usually associated with competitive advantages (Reichheld and Sasser, 1990). Furthermore, a number of factors have been identified in literature as determinants of switching costs some of these are: poor service quality (Yavas, Benkenstein & Stuhldreier, 2004); price (Gerrard & Cunningham, 2004); customer dissatisfaction (Bowen and Chen, 2001). Research evidences indicate that customers can stay with a service provider when they perceived the service quality to be high and behave conversely when the service is perceived to be low (Keaveney, 2001; Jones and Sasser, 1995). Roos, Edvardsson and Gustafsson

(2004) and Gerrard and Cunningham (2004), however found that price has an overwhelming effect on switching cost in insurance and banking industries. Brand trust is also found to increase customers' commitment and this makes customers' propensity to switch weaker (Morgan and Hunt, 1994). Other reasons identified in literature to influence switching cost include seeking variety (Givon, 1984), impulse (Stern, 1962) and situational context (Skoglam and Siguwaw, 2004). JonesJones, Mothersbaugh and Beatty (2000) and Sharma and Patterson (2000) suggested that switching costs are determinants themselves in determining switching. Bumham, Frels and Mahajam (2003) investigation in cross- industry indicate that switching cost such as monetary loss and uncertainties with the new service providerdeter consumers from switching to other service providers despite dissatisfaction. Reference and peer group expectations, norms and pressure for conformity could also discourage customers from switching through peers, expectation, norms and conformity (Yi and Jeon, 2003).

Switching cost is identified as a main cause of customer retention (Bumham, Frels and Mahajam, 2003).In addition, increase in switching cost leads to increase in risk and burden of the consumers as well as the high dependency on the service provider (Jones et al. 2000; Morgan and Hunt, 1994). There are a number of benefits for a long term relationships between a company and the customers, such benefits include fellowship, personal recognition, reduction in anxiety and credit, discount and time-saving and customer management (Berry, 1995; Peterson, 1995) sited in (Oyeniyi & Abiodun, 2010).

Switching costs result from user perceptions of the time, money and effort associated with switching service providers (Klemperer, 1995; Jones et al., 2000; Sharma and Patterson, 2000; Kim et al., 2003), which in turn, influence retention by deterring users from changing service providers (Fornell, 1992). Burnham et al. (2003) classify the switching costs into three categories: procedural, financial and

relational. Previous research on the relationship between switching costs and switching intention has yielded mixed results (e.g. Anderson and Sullivan, 1993; Wilson, 1995; Li et al., 2007). Anderson and Sullivan (1993) suggest that with increases in switching costs, a user's willingness to change IS reduces. Bansal and Taylor (1999) in the context of Canadian mortgage services, for example, found that switching costs influence service switching directly with a weaker effect. In addition, Ye et al. (2006) found that neither user attitudes nor switching costs were found to exhibit a significant direct effect on users' switching behavior of web browsers. Kim et al. (2006) found that user satisfaction as well as attractive alternatives and continuity cost more strongly associated with user intention to switch e-mail providers. This is one of the few studies that consider specific IS switching costs and their impact on user intention to switch. Importantly, previous work has mainly focused on web-based (e.g. browsers, e-commerce), internet (e.g. e-mail, blogs) or mobile (Kazakevitch et al., 2005; Ranganathan et al., 2006) technologies and not on IS used in organizations. In particular, compatibility with other IS used in the organization combined with attractive loyalty programs would make users less willing to switch IS. Terminating a relationship with a vendor is also costly both in monetary terms (e.g. user licenses) and transaction costs required to find an alternative IS that effectively addresses user and task goals (Asimakopoulos & Asimakopoulos, 2014).

The concept of switching costs derived from economics. Porter (1980) was the first who introduces the concept into marketing management field. He illustrated that switching costs is one-time transaction costs generated by consumers from a product or service provider to another provider. With the deepening of research on switching costs, scholars found that switching costs itself is variables which involves various kinds of subjective and objective factors and perceived by customer in the process of consumption switching. Klemperer (1987) argued that

switching costs includes transaction costs, learning costs and contract costs. In addition, Burnham (2003) divided the complex variables into procedural switching costs, financial switching costs and relational switching costs. On this basis, Jones *et al.* (2007) suggested that switching costs are made up of procedural switching costs, lost benefits costs and social switching costs. The procedural switching costs refer to the customer in the process of switching products or services expectations of the time, energy or may encounter obstacles. The lost benefits costs refer to the potential loss of specific interests when customer shifted one product or services to another product or services. The social switching costs refer to the customers with existing suppliers and other consumers, while the networks built may have suffered. To sum up, owing to the scholars' study in different industry field, who have different understanding of switching costs, switching cost are divided into different dimensions. Jones's research on switching costs is accepted by most of the scholars, and the dimension of switching costs which put forward by Jones is consistent with consumer's switching costs. In order to adapt to new technical standard of products, consumer invest all kinds of interests, social relationship and psychological cost. Thus the following parts are based on this kind of classification method (Zhang, Chen, Zhao, & Yao, 2014).

Banks have introduced many switching barriers to make it difficult for customers to change service providers (Colgate and Lang, 2001). Jones *et al.* (2000) claimed that switching barriers are important to companies as they may strengthen greater retention and because they also help companies in a case of short-term fluctuation in service quality that might lead to customer defection. Valenzuela (2010) indicated that customers commit themselves to building a relationship with a supplier that offers superior-value benefits and effective switching barriers.

Keaveney's (1995) "critical incident" study was one of the first to investigate switching barriers as a determinant of customers' switching behaviors within service industries. Many models were subsequently developed in an attempt to conceptualize switching barriers (Vazquez-Carrasco and Foxall, 2006; Pont and McQuilken, 2005).

A switching barrier is defined as any factor that makes it difficult or costly for customers to change their provider (Valenzuela, 2010; Tesfom and Birch, 2011).

The switching barriers conceptualization in the literature are mainly about the benefits customers might gain from being in a relationship and the costs customers have to pay for terminating the relationship with a provider. The switching barriers of relational benefits, switching costs, and availability and attractiveness of alternatives (AAA) were used regularly by many studies conducted in the banking context, such as Tesfom and Birch (2011), Colgate and Lang (2001), Valenzuela (2010), and Jones et al. (2000). Similarly, relational benefits, switching costs, and AAA will be used in this study for conceptualizing switching barriers within the banking context (A. & hawari, 2014).

### 2.6.1. Dimensions of Switching Costs

**Table 2.4 Dimensions of switching costs**

No	Authors	Dimensions switching costs
1	(Burnham et al, 2003)	1-procedural 2- financial 3-relational
2	(Jackson ,1985)	1-psychological 2-physical 3- economic
3	(Guiltinan 1989)	1-continuity cost 2 -learning cost 3-sunk cost
4	(Grigorios & Stavros)	1-Transaction costs - cost leaning2 -loyalty programs 3
5	Klemperer (1987)	1-transaction costs, 2-learning costs 3-contract costs.
6	Jones <i>et al.</i> (2007)	1-procedural Switching costs 2-lost benefits costs 3-social switching costs

*Source: researcher from literature.2015*

## **2.7 Moderator Role of Switching Costs**

The financial feature of SC (switching costs) described by Burnham et al. (2003) can be directly associated to the PV (perceived value) for the service as PV is often defined as the outcome of a cost-benefit comparison process. Studies have also directly linked elements related to PV to SC. Edward & Sahadev (2011) identifies that SC can be perceived negatively and positively by the consumer. Jones et al. (2007) view that depending upon the sources of constraints which ultimately creates the SC, its influences may be viewed differently by the consumer, and compete that certain SCs may be viewed positively by the consumer if they arise out of positive constraints. We compete that many of the procedural related SCs in the Burnham et al. (2003) classification; including the economic risk perceived (arising out of uncertainty of trying new) are of mental nature and can be influenced in part through providing benefits and highly satisfying experience to consumer. With superior level of SQ and satisfaction experienced, the provider heterogeneity, as perceived by the consumer increases (Parasuraman et al., 1988). This in turn can further increase the uncertainty and the perception of risk surrounding the anticipated performance from an unknown or untested service provider (Guiltinan, 1989). According to post-purchase cognitive dissonance, the customer who has collected information in order to decrease their anxiety about making a wrong purchase decision will use all past purchase experience (Etzel et al., 1997). The main source of customers' information for evaluation of alternatives is theirs or others experience. In this process, if customer switches the brand, they will compare the switched brand with the previous brand. Therefore, better the switched brand's performance, in terms of its perceived quality and value, higher the uncertainty of the alternative. Hence, customers who want to decrease cognitive dissonance prefer brands they have used before (Klemperer, 1995). That is, with better satisfying performance from the current service provider

and with the increase in the perceived sacrifice involved in switching, perceived SC may increase and can consequently act as a further switching barrier. For instance, Jones et al. (2002) identified a positive association between SQ and switching cost related to lost performance cost.

For instance Chen and Hitt (2002) have empirically supported the relationship between quality and SC in the context of internet brokerages, and Chang and Chen (2008) found empirical evidence to link customer interface quality with SC in the context of internet users. Opportunity cost analysis also suggests that CS has a positive causal effect on the expected disadvantage or cost in switching service suppliers. That is, higher the level of customer's overall satisfaction with service, *ceteris paribus*, the larger the opportunity cost or satisfaction foregone the customer can expect to incur in switching suppliers (Hellier et al., 2002). The direct effect of CS on SC can be argued based on the higher levels of usage that results from CS. Bolton and Lemon (1999) have shown that satisfaction leads to greater usage of services. Greater levels of usage could lead to several antecedents of SC like relational attachment with the service provider, greater trust in the service provider, etc. In contrast to this view, Hauser et al. (1994) have suggested the possibility of SC leading to customer dissatisfaction. However, based on the overwhelming impact of the increased usage rate caused due to CS, a direct linkage between CS and SC can be proposed.

When customers PV or their satisfaction is high, customers' chance of getting a better service from another provider is not likely to be high. For instance, Yang and Peterson (2004) suggests that switching barriers can take effect if managers focus on improving CS and PV to a higher level. In their study on on-line brokerages Chen and & Hitt (2002) found that PV attributes like larger portfolio of services, possibility for personalization, etc. increased the SC of internet brokerages. Pae and Hyun (2006) found a similar result in the case of operating

systems. Many studies have confirmed the relationships linking SQ, PV, CS, and CR. Perceived quality as an antecedent to CS has been tested and confirmed by many studies (Anderson et al., 1994; Fornell et al., 1996; Spreng & Mackoy, 1996). SQ can moreover have a direct impact on CR (Bloemer et al., 1999; Jones et al., 2002). Several studies have shown PV can have a significant influence on CR (Sirdeshmuk et al., 2002; Chang & Wildt, 1994). Likewise, various studies have also verified the positive effects of CS on CR (Bloemer et al., 1999; Oliver, 1993; Zeithaml et al., 1996, Heskett et al., 1997; Mittal and Kamakura, 2001). Various empirical studies also verify a partial mediating role for CS in the effect of PV and SQ to behavioral intention (Sirdeshmuk et al., 2002, Chang and Wildt, 1994; Cronin et al., 2000). The theoretical framework hierarchically linking cognition, affect, intention, and behavior gives support to this mediating role of CS (Oliver, 1993) cited in Edward & Sahadev (2011). Relationship between perceived service quality and perceived service value several empirical studies showed that perceived quality leads to perceived service value (Zeithaml, 1988; Bolton and Drew, 1991; Hartline and Jones, 1996; Cronin et al., 1997; Cronin et al., 2000, Baker et al., 2002, Harris and Goode, 2004). Bolton and Drew (1991) reported that service quality is the most important determinant of perceived service value. In the hospitality services field, Hartline and Jones (1996) found that perceived service quality had a positive effect on perceived service value. In the retail setting, Baker et al. (2002) found that perceptions of merchandise value are highly and positively correlated to consumers' merchandise quality perceptions. Sweeney et al. (1999) identified a close correlation between service quality and perceived service value. Cronin et al. (1997) found service quality to positively affect service value across all of the six industries they studied. Similarly, for Cronin et al. (2000) the value of a service is largely defined by perceptions of quality. Thus, the model proposed in this study suggests that a high level of perceived service quality leads to a perceived service value.



Smith Gooding (1995) found that perceived service value was a better forecaster of the choice of a service than quality. Cronin et al. (1997) showed that adding a direct measure of value to models of customer decision-making based on service quality and sacrifice enhances the ability of the model to explain the variance in consumers' purchase intentions across the six industries examined in their study. Jen & Hu (2003) showed that passengers repurchase intentions are determined by their perception of service value and the attractiveness of alternative modes. However, perceived service value exerts a greater impact than the attractiveness of alternatives.

Few studies have examined the impact of perceived service value on word-of-mouth recommendation. In the hotel service environment, Hartline and Jones (1996) found a positive effect of perceived service value on word-of-mouth recommendations. In their study, the effect of perceived service value was quite large relative to the effect of service quality. In the retail context, Baker et al. (2002) identified a positive impact of consumers' value perceptions on store patronage intentions, which include the likelihood of both intending to shop at the store and recommending it to others (Ladhari & Morales, 2008).

Fornell (1992) has noted that industries vary in how consumer satisfaction affects repeat business and customer loyalty. He noted that the association between customer satisfaction and loyalty depends on factors such as market regulation, switching costs, and brand equity, existence of loyalty programs, proprietary technology, and product differentiation at the industry level. Hauser et al. (1994) furthermore pointed out that customers become less sensitive to satisfaction level as switching costs increase. Switching costs play a crucial role by making it expensive for consumers to change service providers. The results of Anderson and Sullivan (1993) similarly support the role of switching costs by observing the average satisfaction and retention elasticities for selected firms in 1989. They

argue that quality elasticity should increase as average satisfaction decreases. They found empirical support for this relationship in airlines and the banking industry, but not for supermarkets. One explanation is that in airlines and banking there are high switching costs but in supermarkets switching costs are very low. The result supports the importance of switching costs on customers' quality elasticity

In our context, this finding suggests that switching costs affect the link between satisfaction and loyalty. The impact of switching costs on the relationship between satisfaction and loyalty is affected by market structure. If the market has a single or overwhelmingly large share provider (for example, a monopoly provider of local telephone service), there should be little effect of switching costs on the relationship between satisfaction and brand loyalty. That is, a dissatisfied customer with high switching costs will not switch; nor, however, will a dissatisfied customer with low switching costs, since there is no alternative.

Switching costs become important when there are at least a few viable alternative providers in a market. If this criterion is met, switching costs will affect the existence of the off-diagonal groups in the Jones and Sasser (1995) matrix. Thus, if switching costs are low, we should find very few false loyalshostages), since dissatisfaction should result in changing providers. But we are likely to find many mercenary customers who are satisfied but disloyal because low switching costs make change so easy. In contrast, if switching costs are high, we are likely to see many false loyal customers; even though they are dissatisfied, switching costs make them less likely to change. But we are unlikely to see mercenaries, since the high switching costs make them less likely to change providers when they are satisfied.

The relationship between satisfaction and loyalty linkage adapted from Jones and Sasser (1995) with the inclusion of switching costs sited in (Lee, Lee, & Feick, 2001).

The moderating role of switching costs on the relationship between satisfaction and loyalty has been empirically tested in recent studies, but mixed results are found (Aydin and Ozer, 2005; Lee et al., 2001; Yang and Peterson, 2004). Researchers argue that the opposing findings may be due to contingent effects on situational variables such as types of business, products and customers (Nielson,1996) . Consequently, (He, Cheung, & Tse, 2009) focus on the moderating effect of switching costs on the relationship between satisfaction and individual loyalty dimensions. (Yang and Peterson, 2004) suggested, based on the cost-benefit theory, when customers determine whether to retain with the existing provider, they employ the net utility, which is the switching benefits minus switching costs. Satisfied consumers may perceive the chance of receiving better service from alternative provider is unlikely to be high. Then, the high-switching costs (HSC) will decrease their net utility from the switching actions, which in turns prevents them from switching but raise their repurchase preference on the existing contributor. In contrast, dissatisfied customers tend to consider their loss are larger and Kahneman & Tversky (1979) suggested that people display loss aversion when switching costs is high. Hence, dissatisfied consumers tend to overestimate the losses resulting from the existing provider and perceive high-net utility from switching. As a result, satisfied customer would more likely to retain but dissatisfied customers would more likely to churn in the situation of HSC. Relatively few studies to date have examined the moderating role of switching costs on consumers' appreciating and complaining behaviors, except Lam et al. (2004) investigate the moderating role on advice in a business-to-business setting. They suggested that dissatisfied consumers may fewer likely to recommend the provider to other consumers or even bad-mouth the contributor as they are unable to switch in the situation of HSC. Although the empirical results did not support, applying the arguments to the business-to-consumer setting in this research provide

an insight on how switching costs moderate the relationships of satisfaction-appreciating and satisfaction-complaining behaviors. Consistent with their arguments, part of the switching costs may involve loyalty benefits that have to be given up and the pleasure of these benefits lead the satisfied customers to be more probable to appreciate and recommend the provider to other consumers in the situation of HSC. on the other hand, satisfied customers who support low-switching costs (LSC) services receive lower loyalty benefit, in turns lower incentive to appreciate the service provider to others.

Therefore, the positive relationship between satisfaction and appreciating behavior is stronger in the situation of HSC than low.

Similarly, dissatisfied customers may be more likely to protest and have a negative voice concerning the existing service contributor as they are unwillingly stick with the unsatisfactory provider when HSC are imposed. As a result, low level of satisfaction leads to higher level of complaining behaviors in the situation of HSC. In contrast, dissatisfied customers in LSC services can easily switch to alternative providers and they may believe that reducing or stopping purchases from the provider would be the better way to express their dissatisfaction. Therefore, the negative association between satisfaction and complaining behaviors may be weaker in the situation of LSC. To date, virtually no empirical study examines the moderating role of switching costs in the particular relationship between satisfaction and price increase tolerance. However, consistent with the above arguments, it is expected the moderating effect of switching cost could be positive. When the switching costs is low, dissatisfied customers would more likely to switch but we can also find many mercenary customers who are satisfied but disloyal to the existing provider. When they determine patronage among the service providers, they consider some other reasons than satisfaction, such as lower price, better quality, higher reputation or other benefits from alternative providers (

Jones and Sasser,1995). Therefore, they are unlikely to tolerate for price increase or quality decrease even they are satisfied. As a result, the association between satisfaction and consumer tolerance is weaker in the situation of LSC. On the contrary, satisfied customers would more likely to tolerate for price or quality change in the situation of HSC. According to the net utility, satisfied customers will perceive higher switching costs as they are unlikely to get better service from the alternative provider. The enhanced switching costs effect in HSC service will widen the difference between switching benefits and switching costs and lead to lower net utility from switching. Therefore, higher price increase or quality decrease is needed to raise the switching benefit and lead to switching actions.

The moderating role of switching costs on service quality-loyalty link

The moderating effect of switching costs on the relationship between service quality and loyalty has also been examined empirically by Bloemer et al. (1999) and Bell et al. (2005). Bell et al. (2005) focused solely on customer loyalty with three measures regarding to repurchase intentions, whereas Bloemer et al. (1999) focused on preference loyalty (i.e. repurchase intention plus recommend), price indifference loyalty (i.e. price tolerance) and dissatisfaction response (i.e. complain). However, in the study by Bell et al. (2005), switching costs did not appear to have a significant moderating effect on quality-loyalty link, while Bloemer et al. (1999) only found significant positive moderating effect of switching costs on preference loyalty but not on other two. But in general, they both contended that the effect of service quality on loyalty is stronger when switching costs are high. Thus, it is expected that switching costs will have a positive moderating effect on the relationship between service quality and repurchase intention

Furthermore, with the similar arguments as mentioned in the previous section, consumers perceived poor service quality from the existing provider would

increase the tendency to complain or having negative voice as they have been forced to use the poor service because of HSC. Also, they would be unlikely to tolerate any more price increase or quality decrease if they have one more chance to select, since the service quality was already unacceptable. But, consumers perceived superior service quality would more willing to appreciate the service provider while they enjoy greater loyalty benefits from avoiding HSC. Therefore, we expected that there are positive moderating effects of switching costs on the relationships between service quality and all the four loyalty dimensions.

The moderating role of switching costs on service value-loyalty link

the study by Yang and Peterson (2004) was found to examine the moderating role of switching costs on the relationship between service value and loyalty. But in their study, the moderating effect was only found to be significant when perceived value is above average. They suggested that customers perceived high-service value would be unlikely to switch especially when switching costs are high. It is because the chance of getting better service from another provider is relatively low but the cost incurred for switching is high. Then, the switching benefits would be much less than switching costs and it will prohibit them from switching actions. In contrast, when switching costs is low, customers may change to alternative provider even though high-service value was perceived from the existing provider as both switching benefits and switching costs are low. Hence, it is expected that switching costs impose positive moderating effect on repurchase intention through service quality. In addition, the positive moderating effects on appreciating behavior, complaining behavior and consumer tolerance may also exist. Consumers are forced to tolerate inferior service in the situation of HSC and it may increase consumers' intention to bad-mouth the provider. Also, consumer tolerance level to price and quality change would be lower as consumers have already perceived that the service was not worth.

They would more likely to choose alternative providers as they do not want to be trapped by the HSC but low-service value from the existing provider again. But consumers would more intend to appreciate the superior value of HSC services with the enjoyment of loyalty benefits (He, Cheung & Tse 2009).

(Eber, 1999; Jones et al., 2002; Bloemer et al., 1998; Burnham et al., 2003; Feick et al., 2001) founds switching cost is the factor that most directly influences customers' sensitivity to price level and so influences customer loyalty. Therefore, (Bloemer et al., 1998) determine whether or not perceived switching cost has a moderator effect on the relationship between customer satisfaction, trust and customer loyalty.

(Aydin & O omer Arasil, 2005) show that the switching cost factor directly affects loyalty, and has a moderator effect on both customer satisfaction and trust. Therefore, it plays a crucial role in winning customer loyalty. In short, it is a quasi moderator. However, switching costs was measured as a uni dimensional factor, but switching costs in fact contains psychological, financial and procedural sub-dimensions.

Perhaps this disparity in viewpoints arises as the convenience of customers staying with the current bank, when coupled with the emotional cost associated with the inconvenience of switching; increases the complexity of the customer's banking situation – likely leading to customer inertia (Knights et al., 1994). Moreover, even dissatisfied customers with complex banking requirements tend to be loyal because of high switching costs (Gronhaug and Gilly, 1991), which indicates the significance of this construct within the banking relationship. On this point, Sharma and Patterson (2000) investigated switching costs, product-norm experience, and alternative attractiveness as moderators between trust, service satisfaction, and relationship commitment. Their study into personal financial planning services revealed switching costs do indeed serve as exit barriers;

however, they also found that trust had a greater influence upon the customer cohort with relatively higher perceived switching costs.

Bansal et al. (2004) furthermore demonstrate switching costs to have a strong and direct positive influence upon continuance commitment whereby customers stay locked into the current service contributor. The different types of switching costs invariably comprise a blend of monetary and/or psychological-based costs (Colgate and Lang, 2001; Burnham et al., 2003; Gilliland and Bello, 2002; Klemperer, 1995; Meyer and Herscovitch, 2001; Stephens et al., 2004; Viard, 2007). (Laksamana, Wong, Kingshott, & Muchtar, 2013) conclude that higher switching costs will dampen the premium banking customers' desire to change banks. In relation to its specific role in moderating the link between trust and commitment, also, strongly suspect based upon our evidence and the literature, that in trust-based relationships, this construct has a negative impact upon the established commitment trust link. In addition, (Laksamana, et al, 2013) findings with current thinking in the RM literature revealed switching costs and interaction quality to be plausible moderators between trust and commitment.



# **CHAPTER THREE**

## **THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT**

### **3.0 Chapter Overview**

This chapter presents the research framework and hypotheses to be tested. In addition to the theories of the study. Instituted on the literature review, the integrative framework of the study is anchored on the SERVIQUAL and Social Exchange Theory.

### **3.1 SERVQUAL**

The current study, however, adopts the modified version of the service quality dimensions of SERVQUAL (Parasuraman et al., 1991) used by Jamal and Naser (2002) in their study involving banking services Sudan. In the typical SERVQUAL model, tangibles refer to physical facilities and the appearance of personnel; reliability means the ability to execute the promised service dependably, responsiveness refers to the promptness of service to customers, assurance means employee knowledge to build customer trust as well as confidence and, finally, empathy connotes caring and the personalization of employee attitudes (Ueltschy et al., 2007; Parasuraman et al., 1988). Jamal and Naser (2002).

The approach of American school of thought to service quality is best revealed in SERVQUAL model developed by Parasuraman *et al.*, (1985). In conceptualizing the basic service quality model the authors identified ten key determinants of service quality: access, communication, competence, courtesy, credibility, tangibility, reliability, responsiveness, security and understanding the customer. Later the authors grouped SERVQUAL dimensions into five and added assurance and empathy dimensions (Parasuraman et al., 1988).

The purpose of SERVQUAL is to suggest service quality measures and SERVQUAL can serve as a useful indicator for IT-managers attempting to identify areas of needed service improvement and to researchers seeking success measures of IT-services (Jiang et al., 2000).

\* It is developed from a customer perspective.

\* It is the most well known and a commonly used instrument for measuring service quality (Buttle, 1996; Ladhari, 2008; Ladhari, 2009; Kilbourne et al., 2004; Carrillat et al., 2007; Landrum et al., 2007).

SERVQUAL is based on the difference between customer expectations and customer perceptions.

### **3.2 Social Exchange Theory**

Social exchange theory evolved from Thorndike's (1932, 1935) work on the development of reinforcement theory and Mill's (1923) marginal utility theory. Modern-day influences have been derived from the work of sociologists such as Homans (1950, 1961), Blau (1964), and Emerson (1972). Social exchange theory is comprised of five central elements:

1) Behavior is predicated upon the notion of rationality. That is, the more behavior results in a reward, the more individuals will behave that way. However, the more an individual receives a reward, the less valued it becomes, and the individual seeks alternative rewards through other behaviors or from other sources.

2) The relationship is based on reciprocation. That is, each individual in the relationship will provide benefits to the other so long as the exchange is equitable and the units of exchange are important to the respective parties. An exchange between two individuals must be seen as fair by both for the relation to continue, or at least to continue as strongly. This point out that it is not only important to

respond fairly, but also with an item (not necessarily material) deemed to be important by the other person.

3) Social exchange is based on a justice principle. In each exchange, there should be a norm of fairness governing behaviour. That is, the exchange must be viewed as fair when compared in the context of a wider network or to third and fourth parties. This notion of distributive justice goes beyond the equity between the two principals' contribution. It involves each person comparing his or her reward to that of others who have dealt with this individual and what they received for the same or a similar contribution.

4) Individuals will seek to maximize their gains and minimize their costs in the exchange relation. It is important to understand that the notion of costs does not relate exclusively to financial issues; rather, costs can be incurred through the time and energy invested in a relationship.

5) Individuals participate in a relationship out of a sense of mutual benefit rather than coercion. Thus, coercion should be minimized.

The underpinning theory for the research framework is the Social exchange theory. Social exchange theory is among the most influential conceptual paradigms for understanding workplace behavior. (Russell & Marie, 2005).

### **3.3 Social Exchange Theory and Variables**

Social exchange theory (SET) is an attempt to explain relationships between individuals. Because of its focus on exchanges between customers and firms, it is well-suited to explain loyalty in general (Singh & Sirdeshmukh, 2009). While differing views exist regarding subtleties of SET, most agree on the simple premise that when a choice is presented, people undergo a subjective cost–benefit analysis and weigh alternatives before making a decision (Emerson, 1976). While the theory is borrowed from social psychology and sociology, it is obvious that SET has roots in economics and business as well (Mauss, 1967) given the similarity to

economic theories such as rational choice, expected-utility, maximum-utility and diminishing marginal utility. Homans (1958) first presented the idea that an exchange could involve more than material goods. Anger, happiness, prestige, and other intangible elements also changed hands. He posited that these exchanges could even be more important than physical transactions because they had a more direct impact on the power structure of the relationship. Depending on the perceived fairness of the exchange, each party could have different levels of satisfaction and equity, and the resulting dependence, independence, or interdependence determined the strength and balance of the relationship (Blau, 1964).

Regardless of the power dynamics, SET relies on the assumption that some set of norms exists that governs behavior (Emerson, 1976). These guidelines frame the exchange process and allow for analysis of each party separately and collectively (Cropanzano & Mitchell, 2005). While other exchange rules have been developed (Cook, 1975; Meeker, 1971). By definition, reciprocity applies only to interdependence for the simple reason that when one party is fully independent from or fully dependent on another party, there can be no social exchange (Molm, 1994).

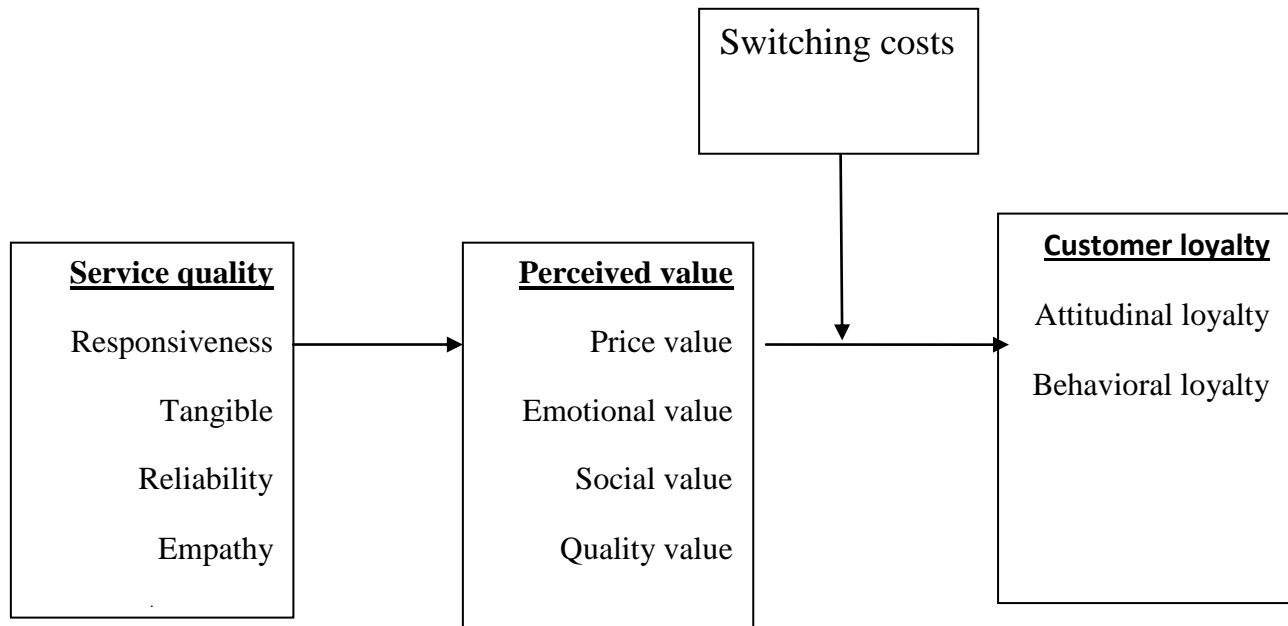
Despite these criticisms, SET has taken root in the organizational and behavioral sciences, and particularly within the marketing discipline. Since Alderson's (1965) call for a theory of perfect cooperation, scholars have used it to examine both business-to-business (Anderson & Narus, 1990; Frazier, 1983; Hailén, Johanson, & Seyed-Mohamed, 1991) and business-to-consumer relationships (Johnson & Selnes, 2004; Luo, 2002). SET predicts that, over time, relationships gain strength by establishing trust through satisfaction, cooperation and shared values. This ultimately builds commitment through the exchange of resources governed by

some form of normative rules (Cropanzano & Mitchell, 2005) cited in (Lee, Capella, Taylor, Luo, & Gabler, 2014).

In services, emotions influence how parties perceive and feel about their shared activity, their relationships, and their common group associations. According to the affect theory of social exchange, emotions are directed at the group context, and not limited to the service agent. In other words, the emotions resulting from social exchanges affect social relations, and a successful (unsuccessful) service encounter or relationship with a service employee will impact positively (negatively) a customer's view of the entire service firm. This is important, because if a customer has a positive experience at one service location, then he/she should develop positive feelings toward the same brand at different locations, producing increased loyalty to the service brand. Similarly, a bad experience at one service location should negatively affect loyalty to the service brand (at all locations). Depending on the service, varying degrees of customer involvement are required. When interaction (Groenroos, 1978) and customer input (Parasuraman et al., 1985) increase to make service exchanges successful, so does the degree of inseparability. This means that customers and service firms are dependent on one another for service success (Lawler, 2001; Solomon et al., 1985), although the degree of inseparability and shared responsibility can vary across services (Sierra & McQuitty, 2005 ).

Finally, SET, like other social frameworks, may be limited or has differing applicability depending on the context, balance of power, and individual versus group dynamics (Cook, 1977). But perhaps the biggest flaw is the assumption that humans act rationally (Lawler & Thye, 1999). Because of constraints, emotions, and limitations, individuals and therefore organizations do not always act rationally which can alter the entire social exchange dynamics (Simon, 1991).

**Figure 3.1 Conceptual Framework**



*Source: prepared by researcher, (2014)*

### **3.4 Research Hypothesis**

In this study, five main hypotheses were developed to test the relationship between service quality variables (assurance, reliability, tangible, empathy, and responsiveness) and customer loyalty (attitudinal loyalty, and behavioral loyalty). And test to the relationship between the mediator variables perceived value factors (price value, quality value emotional value, and social value) and customer loyalty variables. And the switching costs as moderator.

#### **3.4.1 Relationship between service quality and customer loyalty (attitudinal loyalty, behavioral loyalty).**

Firend & Rasheed, (2014) found that improving service quality leads to increase appropriate customer loyalty among subscribers of various services. Furthermore (Segoro, 2013 ) study confirm Customer loyalty as maintainable in an organization when the organization is able to increase customer satisfaction. Customer

satisfaction will enhance when the organization improve their service quality and relationship quality. (He, 2014) study tested the relationships among casino service quality; customer satisfaction and loyalty show that service quality does have a direct effect on customer. The findings indicate that member loyalty is directly influenced by their attitudes (satisfaction), and service has indirect effect on their loyalty whereas nonmember loyalty can be achieved by focusing on service offerings which directly impact on their future patronage. The findings also indicate that member loyalty is directly influenced by their attitudes (satisfaction), and casino service has indirect effect on their loyalty ,whereas nonmember loyalty can be achieved by focusing on service offerings which directly impact on their future patronage .When analyzing the influence of each casino service quality on customer satisfaction and loyalty, and that service quality does explain significant variance in customer satisfaction and loyalty, that service quality dimensions have different effects on gambler satisfaction and loyalty. the study suggest that casinos should focus on the aspects that exert significant influence on their attitudes (satisfaction) and behaviors (loyalty), each dimension has different effect on outcome variables .Four SERVQUAL dimensions (tangibility, reliability, responsiveness and assurance) affect satisfaction significantly; however, empathy has negative influence. Also (Prentice, 2013) in his study indicate that empathy has a negative effect on loyalty. (Kheng & Mahamad, 2010) found that Tangibles have no significant impact on customer loyalty. This result is contrary to the findings by Sureshchandar et al (2003), Reliability is found positive relationship with customer loyalty. The finding is supported by the previous researchers including Nguyen & Leblanc (2001) and Bellini et al, (2005). (Joseph et al, 2005) study indicated that the relationship between responsiveness and customer loyalty is insignificant., these results are contrary to the prior findings in other studies ,Empathy has significant positive relationship with customer loyalty. This evidence is supported by the

findings by Butcher (2001), Ndubisi (2006) and Ehigie (2006), Lymperopoulos et al (2006) shows in the study that a significant relationship between assurance and customer loyalty.

In study which predicts that of service quality a positive relationship with the customer loyalty.

**H1.1 There is a positive relationship between service quality variables and customer loyalty.**

Developed sub hypotheses from first hypotheses as follows:

H1.1 There is a positive relationship between responsiveness and customer loyalty.

H1.a. There is a positive relationship between responsiveness and attitudinal loyalty.

H1.1.b There is a positive relationship between responsiveness and behavioral loyalty.

H1.1.2 There is a positive relationship between tangible and customer loyalty

H1.2.a There is a positive relationship between tangible and attitudinal loyalty

H1.2.b There is a positive relationship between tangible and behavioral loyalty.

H1.3 There is a positive relationship between reliability and customer loyalty.

H1.3.a There is a positive relationship between reliability and attitudinal loyalty.

H1.3.b There is a positive relationship between reliability and behavioral loyalty.

H.1.4 There is a positive relationship between empathy and customer loyalty

H.1.4.a There is a positive relationship between assurance empathy and attitudinal loyalty.

H1.4.B There is a positive relationship between assurance and behavioral loyalty.

H1.5 There is a positive relationship between assurance and customer loyalty.

H1.5.a There is a positive relationship between assurance and attitudinal loyalty.

H.5. b there is a positive relationship between assurance and behavioral loyalty.



**3.4.2. H2. There is a positive relationship between service quality variables and perceived value.**

**H2.1. There is a positive relationship between responsiveness and perceived value.**

H2.1.a There is a positive relationship between responsiveness and price value.

H2.1.b There is a positive relationship between responsiveness and emotional value.

H2.1.c There is a positive relationship between responsiveness and social value.

**H2.2 There is a positive relationship between tangible and perceived value**

H2.2.a There is a positive relationship between tangible and price value.

H2.2.b There is a positive relationship between tangible and emotional value.

H2.2.c There is a positive relationship between tangible and social value.

**H2.3 There is a positive relationship between reliability and perceived value.**

H2.3.a There is a positive relationship between reliability and price value.

H2. 3. b There is a positive relationship between reliability and emotional value.

H2.3.c There is a positive relationship between reliability and social value.

**H2.4 There is a positive relationship between empathy and perceived value.**

H2.4.a There is a positive relationship between empathy and price value.

H2.4.b There is a positive relationship between empathy and emotional value.

H2.4.C There is a positive relationship between empathy and social value.

**H2.5 There is a positive relationship between assurance and perceived value.**

H2.5.a There is a positive relationship between assurance and price value.

H2.5.b There is a positive relationship between assurance and emotional value.

H2.5.c There is a positive relationship between reliability assurance and social value.

**3.4.3H3 There is a positive relationship between perceived value and Customer loyalty.**

H3.1. There is a positive relationship between price value and customer loyalty.

H3.1.a. There is a positive relationship between price value and attitudinal loyalty.

H3.1.b There is a positive relationship between price value and behavioral loyalty.

**H3.2 There is a positive relationship between emotional value and customer loyalty.**

H3.2.a There is a positive relationship between emotional value and attitudinal loyalty.

H3.2.b There is a positive relationship between emotional value and behavioral loyalty.

**H3.3 There is a positive relationship between social value and customer loyalty**

H3.3.a There is a positive relationship between social value and attitudinal loyalty.

H3.3.b There is a positive relationship between social value and behavioral loyalty.

**H4 Perceived value mediates the relationship between service quality and customer loyalty.**

**3.4.4 Mediates of Perceived Value**

Baron and Kenny (1986) indicated the conditions of mediating effect ,regression variable significantly influences mediating variable, mediating variable significantly influences criterion variable, after including mediating variable, relationship between regression variable and criterion variable is more insignificant.

However, many researchers examined the relationship between service quality and perceived value, such as, (Cemal Zehira, 2014) who using ESQUAL scale; it is observed that the relationship of E-service Quality, with Perceived Values is

significant relationship. Similar, (mumel, 2004) examined the impact of perceived quality on perceived value of mobile phone that showed the relationship between perceived quality and perceived value will be positive the effect of service quality was found in this study to have a significant and positive relationship with perceived value. Positive effect was also confirmed in the research with small household appliances by Sweeney et al. (1999) and in research with calculators by Teas and Agarwal (2000). On the other hand, (Sadia Jahanzeb, 2013) explain the perceived value has a positive and significant direct impact on brand corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm. Also, this result goes in line with the study of (Cemal Zehira, 2014) who demonstrated there is a positive significant relationship between Perceived Value and Loyalty Intentions. (Arne Floh a, 2014) Found strongly support the argument that perceived value dimensions (Functional Value, Economical Value, Emotional Value, and Social Value) influences behavioral intentions, but also that the effects differ in magnitude depending on the consumer segment.

Consequently, some studies have examined the mediator role of perceived value between service quality and customer loyalty such as; (Cemal Zehira, 2014) showed the Perceived Value act as a mediator between Service Quality and Loyalty Intentions. Furthermore, (Sadia Jahanzeb, 2013) suggest that alongside perceived value, corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm. Also (Wang, 2011) show a strong moderating effect of perceived value in the relationship between satisfaction and loyalty. Moreover (Md.Ariff, 2012) findings revealed that customers' perceived high emotional value towards the mobile phone. Economic and social values were in the moderate level. The high and moderate positive correlations were found between customers' perceived emotional value and economic value with customer satisfaction. (Serkan Akinci, 2015) Confirmed the mediating role of all perceived

value dimensions (emotional value, functional value, price value, and perceived service quality) except social value in the relation between satisfaction and loyalty intention. Also (Paul G. Patterson, 1997) findings clearly show value (as well as each performance dimension) is completely mediated through satisfaction in influencing repeat purchase behavior.

The link between value and quality may not be straightforward, still, as value is also what customers want from the product, in many cases, quality of the product and the benefits it offers often become consumer value drivers (Bolton and Drew, 1991;Zeithaml, 1988). Many studies support this association (Dodds et al., 1991; Oh, 1999). Relationship between perceived service value and word-of-mouth intentions Perceived service value has been found to be an indicator of patronage intentions (Chang and Wildt, 1994; Cronin et al., 1997; Sweeney et al., 1999; Baker et al., 2002; Jen and Hu, 2003; Harris and Goode, 2004).

#### **H4.1 Price value mediates the relationship between service quality and customer loyalty.**

H4.1.a Price value mediates the relationship between responsiveness and attitudinal loyalty.

H4.1.1.b Price value mediates the relationship between responsiveness and behavioral loyalty.

H4.1.2.aPrice value mediates the relationship between tangible and attitudinal loyalty.

H4.1.2.bPrice value mediates the relationship between tangible and behavioral loyalty.

H4.1.3.a Price value mediates the relationship between reliability and attitudinal loyalty.

H4.1.3.bPrice value mediates the relationship between reliability and behavioral loyalty.

H4.1.4.a Price value mediates the relationship between empathy and attitudinal loyalty.

H4.1.4.b Price value mediates the relationship between empathy and behavioral loyalty.

H4.1.4.a Price value mediates the relationship between assurance and attitudinal loyalty.

H4.1.4.b Price value mediates the relationship between assurance and behavioral loyalty.

**H4.2 Emotional value mediates the relationship between service quality and customer loyalty.**

H4.2.1.a Emotional value mediates the relationship between responsiveness and attitudinal loyalty.

H4.2.1.b Emotional value mediates the relationship between responsiveness and behavioral loyalty.

H4.2.2.a Emotional value mediates the relationship between tangible and attitudinal loyalty.

H4.2.2.b Emotional value mediates the relationship between tangible and behavioral loyalty.

H4.2.3.a Emotional value mediates the relationship between reliability and attitudinal loyalty.

H4.2.3.b Emotional value mediates the relationship between reliability and behavioral loyalty.

H4.2.4.a Emotional value mediates the relationship between empathy and attitudinal loyalty

H4.2.4.b Emotional value mediates the relationship between empathy and behavioral loyalty.

H4.2.5.a Emotional value mediates the relationship between assurance and attitudinal loyalty.

H4.2.5.b Emotional value mediates the relationship between assurance and behavioral loyalty.

H4.3 Social value mediates the relationship between service quality and customer loyalty.

H4.3.1.a Social value mediates the relationship between responsiveness and attitudinal loyalty.

H4.3.1.b Social value mediates the relationship between responsiveness and behavioral loyalty.

H4.3.2.a Social value mediates the relationship between tangible and attitudinal loyalty.

H4.3.2.b Social value mediates the relationship between tangible and behavioral loyalty.

H4.3.3.a Social value mediates the relationship between reliability and attitudinal loyalty.

H4.3.3.b Social value mediates the relationship between reliability and behavioral loyalty.

H4.3.4.a Social value mediates the relationship between empathy and attitudinal loyalty.

H4.3.4.b Social value mediates the relationship between empathy and behavioral loyalty.

H4.3.5.a Social value mediates the relationship between assurance and attitudinal loyalty.

H4.3.5.b Social value mediates the relationship between assurance and behavioral loyalty.

## **H5.The Moderating Effect of switching costs on the Relationship between perceived value and customer loyalty.**

### **3.4.5 Moderating Effect of switching costs**

Switching costs become important when there are at least a few viable alternative providers in a market. If this criterion is met, switching costs will affect the existence of the off-diagonal groups in the Jones and Sasser (1995) matrix. Thus, if switching costs are low, we should find very few false loyalshostages), since dissatisfaction should result in changing providers. But we are likely to find many mercenary customers who are satisfied but disloyal because low switching costs make change so easy. In contrast, if switching costs are high, we are likely to see many false loyal customers; even though they are dissatisfied, switching costs make them less likely to change. But we are unlikely to see mercenaries, since the high switching costs make them less likely to change providers when they are satisfied.

The relationship between satisfaction and loyalty linkage adapted from Jones and Sasser (1995) with the inclusion of switching costs sited in (Lee, Lee, & Feick, 2001).

The moderating role of switching costs on the relationship between satisfaction and loyalty has been empirically tested in recent studies, but mixed results are found (Aydin and Ozer, 2005; Lee et al., 2001; Yang and Peterson, 2004). Researchers argue that the opposing findings may be due to contingent effects on situational variables such as types of business, products and customers (Nielson,1996) . Consequently, (He, Cheung, & Tse, 2009) focus on the moderating effect of switching costs on the relationship between satisfaction and individual loyalty dimensions. (Yang and Peterson, 2004) suggested, based on the cost-benefit theory, when customers determine whether to retain with the existing provider, they employ the net utility, which is the switching benefits minus switching costs.

Satisfied consumers may perceive the chance of receiving better service from alternative provider is unlikely to be high. Then, the high-switching costs (HSC) will decrease their net utility from the switching actions, which in turns prevents them from switching but raise their repurchase preference on the existing contributor. In contrast, dissatisfied customers tend to consider their loss are larger and Kahneman & Tversky (1979) suggested that people display loss aversion when switching costs is high. Hence, dissatisfied consumers tend to overestimate the losses resulting from the existing provider and perceive high-net utility from switching. As a result, satisfied customer would more likely to retain but dissatisfied customers would more likely to churn in the situation of HSC. Relatively few studies to date have examined the moderating role of switching costs on consumers' appreciating and complaining behaviors, except Lam et al. (2004) investigate the moderating role on advice in a business-to-business setting. They suggested that dissatisfied consumers may fewer likely to recommend the provider to other consumers or even bad-mouth the contributor as they are unable to switch in the situation of HSC. Although the empirical results did not support, applying the arguments to the business-to-consumer setting in this research provide an insight on how switching costs moderate the relationships of satisfaction-appreciating and satisfaction-complaining behaviors. Consistent with their arguments, part of the switching costs may involve loyalty benefits that have to be given up and the pleasure of these benefits lead the satisfied customers to be more probable to appreciate and recommend the provider to other consumers in the situation of HSC. on the other hand, satisfied customers who support low-switching costs (LSC) services receive lower loyalty benefit, in turns lower incentive to appreciate the service provider to others.

Therefore, the positive relationship between satisfaction and appreciating behavior is stronger in the situation of HSC than low.



Similarly, dissatisfied customers may be more likely to protest and have a negative voice concerning the existing service contributor as they are unwillingly stick with the unsatisfactory provider when HSC are imposed. As a result, low level of satisfaction leads to higher level of complaining behaviors in the situation of HSC. In contrast, dissatisfied customers in LSC services can easily switch to alternative providers and they may believe that reducing or stopping purchases from the provider would be the better way to express their dissatisfaction. Therefore, the negative association between satisfaction and complaining behaviors may be weaker in the situation of LSC. To date, virtually no empirical study examines the moderating role of switching costs in the particular relationship between satisfaction and price increase tolerance. However, consistent with the above arguments, it is expected the moderating effect of switching cost could be positive. When the switching costs is low, dissatisfied customers would more likely to switch but we can also find many mercenary customers who are satisfied but disloyal to the existing provider. When they determine patronage among the service providers, they consider some other reasons than satisfaction, such as lower price, better quality, higher reputation or other benefits from alternative providers ( Jones and Sasser,1995). Therefore, they are unlikely to tolerate for price increase or quality decrease even they are satisfied. As a result, the association between satisfaction and consumer tolerance is weaker in the situation of LSC. On the contrary, satisfied customers would more likely to tolerate for price or quality change in the situation of HSC. According to the net utility, satisfied customers will perceive higher switching costs as they are unlikely to get better service from the alternative provider. The enhanced switching costs effect in HSC service will widen the difference between switching benefits and switching costs and lead to lower net utility from switching. Therefore, higher price increase or quality decrease is needed to raise the switching benefit and lead to switching actions.

The moderating role of switching costs on service quality-loyalty link

The moderating effect of switching costs on the relationship between service quality and loyalty has also been examined empirically by Bloemer et al. (1999) and Bell et al. (2005). Bell et al. (2005) focused solely on customer loyalty with three measures regarding to repurchase intentions, whereas Bloemer et al. (1999) focused on preference loyalty (i.e. repurchase intention plus recommend), price indifference loyalty (i.e. price tolerance) and dissatisfaction response (i.e. complain). However, in the study by Bell et al. (2005), switching costs did not appear to have a significant moderating effect on quality-loyalty link, while Bloemer et al. (1999) only found significant positive moderating effect of switching costs on preference loyalty but not on other two. But in general, they both contended that the effect of service quality on loyalty is stronger when switching costs are high. Thus, it is expected that switching costs will have a positive moderating effect on the relationship between service quality and repurchase intention

Furthermore, with the similar arguments as mentioned in the previous section, consumers perceived poor service quality from the existing provider would increase the tendency to complain or having negative voice as they have been forced to use the poor service because of HSC. Also, they would be unlikely to tolerate any more price increase or quality decrease if they have one more chance to select, since the service quality was already unacceptable. But, consumers perceived superior service quality would more willing to appreciate the service provider while they enjoy greater loyalty benefits from avoiding HSC. Therefore, we expected that there are positive moderating effects of switching costs on the relationships between service quality and all the four loyalty dimensions.

The moderating role of switching costs on service value-loyalty link

the study by Yang and Peterson (2004) was found to examine the moderating role of switching costs on the relationship between service value and loyalty. But in their study, the moderating effect was only found to be significant when perceived value is above average. They suggested that customers perceived high-service value would be unlikely to switch especially when switching costs are high. It is because the chance of getting better service from another provider is relatively low but the cost incurred for switching is high. Then, the switching benefits would be much less than switching costs and it will prohibit them from switching actions. In contrast, when switching costs is low, customers may change to alternative provider even though high-service value was perceived from the existing provider as both switching benefits and switching costs are low. Hence, it is expected that switching costs impose positive moderating effect on repurchase intention through service quality. In addition, the positive moderating effects on appreciating behavior, complaining behavior and consumer tolerance may also exist. Consumers are forced to tolerate inferior service in the situation of HSC and it may increase consumers' intention to bad-mouth the provider. Also, consumer tolerance level to price and quality change would be lower as consumers have already perceived that the service was not worth.

They would more likely to choose alternative providers as they do not want to be trapped by the HSC but low-service value from the existing provider again. But consumers would more intend to appreciate the superior value of HSC services with the enjoyment of loyalty benefits (He, Cheung & Tse 2009).

(Eber, 1999; Jones et al., 2002; Bloemer et al., 1998; Burnham et al., 2003; Feick et al., 2001) finds switching cost is the factor that most directly influences customers' sensitivity to price level and so influences customer loyalty .Therefore, (Bloemer et al., 1998) determine whether or not perceived switching cost has a

moderator effect on the relationship between customer satisfaction, trust and customer loyalty.

(Aydin & O omer Arasil, 2005) show that the switching cost factor directly affects loyalty, and has a moderator effect on both customer satisfaction and trust. Therefore, it plays a crucial role in winning customer loyalty. In short, it is a quasi moderator. However, switching costs was measured as a uni dimensional factor, but switching costs in fact contains psychological, financial and procedural sub-dimensions.

Perhaps this disparity in viewpoints arises as the convenience of customers staying with the current bank, when coupled with the emotional cost associated with the inconvenience of switching; increases the complexity of the customer's banking situation – likely leading to customer inertia (Knights et al., 1994). Moreover, even dissatisfied customers with complex banking requirements tend to be loyal because of high switching costs (Gronhaug and Gilly, 1991), which indicates the significance of this construct within the banking relationship. On this point, Sharma and Patterson (2000) investigated switching costs, product-norm experience, and alternative attractiveness as moderators between trust, service satisfaction, and relationship commitment. Their study into personal financial planning services revealed switching costs do indeed serve as exit barriers; however, they also found that trust had a greater influence upon the customer cohort with relatively higher perceived switching costs.

Bansal et al. (2004) furthermore demonstrate switching costs to have a strong and direct positive influence upon continuance commitment whereby customers stay locked into the current service contributor. The different types of switching costs invariably comprise a blend of monetary and/or psychological-based costs (Colgate and Lang, 2001; Burnham et al., 2003; Gilliland and Bello, 2002; Klemperer, 1995; Meyer and Herscovitch, 2001; Stephens et al., 2004; Viard, 2007).

(Laksamana, Wong, Kingshott, & Muchtar, 2013) conclude that higher switching costs will dampen the premium banking customers' desire to change banks. In relation to its specific role in moderating the link between trust and commitment, also, strongly suspect based upon our evidence and the literature, that in trust-based relationships, this construct has a negative impact upon the established commitment trust link. In addition, (Laksamana, et al, 2013) findings with current thinking in the RM literature revealed switching costs and interaction quality to be plausible moderators between trust and commitment.

#### **H5.1 The Moderating Effect of relational costs on the Relationship between perceived value and customer loyalty.**

The moderating role of switching costs on the relationship between satisfaction and loyalty has been empirically tested in recent studies, but mixed results are found (Aydin and Ozer, 2005; Lee et al., 2001; Yang and Peterson, 2004). Researchers argue that the opposing findings may be due to contingent effects on situational variables such as types of business, products and customers (Nielson, 1996). Consequently, (He, Cheung, & Tse, 2009) focus on the moderating effect of switching costs on the relationship between satisfaction and individual loyalty dimensions. (Yang and Peterson, 2004) suggested, based on the cost-benefit theory, when customers determine whether to retain with the existing provider, they employ the net utility, which is the switching benefits minus switching costs. Satisfied consumers may perceive the chance of receiving better service from alternative provider is unlikely to be high. Then, the high-switching costs (HSC) will decrease their net utility from the switching actions, which in turns prevents them from switching but raise their repurchase preference on the existing contributor. However this study examined the moderator role of switching costs on the relationship between perceived value and customer loyalty.

**H5.1.1The Moderating Effect of relational costs on the Relationship between price value and customer loyalty.**

H5.1.1.aThe Moderating Effect of relational costs on the Relationship between price value and attitudinal loyalty.

H5.1.1.bThe Moderating Effect of relational costs on the Relationship between price value and behavioral loyalty.

H5.1.2The Moderating Effect of relational costs on the Relationship between emotional value and customer loyalty.

H5.1.2.aThe Moderating Effect of relational costs on the Relationship between emotional value and attitudinal loyalty.

H5.1.2.bThe Moderating Effect of relational costs on the Relationship between emotional value and behavioral loyalty.

H5.1.3The Moderating Effect of relational costs on the Relationship between social value and customer loyalty.

H5.1.3.aThe Moderating Effect of relational costs on the Relationship between social value and attitudinal loyalty.

H5.1.3.bThe Moderating Effect of relational costs on the Relationship between social value and behavioral loyalty.

H5.2The Moderating Effect of procedural on the Relationship between perceived value and customer loyalty.

H5.2.1The Moderating Effect of procedural on the Relationship between price value and customer loyalty.

H5.2.1.aThe Moderating Effect of procedural on the Relationship between price value and attitudinal loyalty.

H5.2.1.bThe Moderating Effect of procedural on the Relationship between price value and behavioral loyalty.

H5.2.2 The Moderating Effect of procedural on the Relationship between emotional value and customer loyalty.

H5.2.2.a The Moderating Effect of procedural on the Relationship between emotional value and attitudinal loyalty.

H5.2.2.b The Moderating Effect of procedural on the Relationship between emotional value and behavioral loyalty.

H5.2.3 The Moderating Effect of procedural on the Relationship between social value and customer loyalty.

H5.2.3.a The Moderating Effect of procedural on the Relationship between social value and attitudinal loyalty.

H5.2.3.b The Moderating Effect of procedural on the Relationship between social value and behavioral loyalty.

### **3.5 Summary of Chapter**

This chapter depicted the research framework, which was deriving from the literature review, And theoretical framework and hypothesis development. In addition to relationship between variables of the study and theories.

# **CHAPTER FOUR**

## **RESEARCH METHODOLOGY**

### **4.0 Chapter Overview**

This chapter focuses on the method that the researcher used to collect data and analyze it. It greatly concerns the research design, target population, description of the sample size and sampling Procedures, research instrument and its validity and reliability, description of the data collection procedures, description of data analysis.

### **4.1 Research Design**

A research design is the specification of methods and procedures for acquiring Information needed to structure or solve problems. It is the totality operational pattern or framework of the project that stipulated what information is to be collected, from which sources, and by what procedures. A research design might be described as a series of advance decisions that, taken together, from a specific master plan or model for the conduct of the investigation (Green, Tull, and Albaum, 1988). The purpose of this research is to establish and test the relationship between service quality and customer loyalty, where a questionnaire will be used in order together data concerning the variables of this research.

### **4. 2 Research Population**

The study conducted s customers in banks in Sudan. The population of this study consists of sample on all 37 Banks in Sudan (Sudan Banks Union).

### **4.3 Sample Size**

#### **Quota Sampling**

Quota sampling, a type of purposive sampling, ensures that certain groups are adequately represented in the study through the assignment of a quota. Generally,



the quota fixed for each subgroup is based on the total numbers of each group in the population. However, since this is a non probability sampling plan, the results are not generalizable to the population.

Quota sampling can be considered as a form of proportionate stratified sampling, in which a predetermined proportion of people are sampled from different groups, but on a convenience basis. For instance, it may be surmised that the work attitude of blue-collar workers in an organization is quite different from that of white-collar workers. If there are 60% blue-collar workers and 40% white-collar workers in this organization, and if a total of 30 people are to be interviewed to find the answer to the research question, then a quota of 18 blue-collar workers and 12 white-collar workers will form the sample, because these numbers represent 60% and 40% of the sample size. The first 18 conveniently available blue-collar workers and 12 white-collar workers will be sampled according to this quota. Needless to say, the sample may not be totally representative of the population; hence the generalizability of the findings will be restricted. However, the convenience it offers in terms of effort, cost, and time makes quota sampling attractive for some research efforts. Quota sampling also becomes a necessity when a subset of the population is underrepresented in the organization—for example, minority groups, foremen, and so on. In other words, quota sampling ensures that all the subgroups in the population are adequately represented in the sample. Quota samples are basically stratified samples from which subjects are selected non randomly.

In a workplace (and society) that is becoming increasingly heterogeneous because of the changing demographics, quota sampling can be expected to be used more frequently in the future. For example, quota sampling can be used to have some idea of the buying predispositions of various ethnic groups, forgetting a feel of how employees from different nationalities perceive the organizational culture, and so on.

Although quota sampling is not generalizable like stratified random sampling, it does offer some information, based on which further investigation, if necessary, can proceed. That is, it is possible that the first stage of research will use the non probability design of quota sampling, and once some useful information has been obtained, a probability design will follow. The converse is also entirely possible. A probability sampling design might indicate new areas for research, and non probability sampling designs might be used to explore their feasibility (Sekaran, 2003).

#### **4.4 Development of Questionnaire**

According to Kumar, Asker and Day, (2001), there are five steps in developing a questionnaire. These steps includes: planning what to measure, developing the questionnaire, question wording, questionnaire layout pre-testing correcting problems and its implementations.

##### **Step 1: Planning what to measure:**

This step is based on the research objectives, problem statement, and the research issues. The survey questions were designed precisely to give clear ideas about the problems for the target respondents to answer. The questions on the research instrument were divided into the following:

(1) questions about Personal Informational (2) questions covered service quality variables namely ;( assurance, reliability, empathy, tangible, responsiveness), (3) questions covered perceived value variables namely; (quality value, price value, emotional value, social value), (4) questions covered switching costs, (5) questions covered customer loyalty al value variables namely ;( attitudinal loyalty, behavioral loyalty).

All the responses answers to the customers on 5 point scale (namely: (a) strongly disagree; (b) disagree; (c) neutral (d); agree (e) ; ); and strongly agree). So, this type of responses has been chosen from Likert scale for its clarity, and moreover,

respondents prefer simple scales that are easily understood (McDonald, 2004). Thus, for most surveys, options that include 5-7 points will provide enough categories to cover the range of expected responses and provide the simplicity that respondents prefer (Trough, 2005).

**Step 2: Formatting questionnaire:**

This step involves the conversion of the research objectives into information required to obtain the necessary outputs of the questionnaire. It involved the formatting clear statements. All the research questions in this study had been converted into the relevant questions and clearly stated. The most respondents were familiar with Arabic language. Therefore, the instrument required translation to Arabic language and then to English language again.

**Step 3: question wording:**

This step examines whether the question are clearly understand to all respondents. Thus, it is necessary to use simple terminologies to avoid unclear or elusiveness in the meaning. It is important to avoid double-barreled or misleading and confusing question beside the phrasing and length of question, it is also designed to solicit idea and answers from target respondents. Simple statement can be used. So the questionnaire could be easily understood. Answering the questionnaire was estimated to take approximately ten minutes.

**Step 4: Sequence and layout Designs:**

This step is concerned with the sequence and flow of the statements for achieving the respondent's cooperation. The instrument should start with easy question flow containing from general to specific question. The sensitive or difficult question must be avoided or not placed at the beginning. Moreover, an attractive layout of the questionnaire is considered for clarity of the items presented.

### **Step 5: Pre-testing and correcting problems:**

This step is involved conducting a pilot test on the questionnaire to ensure that the questions meet the researcher's expectations with no ambiguities, appropriateness in the length of the questions, and clearing the double-barreled questions. The objective of the pilot test is to eliminate confusing statements and checking the reliability of the variables. Therefore, to determine reliability the (Cronbach's, 1951) coefficient alpha will be used separately to assess the reliability of the scales adopted in this study.

## **4.5 Measurement of Variables**

In the following sub sections, the measurements of the variables used in this study are discussed in detail. Measures for all constructs were taken from the existing literature. Moreover, the questionnaire items were adopted from different sources to suit a banking study.

### **4.5.1 Service Quality Measurement**

SERVQUAL is a proper assessment tool to measure service quality in the banking sectors. Five dimensions of SERVQUAL have been developed for the service sectors: tangibility, reliability, assurance, responsiveness, and empathy (Van Iwaarden et al, 2003).

The applicability of the service quality measure was tested in the banking sector in Sudan. This research was conducted to measure the overall service quality perceived by customers of banks in Sudan using the SERVQUAL model.

#### **4.5.1.1 Tangible Measurement (IV):**

Tangibility represents physical facilities, equipment and appearance of personnel. Examples of the tangible factor to banks include comfortable store designs, up-to-date equipment for customer use and sufficient staff to provide service. These aspects are important for retail banks, because there are extensive face-to-face

contacts between a customer and an employee. Therefore, maintaining a professional and comfortable store environment can increase customer satisfaction (Lau, Cheung, Lam, & Chu, 2013). Parasuraman *et al.* (1988) defined tangible as Physical facilities, equipment, and appearance of personnel, sited in (Siami & Gorji, 2011).

**Table 4.1 Tangible Measurement**

NO	Items of Tangible	Source
1-	The equipment of bank is sufficient and visible for customer's usage.	Lau, Cheung, Lam, & Chu, (2013).
2-	The bank facilities and designs make customers feel comfortable.	
3-	Sufficient staffs are available to provide customers banking services.	
4-	Modern equipment.	
5-	Visually appealing facilities.	
6-	Employees who have a neat professional appearance.	
7-	Visually appealing materials associated with the service	

**4.5.1.2 Responsiveness Measurement (IV):**

Parasuraman *et al.* (1988) defined responsiveness as: Ability to perform the promised service dependably and accurately, sited in (Siami & Gorji, 2011). Responsiveness represents the willingness to help customers and provide prompt service. In order to be helpful and responsive to customers, HSBC, for example, has incorporated the statement due date on SMS alerts sent to cardholders (HSBC, 2011). This personal service aims to enhance customer satisfaction (Lau, et al , 2013).

**Table:4.2 Responsiveness Measurement**

<b>NO</b>	<b>Items of Responsiveness</b>	<b>Source</b>
1-	Staff can provide customers precise personal services.	Lau, Cheung, Lam, & Chu, (2013).
2-	Staffs can understand customers' needs.	
3-	Staffs are helpful to customers.	
4-	Keeping customers informed about when services will be performed.	
5-	Prompt service to customers.	
6-	Willingness to help customers.	
7-	Readiness to respond to customers requests.	

**4.5.1.3 Reliability Measurement (IV):**

Reliability means the ability to perform the promised service dependably and accurately. The major reason for customers to choose banks for investment funds is because of the dependability and reputation of banks. Banks always promise customers a high level of security during transactions. Banking service can increase customers' confidence and trust if employees are able to provide appropriate service to each customer. For instance, understanding the needs of each individual customer, such as knowing the customers' expected retirement age, annual income, and hobbies are required to help provide a good match of insurance and fund products for customers (Lau, et al , 2013). Parasuraman *et al.* (1988) defined reliability as: Willingness to help customers and provide prompt service, sited in (Siami & Gorji, 2011).

**Table: 4.3 Reliability Measurement**

<b>NO</b>	<b>Items of Reliability</b>	<b>Source</b>
1-	Customers can feel a s encore during the transaction process.	Lau, Cheung, Lam, & Chu, (2013).
2-	2- Banking service can increase customers confident and trust in quality services.	
3-	3-staff can provide customers prompt and appropriate services.	
4-	4- Providing services as promised.	
5-	5- Maintaining error free records.	

**4.5.1.4 Assurance Measurement (IV):**

Assurance is the knowledge and courtesy of employees and their ability to inspire trust and confidence. Bank commitments are important, as customers may save a large sum of money in banks. For complicated products such as insurance, funds, and margins, employees must provide a clear explanation of each product to customers, so that customers can feel confident about the services provided by banks (Lau, et al , 2013). (Parasuraman *et al.* (1988) defined assurance as: Knowledge and courtesy of employees and their ability to inspire Trust and confidence, sited in (Siami & Gorji, 2011).

**Table: 4.4 Assurance Measurements**

<b>NO</b>	<b>Items of Assurance</b>	<b>Source</b>
1-	The bank can provide customer the service promised.	Lau, Cheung, Lam, & Chu, (2013).
2-	The bank can provide accurate service to customer.	
3-	The bank can honor their commitment.	
4-	Employees who instill confidence in customers.	
5-	Making customers feel safe in their transactions.	
6-	Employees are consistently courteous.	
7-	Employees who have the knowledge to answer customer question.	

**4.5.1.5 Empathy Measurement (IV):**

Empathy represents the individualized attention that firms provide to its customers. Employees who show understanding of customer needs and are knowledgeable to solve customer problems are success factors for the service industry. Friendly customer service pleases customers when they walk into a bank. (Parasuraman *et al.* (1988) defined empathy as: Caring, individualized attention the firm provides its customers, sited in (Siami & Gorji, 2011). The purpose of this dimension is to retain customers to keep using the bank service (Van Iwaarden *et al.*, 2003) sited in (Lau, *et al* , 2013).



**Table: 4.5 Empathy Measurements**

<b>NO</b>	<b>Items of Empathy</b>	<b>Source</b>
1-	Staffs are knowledgeable to solve customers' problem	Lau, Cheung, Lam, & Chu, (2013).
2-	2-staff have the enthusiasm to understand customers' needs.	
3-	Staff considers customer need in the first place.	
4-	Giving customer's individual attention.	
5-	Employees who deal with customers in a caring.	
6-	Having the customer's best interest at heart.	
7-	Employees who understand the needs of their customers.	
8-	Convenient business hours	

**4.5.2 Perceived Value Measurements (MD):**

In the last years there have been important changes in the business of consumer financial services. The main characteristic that has marked the evolution of the financial system has been increased competition in the sector. The banking business has undergone changes in the regulation of the sector, changes in consumers' demand for services, technological changes, and the entry of new competitors from businesses outside banking (Gardener et al., 1999). Due to this, an increasingly open and competitive framework has been formed, in which many financial entities are beginning to be concerned to develop defensive strategies in order to avoid indiscriminate loss of customers. According to Jacoby and Chestnut (1978), firms should strive to maintain long term relationships with their customers in order to obtain the advantages of a clientele loyal to the firm. However it is

necessary to work with perceived value when putting into practice a relationship marketing approach, which consists of creating, maintaining and growing long term relationships in order to benefit from customers' loyalty and participation (Berry, 1983).

Customer perceived value has been discussed in marketing research for a long time. Indeed, understanding and delivering customer value is seen as a cornerstone of marketing, competitive strategy (Khalifa, 2004; Lindgreen and Wynstra, 2005), retention of customers and relationship management (Roberts, 2000; Payne et al., 2001). Perceived value has its root in equity theory, which represents the trade-off between the quality or benefits which the customer receives, and the costs such as financial, energy, time and mental transaction costs that the customer incurs by evaluating, obtaining and using a product or service (Oliver & DeSarbo, 1988; Kotler, 2000; Komulainen et al., 2007). However this simplification has been criticized for ignoring some important intangible constructs (shopping experience, risk) and may be misleading in measuring perceived customer value (Sinha and DeSarbo, 1998). Hence Zeithaml (2000) defined perceived value as the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given. In online retailing settings not only the product itself, but also the website, the internet channel and the processes of finding, ordering, and receiving products contribute value to customers (Keeney, 1999) cited in (Ladhari & Morales, 2008).

#### **4.5.2.1 Price Value Measurements (MD):**

According to (Chi, 2013) price value, the measure is reasonably priced, would be economical, offers value for money, and is a good product for the price.

**Table: 4.6 Price Value Measurements**

<b>NO</b>	<b>Items of Price</b>	<b>Source</b>
1-	The payment of interest or commission is fully justified.	Roig, Javier Garcia,Tena and Monzonis (2006)
2-	The service is good for the expense it causes me.	
3-	The total cost that it causes me is reasonable.	
4-	It was a good purchase for the price paid.	

**4.5.2.2 Emotional Value Measurement (MD):**

(Sayani & Balakrishnan, 2013) defined emotional value as: Reducing feeling of post-purchase dissonance, Feelings of satisfaction and loyalty, emotions of contentment, delight, excitement, pleasure, being treated fairly, other ethic values. According to (Chi, 2013) emotional value, the measures are is one that I would enjoy, would make me want to wear, would make me feel good, would give me pleasure, and is one that I would feel relaxed about using. As Chang (2008) suggests, emotional value is linked with a product's or service's ability to result in stimulating the occurrence of feelings or affective states, which is in line with the proposal that every product or service that has a propensity to result in a change in consumer emotions possesses emotional value (Sheth *et al.*, 1991). It is also implied that emotional value has an impact on loyalty through employees that are willing to show empathy or engage in personal encounters that will result in positive impressions for customers (Roig *et al.*, 2009) sited in (Seni'c & Marinkovi'c, 2013).

**Table: 4.7 Emotional Value Measurements**

<b>NO</b>	<b>Items of Emotional value</b>	<b>Source</b>
1-	I am happy with the financial service contracted.	Roig, Javier Garcia,Tena and Monzonis(2006).
2-	I feel relaxed.	
3-	The personnel give me positive feelings.	
4-	The personnel don't hassle me.	
5-	In general I feel at ease.	

**4.5.2.3 Social Value Measurement (MD):**

(Sayani & Balakrishnan, 2013) defined social value as: Brand Community, Social Responsibility, relationships beyond product.

According to (Chi, 2013) social value, the measures are would help me to feel acceptable, would improve the way I am perceived, would make a good impression on other people, and would give its owner social approval. Social value is linked with customer aspirations to be associated with desired social groups. In fact, consumers experience products and services as more than just a means of fulfilling their needs or solving their everyday problems. Indeed, they are seen as instruments that have necessary capability to further advance their social image or improve their self-confidence (Chang, 2008) sited in (Seni'c & Marinkovi'c, 2013).

**Table:4.8 Social Value Measurements**

<b>NO</b>	<b>Items of social value</b>	<b>Source</b>
1-	It is very well considered at a social level.	Roig, Javier Garcia, Tena and Monzonis(2006).
2-	The fact that I come here looks well to the people I know.	
3-	The people who use its services have a certain level and style.	
4-	The people who use its services obtain social approval.	

**4.5.2.4 Quality Value Measurement (MD):**

According to (Chi, 2013) quality value, the measures are has consistent quality, is well made, has poor workmanship, has an acceptable standard of quality, would not last a long time, and would perform consistently.

**Table:4.9 Quality Value Measurement**

<b>NO</b>	<b>Items of Quality value</b>	<b>Source</b>
1-	The service as a whole is correct.	Roig, Javier Garcia, Tena and Monzonis(2006).
2-	The quality has been maintained all of the time.	
3-	The level of quality is acceptable in comparison with other entities.	
4-	The results of the services received were as expected.	

**4.5.3 Switching costs Measurement(MV)**

Switching costs are conceptualized as the customer’s perception towards the magnitude of additional costs to finish the current relationship and guarantee an alternative one; such perceived costs prevent the customer from shifting to

competitor's offers (Yanamandram and White, 2006). Switching costs encompass not only those that can be monetarily measured, but also the psychological effect of becoming a customer of a new provider, as well as the time and effort involved in the acquisition of a new product (Dick and Basu, 1994).

In other words, switching costs are “customer perceptions concerning time, money and effort associated to the change in service providers” (Jones et al., 2000, p. 262), or the direct costs that consumers associate to the processes of switching from one provider to another (Burnham et al., 2003). Those authors identify three types of switching costs.

The procedural costs, which involve mainly the time and effort spent, consist of economic risk, evaluation, and learning and set up costs. The financial costs consist of financial loss costs and benefits. The relational costs involve psychological or emotional -discomfort due to identity loss or linkage breaking. These costs and satisfaction programs contribute with customers' retention rate increase (Lee et al., 2001).

**Table: 4.10 switching costs Measurement**

<b>NO</b>	<b>Items of Switching costs</b>	<b>Source</b>
1-	Consumers need considerable advance planning to buy the product.	Matos, Henrique & Rosa(2009).
2-	Consumers need a lot of preparation time to use the service.	
3-	The effort that consumers devote to adopting the product makes changing to a similar service less likely.	
4-	Switching to a new bank would involve some hassle some problem may occur when we switch to another bank.	
5-	It is complex for us to change bank.	

#### **4.5.4 Customer Loyalty Measurement (DV)**

Loyalty is usually defined as a customer's intention to provide exclusive benefaction to a particular product or service above a continued period of time. Initially, more attention was given to the behavioral component,( Miguel Moliner 2009). Moreover Loyalty is usually puzzled with repeat purchase behaviour. Nevertheless, from the conceptual point of view, repurchase is no more than a demonstration of loyalty, jointly with word-of-mouth communication (Oliver, 1999).

##### **4.5.4.1 Attitudinal Loyalty Measurement (DV):**

The attitudinal constituent of loyalty can be viewed as the level of unremitting favorable temperament to some value connected with the brand or the company (Dick & Basu, 1994; Han & Back, 2008). While the behavioral constituent exists when customers repeatedly purchase the same brand or from the same company

(Sonmez & Graefe, 1998) cited in (Seni'c & Marinkovi'c, 2014). Attitudinal dimension refers to parameters such as repurchasing imagination, resistant to purchase to other firms, tend to introduce, persevere and influence the others to use a company's specific product or service (Parasuraman, Leonard, & Zeithaml, 1991). Attitude denotes the degree to which a consumer's temperament towards a service is favorably tending (Azjen & Fishbein, 1980).

This is reflected, for example the readiness to advise a service provider to other consumers or the commitment to repatronise a preferred service provider (Pritchard, 1991). Based on a favorable attitude towards a service provider, customers may develop preference loyalty. (Rugter & Wetzels, 1997). In this study, customer loyalty is defined as a consumer's loyal attitude and behavior toward a specific service firm, despite competitors providing alternative services in the market.

**Table: 4.11 Attitudinal Loyalty Measurements**

<b>N O</b>	<b>Items of Attitudinal Loyalty</b>	<b>Source</b>
1-	I am likely to say positive things about my bank to other people.	Joo lee & Gondeau(2013).
2-	I would recommend my bank to someone who seeks my advice.	
3-	I intend to continue to use my bank if its price increases somewhat.	
4-	I am likely to spend more money at my bank than others.	



#### 4.5.4.2 Behavioral Loyalty Measurements (DV):

Behavioral dimension refers to a behavior of customers on repurchase and illustrates a precedence for products or services (Dick & Basu, 1994). The reason being, is that behavioral dimension can drive customers to the utilization of services and repurchase of products from vendors. Therefore, consumer's propensity to commit is advanced over time (Lee, Lee, & Feick, 2001). Jacoby (1971) supposed that repeating purchase is an indication of several classic key factors of attitude, which he considers to be evaluative, cognitive, dispositional and effectiveness. (Jacoby) specified the loyalty is the amount of customers' service alternative, switching propensity, purchase's regularity and the overall shopping. Dedication and repurchasing verdict consequently is influenced by customers' loyalty (Bowen & Chen, 2001) cited in (Rasheed & Abadi, 2014).

**Table: 4.12 Behavioral Loyalty Measurements**

NO	Items of Behavioral Loyalty	Source
1-	I say positive things about my bank to other people.	Joo lee & Gondeau(2013).
2-	I encourage friends and relatives to use my bank others.	
3-	I have spent more money to my bank than at others.	
4-	I have bought more products and service from my bank than from others.	

## 4.6 Validity and Reliability of Instrument

Validity in relation to questionnaires refers to the ability of a questionnaire to measure what a researcher intends it to measure (Saunders, Lewis & Thomhill, 2009). Validity means the ability to produce finding that are in agreement with conceptual or theoretical values. Validity is the success of the scale in measuring what is meant to be measured (Ram, 2009). The researcher made content validity index to assure the valid of the questionnaire and also was consulted with experts to check and review the questionnaire, therefore no bias will make the result valid. A great effort and skills was exercised by the researcher in the collection and analysis in order to reduce mistakes so this will increase the reliability of the results.

Reliability refers to ability of an instrument to produce consistent or same results. Reliability is a degree to which measures are free from error so that they give same results when repeat measurements are made under constant conditions (Ram, 2009). To insure reliability of the instrument the researcher made pre-test to check up that the research instrument will give the same result.

**Table: 4.13 Reliability Test of the Pilot Study (Cronbach's alpha)**

Variables	Test
Assurance	.80
Responsiveness	.89
Reliability	.77
Tangible	.83
Empathy	.73
Price value	.93
Social value	.93
Emotional value	.79
Quality value	.77
Switching costs	.68
Attitudinal loyalty	.89

Behavioral loyalty	.78
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Source: prepared by researcher, (2014).

#### **4.7 Ethical consideration**

The researcher acted responsibly according to ethical standards to ensure that the information gathered was not brought to disrepute. Management was duly informed of the research. All respondents had a right to privacy, to safety, to know the true purpose of the research, to obtain research results and to abstain from answering questions (Aaker et al, 1995).

#### **4.8 Summary of Chapter**

This chapter depicted the depicted the research methodology which is covered the research design, population procedure, development, design of the research instrument. Furthermore, the chapter is highlighted the measurements of the variables and depicted the statistical techniques used in testing the hypothesis. The succeeding chapter depicted the result of the findings and hypotheses testing.

# CHAPTER FIVE

## DATA ANALYSIS AND FINDINGS

### 5.0 Chapter Overview

This chapter presents the findings of the data analysis and it presented in three sections. The first section presents the respondents demographic information, followed by the goodness of measures. The third section focuses on the results of the regression analysis and hypotheses testing.

### 5.1 Respondents Rate

Table 5.1 presents a summary of the response rate and table 5.2 presents respondents demographic characteristics respectively. A total of 364 questionnaires were distributed to the respondents. Therefore, I asked the customers in my sample population to fill the questionnaires. The overall response rate was 73% and this high response rate (Sekaran,2000).

**Table 5.1 Questionnaires Rate of Return**

Total Questionnaires sent to the banks	500
Completed questionnaire received from respondents	364
Returned questionnaires (partially answered)	69
Questionnaires not returned	67
Overall response Rate	<b>87 %</b>
Usable response Rate	<b>73%</b>

## 5.2 Respondents Demographic Characteristics

The table 5.2 shows that: the respondents' ages (less than 30) year represents (21.4%) and those between (30 -40) year was account for (39%) as higher ratio. Whereas the respondents' ages between (41 -50) years were (20%), the respondents ages between (51- 60) year were represented (12%), the respondents ages rather than 60 years (4%) Concerning for the respondents educational level that fill up the questionnaires, majority of them were secondary school level account for (10.2 %) followed by the high school diploma (9.9%) and level of university degree (47.5%) , high university diploma (7.4%) master degree(16.5%) , phd degree (3.3%)as lower ratios. As for the respondents' of Period to deal with the bank, the table shows that respondent's' whom they have deal with the bank less than 1 year were account (24.7%) followed by the whom deal with the bank from (2-5 year) were account (30.2%), and those respondents from (6-10 year) were account for (19.8%) followed by the whom deal with the bank from (11-15year) were account for (9.3%),respondents from(16-20 year) were account for (5.8) as lower ratio ,and rather than 20 years ( 8.8%).

**Table 5.2 General Characteristics of the Respondents**

Gender	Male	271	77.7
	Female	78	22.3
Total		339	100%
Age	Less than 30	78	21.8
	30-40	142	39.8
	41-50	76	21.3
	51-60	45	12.6
	rather than 60	15	4.2
Total		356	100%

Academic Qualification	secondary school	43	10.5
	high school diploma	36	10.3
	university degree	173	49.3
	Graduate	99	40.4
Total		351	100%
Period to deal with the bank	Less than 1 year	90	25.1
	2-5	110	30.6
	6-10	72	20.1
	11-15	34	9.5

	16-20	21	5.8
	More than 21	32	8.9
Total		359	100%
Income	500-1000	43	15.4
	1001-2000	83	29.6
	2001-4000	74	26.4
	4001-6000	80	28.6
Total		280	100%
Account Type	Saving	63	17.8
	Current	191	54.1
	Investment	30	8.5
	Saving –current -investment	69	19.5
Total		353	100%
Marital status	Married	227	63
	Un married	131	63.6
Total		358	100%
Period to deal with the bank	Less than 1 year	90	25.1
	2-5 year	110	30.2
	6-10 year	72	20.1

	11-15 year	55	15.3
	Rather than 20 year	32	8.9
Total		359	100%
Have you been dealing with several bank	Yes	260	71
	No	100	27
Total		360	100%
The number of banks that deal with	2	96	26.4
	3	80	22
	4	37	10.2
	5	23	6.3
Total			100%

*Source: prepared by researcher, (2015)*

### **5.3 Goodness of Measures**

This section, report the results of validity and reliability tests as means to assess the goodness of measure of study constructs (Sekaran, 2003). The study used exploratory factor analysis for testing the validity and uni-dimensionality of measures of all variables under study.

In contrast, the reliability of empirical measurements was obtained by internal consistency (Nunnally, 1978) using Cronbach's alpha test. In conducting factor analysis, this study followed assumptions that recommended by Hair et al., (2010).



Firstly, there must be sufficient number of statistically significant correlations in the matrix. Secondly, Kaiser-Meyer-Olkin measure of sampling adequacy should be at least 0.6. Thirdly, Bartlett's test of Sphericity should be significant at 0.05. Fourthly, communalities of items should be greater than 0.50. Fifthly, the minimum requirement of factor loading 0.50 (since the sample size of this study 364 customers ) based on a 0.05 significant level, with value of cross loading exceeds 0.50. Also to provide a simple structure column for interpretation, the factors were subjected to Varimax rotation. Finally, Eigen values should be more than 1 for factor analysis extraction. The results of factor and reliability analyses are described as follows:

### **5.3.1. Factor Analysis for Service Quality Variables**

Factor analysis was done on the 26 items, which was used to measure service quality. Table 5.3 showed the summary of results of factor analysis on service quality and the SPSS outputs is shown in appendix. In the first run of factor analysis, items (C6=437) were found to have communalities less than 0.50. Item (C6) was dropped in the subsequent run. Finally, all assumptions were satisfactory fulfilled. All the remaining items had more than recommended value of at least 0.50 in IM with KMO value of .9510 (above the recommended minimum level of 0.60) and Bartlett's test of Sphericity is significant ( $p < .01$ ). Thus, the items are appropriate for factor analysis.

Table 5.3 shows that the items for service quality loaded on five components/factors with Eigen values exceeding 1.0. These five factors explain 64.943% of variance in the data (above the recommended level of 0.60). All the remaining items also had the factor loading values above the minimum values of 0.50, with value of cross

loading less than 0.50. The first factors for service quality is Responsiveness and Empathy(E1,C2, C3,E4, C1, E5, E3, E2, and C5).

Second factor capture all the items of Tangible (D5, D6, D4, D2,D3, and D1). Original name of this factor was retained as it is. The third factor captures all the items of support Reliability (B3, B4, B5, B6, and B2). However, the original name of this factor was retained as it is. The forth and five factor are insurance (A6, A5, A4, and A1, A2, A3).

As shown in Table 5.3, factor loading of service quality items on the five factors Thus, this study found that service quality perspective of customers in all bank in Sudan consists of five factors, responsiveness, Tangible, Reliability, Assurance (1),and Assurance

**Table 5-3 Rotated Factor loading for service quality**

Items No:		Components				
		1	2	3	4	5
		<b>Responsiveness</b>				
E1	staffs are helpful to customers	<b>.779</b>	.189	.120	.235	.189
C2	Employees have the ability to understand the needs of customers	<b>.715</b>	.049	.222	.304	.049
C3	Employee puts the needs of the client in the first place	<b>.683</b>	.140	.410	.195	.140
E4	Readiness to respond to customers requests	<b>.663</b>	.250	.325	.008	.250
C1	Employees have the ability to solve customer issues	<b>.662</b>	.109	.211	.225	.109
E5	I am having a problem when the bank seeks to solve them honestly and speed	<b>.631</b>	.200	.190	.158	.200
E3	prompt service to customers	<b>.620</b>	.363	.272	-.040	.363
E2	Keeping customers informed about when services will be performed	<b>.583</b>	.355	.102	.034	.355
C5	Staff dealing with customers carefully	<b>.566</b>	.199	.434	.182	.199
<b>Tangible</b>						
D5	Modern equipment	.188	<b>.785</b>	.138	.136	.043
D6	Advertising and printed materials attractive to the bank	.164	<b>.754</b>	.301	.036	-.018
D4	Bank services visible and attractive	.239	<b>.706</b>	.320	.114	.275

<b>D2</b>	The bank facilities and designs make customers feel comfortable	.192	<b>.655</b>	.147	.245	.364
<b>D3</b>	Employees who have a neat professional appearance	.318	<b>.625</b>	-.093	.369	.050
<b>D1</b>	The equipment of bank is sufficient and visible for customers usage	.200	<b>.517</b>	.164	.149	.429
<b>Reliability</b>						
<b>B3</b>	Providing services as promised.	.365	.339	<b>.679</b>	.097	.339
<b>B4</b>	Documents and records are free from mistakes	.224	.139	<b>.619</b>	.293	.139
<b>B5</b>	The Bank provides services at the agreed time with customers	.342	.213	<b>.607</b>	.231	.308
<b>B6</b>	The Bank provides good services from the first time	.265	.347	<b>.595</b>	.205	.067
<b>B2</b>	staff can provide customers prompt and appropriate services.	.331	.081	<b>.525</b>	.459	.146
<b>Assurance</b>						
A6	Employees are consistently courteous	.140	.101	.204	<b>.751</b>	.043
A5	Making customers feel safe in their transactions.	.097	.276	.127	<b>.736</b>	.252
A4	Employees who instill confidence in customers	.365	.126	.314	<b>.600</b>	.132
<b>Empathy</b>						
A1	The bank can provide customer the service promised.	.182	.134	.252	.189	<b>.722</b>
A2	The bank can provide accurate service to customer.	.398	.112	.287	.200	<b>.637</b>
A3	The bank can honor their commitment	.395	.188	.061	.478	<b>.580</b>
<b>Eigen values</b>		<b>13.482</b>	<b>1.748</b>	<b>1.561</b>	<b>1.024</b>	<b>1.016</b>

<b>Percentage Variance Explained</b>	<b>46.488</b>	<b>6.028</b>	<b>5.383</b>	<b>3.530</b>	<b>3.515</b>	
<b>Total Variance Explained (%)</b>	<b>64.943</b>					
<b>Kaiser-Meyer-Olkin (KMO)</b>	<b>.9510</b>					
<b>Bartlett's Test of Sphericity</b>	<b>5589.805</b>					

*Source: prepared by researcher, (2015).*

*\* Variables loaded significantly on factor with Coefficient of at least 0.5,*

### **5.3.2 Factor Analysis for Perceived Value Variables**

Factor analysis was done on the 20 items, which was used to measure perceived value namely (price value, Emotional value, social value, and quality value). Table 5.4 showed the summary of results of factor analysis on perceived value and the SPSS outputs is shown in appendix

In the first run of factor analysis, item (F1 = .424) is found to have communalities less than 0.50. This Item was dropped in the subsequent runs. In the second run of factor analysis, items (F2= .491) was dropped in the subsequent runs. Third run of factor analysis, item (F3=459) was dropped in the subsequent runs. Finally run of factor analysis, item (I5=492) also was dropped in the subsequent runs. Table 5.4 showed all models. The first model consists of (G3, G2, G4, G1, G5 and F5). Original name of this factor was retained as it is (price value and quality value). The second model consists of (H3, H4, H2, H5, H1, and F4). Also Original name of this factor was retained as it is (Emotional value and quality value). Third model consists of (I3, I4, I2 and I1), the name of this model (Social value).

**Table 5.4 Rotated Factor Loading for Perceived Value**

		<b>F1</b>	<b>F2</b>	<b>F3</b>
<b>Price value</b>				
G3	It was a good purchase for the price paid	.859	.174	.201
G2	the service is good for the expense it causes me	.845	.240	.225
G4	the total cost that it causes me is reasonable	.839	.249	.208
G1	the payment of interest or commission is fully justified	.764	.178	.206
G5	Services Bank this low price compared with other banks	.648	.258	.146
F5	The quality of service in exchange for a reasonable price you push it	.594	.335	.285
<b>Emotional value :</b>				
H3	The personnel give me positive feelings.	.133	.786	.217
H4	In general I feel at ease.	.319	.775	.208
H2	I feel relaxed.	.392	.766	.209
H5	The pleasure of choosing this bank	.150	.738	.372
H1	I am happy with the financial service contracted.	.498	.623	.235
F4	The results of the services received were as expected	.389	.547	.377
<b>social value :</b>				
I3	The people who use its services have a certain level and style.	.226	.219	.828
I4	The people who use its services obtain social approval.	.223	.194	.766
I2	The fact that I come here looks good to the people I know	.197	.286	.762
I1	It is very well considered at asocial level.	.294	.379	.633

Eigen values	8.445	1.591	1.105
Percentage of Variance Explain	52.781	9.945	6.909
Total Variance Explained (%)	<b>69.635</b>		
Kaiser-Meyer-Olkin (KMO)	.936		
Bartlett's Test of Sphercity	3641.441		

*Source: prepared by researcher, (2015). \* Variables loaded significantly on factor with Coefficient of at least 0.5*

### **5.3.3 Factor Analysis for Switching Costs**

Factor analysis was done on the 10 items, which was used to measure relationship quality namely (trust and commitment). Table 5.5 showed the summary of results of factor analysis on relationship quality and the SPSS outputs is shown in appendix ().

In this factor all assumptions were satisfactory fulfilled. All the items had more than recommended value of at least 0.50 in switching costs with KMO value of (.709) (above the recommended minimum level of 0.60), and Bartlett's test of Sphercity is significant ( $p < .01$ ). Thus, the items are appropriate for factor analysis.. Table 4.5 factor loading of switching costs items on the two factors. Thus, this study found that switching costs in all bank in Sudan consists of two factor, relational costs, and procedural.



**Table 5.5 Rotated Factor Loading for Switching Costs**

Items No		F1	F2
relational costs			
J3	Switching to a new bank would involve some hassle some problem may occur when we switch to another bank.	.887	.176
J4	It is complex for us to change bank.	.868	.091
J5	The effort that consumers devote to adopting the product makes changing to a similar service less likely.	.702	.275
procedural			
J1	Consumers need considerable advance planning to buy the product.	.074	.909
J2	-consumers need a lot of preparation time to use the service.	.330	.815
	<i>Eigen values</i>	2.687	1.066
	Percentage of Variance Explain	53.747	21.321
	Total Variance Explained (%)	75.059	
	Kaiser-Meyer-Olkin (KMO)	.709	
	Bartlett's Test of Sphercity	606.324	

Source: prepared by researcher, (2015).\* Variables loaded significantly on factor with Coefficient of at least 0.5 \* Items deleted due to high cross loading.

### **5.3.4 Factor Analysis for customer loyalty**

Analysis was done on the 15 items, which was used to measure employee performance namely (retention, satisfaction and empowerment). Table 5.7 showed the summary of results of factor analysis on employee performance and the SPSS outputs is shown in Appendix ().

All assumptions were satisfactory fulfilled. All the items had more than recommended value of at least 0.50 in KMO value of 0.871 (above the recommended minimum level of 0.60), and Bartlett's test of Sphericity is significant ( $p < .01$ ). Thus, the items are appropriate for factor analysis.

Table 5.6 shows that the items for customer loyalty loaded on two components/factors with Eigen values exceeding 1.0. These two factors explain 66.975 % of variance in the data (above the recommended level of 0.60). All the items also had the factor loading values above the minimum values of 0.50, with value of cross loading less than 0.50. The first factor of attitudinal loyalty (K2, K1, L1, L2, K5, and L5). The Second factor of customer loyalty is Behavioral loyalty (L3, K4, L4, and K3).

As shown in Table 5.6 factor loading of customer loyalty items on the two factors. Thus, this study found that customer loyalty in all banks in Sudan consists of two factors, namely; (attitudinal loyalty and behavioral loyalty).

**Table 5.6 Rotated Factor loading for customer loyalty**

Items No		Factor1	Factor2
<b>Attitudinal loyalty</b>			
K2	I would recommend my bank to someone who seeks my advice	.847	.189
K1	I am likely to say positive things about my bank to other people	.835	.133
L1	I say positive things about my bank to other people	.810	.186
L2	I encourage friends and relatives to use my bank others	.803	.278
K5	I won't to deal with this bank for many years	.731	.330
L5	I will deal with this bank in the future	.716	.374
<b>Behavioral loyalty :</b>			
L3	I have spent more money to my bank than at others	-.007	.859

K4	I am likely to spend more money at my bank than others	.469	.597
L4	I have bought more products and service from my bank than from others	.469	.585
K3	I intend to continue to use my bank if its price increases somewhat	.562	.574
	Eigen values	5.687	1.011
	Percentage of Variance Explain	56.865	10.110
	Percentage of Variance Explain	66.975	
	Kaiser-Meyer-Olkin (KMO)	.871	
	Bartlett's Test of Sphericity	<b>2354.456</b>	

Source: prepared by researcher, (2015). \* Variables loaded significantly on factor with Coefficient of at least 0.5, \* Items deleted due to high cross loading

## 5.4 Reliability Analysis

Reliability is an assessment of the degree of consistency between multiple measurements of variables (Hair et al., 2010). To test reliability this study used Cronbach's alpha as a diagnostic measure, which assesses the consistency of entire scale, since being the most widely used measure (Sharma, 2000). According to Hair et al., (2010), the lower limit for Cronbach's alpha is 0.70, although it may decrease to 0.60 in exploratory research. While Nunnally, (1978) considered Cronbach's alpha values greater than 0.60 are to be taken as reliable.

The results of the reliability analysis summarized in Table 5.7 confirmed that all the scales display satisfactory level of reliability (Cronbach's alpha exceed the minimum value of 0.6). Therefore, it can be concluded that the measures have acceptable level of reliability. The full SPSS outputs are displayed in appendix ().

**Table 5.7 Cronbach's Alpha for Study Variables**

Construct	Variable	Number of items	Cronbach's alpha
Service quality	Responsiveness	9	.9176
	Tangible	6	.8642
	Reliability	5	.8507
	Empathy	3	.7549
	Assurance	3	.7956
Perceived value	Price value	6	.9053
	Emotional value	6	.9063
	Social value	4	.8495
Switching costs	Rational costs	3	.7942
	procedural	2	.7320
Customer loyalty	Attitudinal loyalty	6	.9079
	Behavioral loyalty	4	<b>.7671</b>

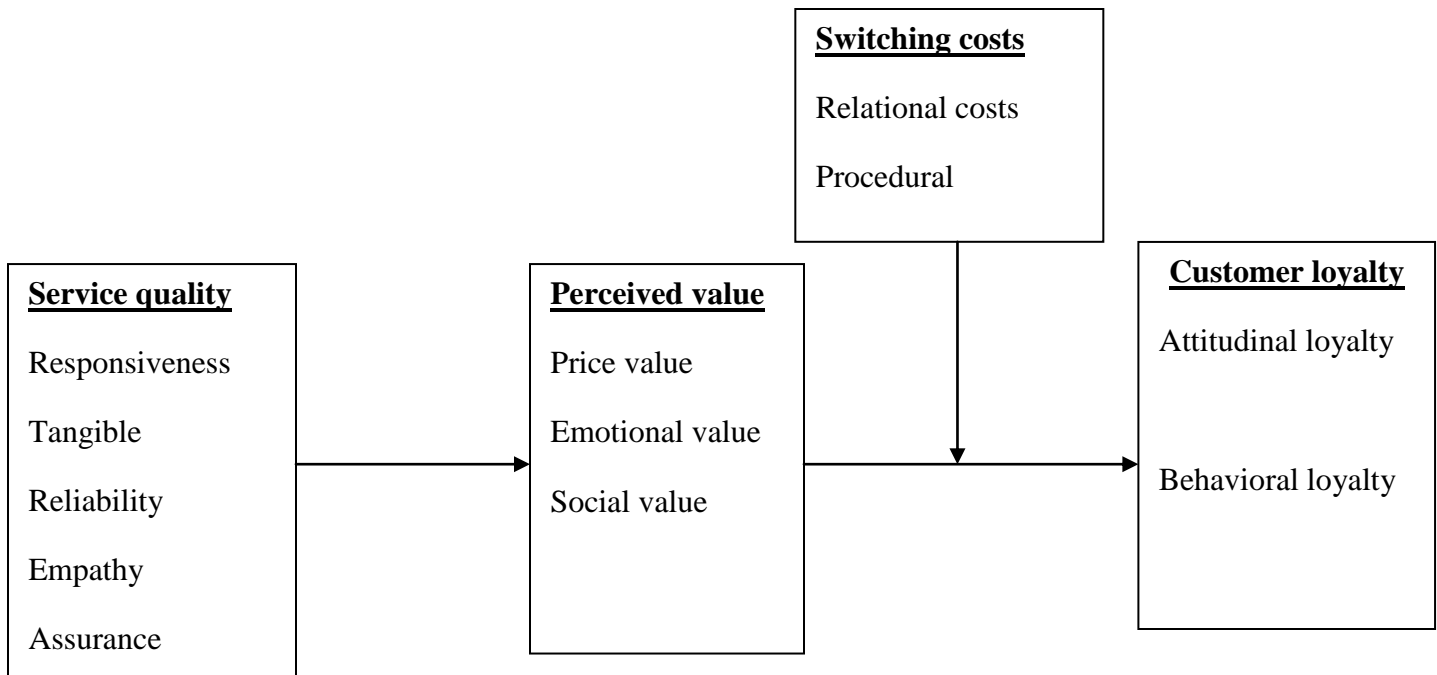
*Source: prepared by researcher, (2015).*

## 5.5 Modified of Research Framework and Hypotheses

From the result of the factors analysis, the previous conceptual framework had been changed. Obviously, the service quality variables 1 had been changed from five components: Assurance, Tangible, Reliability, Responsiveness, and Empathy to five components: Responsiveness, Tangible, Reliability, Empathy and Assurance. Also, perceived value, changed from four dimensions to three dimensions price value, emotional value, social value. Also, switching costs, changed from one dimension to two dimensions. Therefore, the modified conceptual framework is presented in figure 5.1. Accordingly, the earlier hypotheses related to the some variables will be changed. And also, some previous partial hypotheses will be removed according to the factor analysis extraction.

The bellow parts are exploring the change and removing in hypotheses according to factor analysis results.

**Figure 5.1 Modified Conceptual Framework**



Based on the modified theoretical framework, the hypotheses related to all dimensions need to be restated. The restated hypotheses reflect the addition of new variables and the eliminated ones related to the constructs. The restated hypotheses are shown in table 5.8.

## 5.8 Restated Research Hypotheses

NO	Hypotheses
H1	There are a positive relationship between service quality variables and customer loyalty.
H1.1	There is a positive relationship between responsiveness and customer loyalty.
H1.1.a	There is a positive relationship between responsiveness and attitudinal loyalty.
H1.1.b	There is a positive relationship between responsiveness and behavioral loyalty.
H1.1.2	There is a positive relationship between tangible and customer loyalty
H1.2.a	There is a positive relationship between tangible and attitudinal loyalty.
H1.2.b	There is a positive relationship between tangible and behavioral loyalty.
H1.3	There is a positive relationship between reliability and customer loyalty.
H1.3.a	There is a positive relationship between reliability and attitudinal loyalty.
H1.3.b	There is a positive relationship between reliability and behavioral loyalty
H.1.4	There is a positive relationship between empathy and customer loyalty
H.1.4.a	There is a positive relationship between empathy and attitudinal loyalty.
H1.4.B	There is a positive relationship between empathy and behavioral loyalty.
H1.5	There is a positive relationship between assurance and customer loyalty
H1.5.a	There is a positive relationship between assurance and attitudinal loyalty.
H..5.b	There is a positive relationship between assurance and behavioral loyalty.

H2.	There is a positive relationship between service quality variables and perceived value.
H2.1.	There is a positive relationship between responsiveness and perceived value.
H2.1.a	There is a positive relationship between responsiveness and price value.
H2.1.b	There is a positive relationship between responsiveness and emotional value.
H2.1.c	There is a positive relationship between responsiveness and social value.
H2.2	There is a positive relationship between tangible and perceived value
H2.2.a	There is a positive relationship between tangible and price value.
H2.2.b	There is a positive relationship between tangible and emotional value.
H2.2.c	There is a positive relationship between tangible and social value.
H2.3	There is a positive relationship between reliability and perceived value
H2.3.a	There is a positive relationship between reliability and price value.
H2. 3.b	There is a positive relationship between reliability and emotional value.
H2.3.c	There is a positive relationship between reliability and social value.
H2.4	There is a positive relationship between reliability empathy and perceived value
H2.4.a	There is a positive relationship between reliability empathy and price value.
H2.4.b	There is a positive relationship between reliability empathy and emotional value.
H2.4.C	There is a positive relationship between reliability empathy and social value.
H2.5	There is a positive relationship between reliability assurance and perceived value

H2.5.a	There is a positive relationship between reliability assurance and price value.
H2.5.b	There is a positive relationship between reliability assurance and emotional value.
H2.5.c	There is a positive relationship between reliability assurance and social value.
H3	There is a positive relationship between perceived value and Customer loyalty.
H3.1	There is a positive relationship between price value and customer loyalty.
H3.1.a	There is a positive relationship between price value and Attitudinal loyalty.
H3.1.b	There is a positive relationship between price value and behavioral loyalty.
H3.2	There is a positive relationship between emotional value and customer loyalty.
H3.2.a	There is a positive relationship between emotional value and Attitudinal loyalty.
H3.2.b	There is a positive relationship between emotional value and behavioral loyalty.
H3.3	There is a positive relationship between social value and customer loyalty
H3.3.a	There is a positive relationship between social value and Attitudinal loyalty.
H3.3.b	There is a positive relationship between social value and behavioral loyalty.
H4	Perceived value mediates the relationship between service quality and customer loyalty.
H4.1	Price value mediates the relationship between service quality and customer loyalty.
H4.1.a	Price value mediates the relationship between responsiveness and attitudinal loyalty.



H4.1.1.b	Price value mediates the relationship between responsiveness and behavioral loyalty.
H4.1.2.a	Price value mediates the relationship between tangible and attitudinal loyalty.
H4.1.2.b	Price value mediates the relationship between tangible and behavioral loyalty.
H4.1.3.a	Price value mediates the relationship between reliability and attitudinal loyalty
H4.1.3.b	Price value mediates the relationship between reliability and behavioral loyalty.
H4.1.4.a	Price value mediates the relationship between empathy and attitudinal loyalty
H4.1.4.b	Price value mediates the relationship between empathy and behavioral loyalty.
H4.1.4.a	Price value mediates the relationship between assurance and attitudinal loyalty.
H4.1.4.b	Price value mediates the relationship between assurance and behavioral loyalty.
H4.2	<b>Emotional value mediates the relationship between service quality and customer loyalty.</b>
H4.2.1.a	Emotional value mediates the relationship between responsiveness and attitudinal loyalty.
H4.2.1.b	Emotional value mediates the relationship between responsiveness and behavioral loyalty.
H4.2.2.a	Emotional value mediates the relationship between tangible and attitudinal loyalty.
H4.2.2.b	Emotional value mediates the relationship between tangible and behavioral loyalty.

H4.2.3.a	Emotional value mediates the relationship between reliability and attitudinal loyalty
H4.2.3.b	Emotional value mediates the relationship between reliability and behavioral loyalty.
H4.2.4.a	Emotional value mediates the relationship between empathy and attitudinal loyalty
H4.2.4.b	Emotional value mediates the relationship between empathy and behavioral loyalty.
H4.2.5.a	Emotional value mediates the relationship between assurance and attitudinal loyalty.
H4.2.5.b	Emotional value mediates the relationship between assurance and behavioral loyalty.
H4.3	Social value mediates the relationship between service quality and customer loyalty.
H4.3.1.a	Social value mediates the relationship between responsiveness and attitudinal loyalty.
H4.3.1.b	Social value mediates the relationship between responsiveness and behavioral loyalty.
H4.3.2.a	Social value mediates the relationship between tangible and attitudinal loyalty.
H4.3.2.b	Social value mediates the relationship between tangible and behavioral loyalty.
H4.3.3.a	Social value mediates the relationship between reliability and attitudinal loyalty
H4.3.3.b	Social value mediates the relationship between reliability and behavioral loyalty.
H4.3.4.a	Social value mediates the relationship between empathy and attitudinal loyalty

H4.3.4.b	Social value mediates the relationship between empathy and behavioral loyalty.
H4.3.5.a	Social value mediates the relationship between assurance and attitudinal loyalty.
H4.3.5.b	Social value mediates the relationship between assurance and behavioral loyalty.
H5	The Moderating Effect of switching costs on the Relationship between perceived value and customer loyalty.
H5.1	The Moderating Effect of relational costs on the Relationship between perceived value and customer loyalty.
H5.1.1	The Moderating Effect of relational costs on the Relationship between price value and customer loyalty.
H5.1.1.a	The Moderating Effect of relational costs on the Relationship between price value and attitudinal loyalty.
H5.1.1.b	The Moderating Effect of relational costs on the Relationship between price value and behavioral loyalty.
H5.1.2	The Moderating Effect of relational costs on the Relationship between emotional value and customer loyalty.
H5.1.2.a	The Moderating Effect of relational costs on the Relationship between emotional value and attitudinal loyalty.
H5.1.2.b	The Moderating Effect of relational costs on the Relationship between emotional value and behavioral loyalty.
H5.1.3	The Moderating Effect of relational costs on the Relationship between social value and customer loyalty.
H5.1.3.a	The Moderating Effect of relational costs on the Relationship between social value and attitudinal loyalty.
H5.1.3.b	The Moderating Effect of relational costs on the Relationship between social value and behavioral loyalty.

H5.2	The Moderating Effect of relational costs on the Relationship between perceived value and customer loyalty.
H5.2.1	The Moderating Effect of procedural on the Relationship between price value and customer loyalty.
H5.2.1.a	The Moderating Effect of procedural on the Relationship between price value and attitudinal loyalty.
H5.2.1.b	The Moderating Effect procedural on the Relationship between price value and behavioral loyalty.
H5.2.2	The Moderating Effect of procedural on the Relationship between emotional value and customer loyalty.
H5.2.2.a	The Moderating Effect of procedural on the Relationship between emotional value and attitudinal loyalty.
H5.2.2.b	The Moderating Effect of procedural on the Relationship between emotional value and behavioral loyalty.
H5.2.3	The Moderating Effect of procedural on the Relationship between social value and customer loyalty.
H5.2.3.a	The Moderating Effect of procedural on the Relationship between social value and attitudinal loyalty.
H5.2.3.b	The Moderating Effect of procedural on the Relationship between social value and behavioral loyalty.

## 5.6 Descriptive Statistics of Variables

In this section descriptive statistics such as mean and standard deviation was used to describe the characteristics of surveyed banks and all variables (Independent, dependent, moderators and mediators) under study.

### 5.6.1 Descriptive Analysis for Service Quality Variables

Table 5.10 shows the means and standard deviations of the five components of service quality: responsiveness, tangible, reliability, assurance, and empathy. The table reveals that the customers in Sudanese banking sector more one empathy. (Mean=4.2512, standard deviation=0.66446), followed by assurance (mean=4.1152, standard deviation=.73029) and responsiveness (mean=4.0078, standard deviation=.74912) followed by reliability (mean=3.9661, standard deviation=.73614) and the lowest components of service quality is tangible (mean=3.9433, standard deviation =.68558). Therefore, those five dimensions were achieved average score equal (3.45). Given that the scale used a 5-point scale (1=strongly disagree, 5=strongly agree) it can be concluded that all Sudanese banks in Sudan is highly of assurance above the average mean.

**Table 5.9 Descriptive Analysis of Service Quality**

Service quality	Mean	Standard Deviation
Responsiveness	4.0078	.74912
Tangible	3.9433	.68558
Reliability	3.9661	.73614
Empathy	4.1152	.73029
Assurance2	4.2512	.66446

Source: prepared by researcher, (2013). Note: All variables used a 5-point likert scale (1=strongly disagree, 5= strongly agree).

### 5.6.2 Descriptive Analysis for Mediate Variables

Table 5.12 shows the means and standard deviations of the mediate Variables: perceived value (price value, emotional value and social value).and The table reveals that the all Sudanese banks more on social value (mean=4.1820, standard deviation=0. .65927) followed by emotional value (mean=4.1228, standard

deviation=.67331), and the lowest components of perceived value is (mean=3.9005, standard deviation=0.76023), average score equal (3.45). Given that the scale used a 5-point scale (1=strongly disagree, 5=strongly agree) it can be concluded that all Sudanese banks is highly of social value.

**Table 5.10 Descriptive Analysis of Mediate Variables**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
emotional value	4.1228	.67331
price value	3.9005	.76023
social value	4.1820	.65927

*Source: prepared by researcher, (2013). Note: All variables used a 5-point likert scale (1=strongly disagree, 5= strongly agree).*

### **5.6.3 Descriptive Analysis for Moderator Variables**

Table 5.12 shows the means and standard deviations of the moderator Variables: switching costs (rational cost and procedural). The table reveals that the all Sudanese banks the highest rational cost (mean=3.8833, standard deviation=0.89427) and lowest components of switching costs is procedural (mean=3.7737, standard deviation=.92145), average score equal (3.45). Given that the scale used a 5-point scale (1=strongly disagree, 5=strongly agree) it can be concluded that all Sudanese banks is highly of social value.

**Table 5.11 Descriptive Analysis of Moderator Variables**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
rational cost	3.8833	.89427
Procedural	3.7737	.92145

*Source: prepared by researcher, (2013). Note: All variables used a 5-point likert scale (1=strongly disagree, 5= strongly agree).*

#### 5.6.4 Descriptive Analysis for Customer Loyalty

Table 5.13 shows the means and standard deviations of the two components of customer loyalty: attitudinal loyalty, and behavioral loyalty. The table reveals that the all Sudanese banks highest on attitudinal loyalty (mean=4.9916, standard deviation=.84271) and lowest is behavioral loyalty (mean=3.7021, standard deviation=.84508) Given that the scale used a 5-point scale (1=strongly disagree, 5=strongly agree) it can be concluded that all Sudanese banks is highly of attitudinal loyalty above the average mean.

**Table 5.12 Descriptive Analysis of Customer Loyalty Variables**

Variables	Mean	Standard Deviation
attitudinal loyalty	4.9916	.84271
behavioral loyalty	3.7021	.84508

*Source: prepared by researcher, (2013). Note: All variables used a 5-point likert scale (1=strongly disagree, 5= strongly agree).*

#### 5.7 Correlation Analysis

Table 5.14 presents the results of the inter correlation among the variables. The Correlation analysis was conducted to see the initial picture of the interrelationships among the variables under the study. Therefore, the importance of conducting correlation analysis is to identify any potential problems associated with multi collinearity (Sekaran, 2000). Table 5.14 represents the correlation matrix for the constructs operationalized in this study. These bivariate correlations allow for preliminary inspection and information regarding hypothesized relationships. In addition to that, correlation matrix gives information regarding test for the presence of multi collinearity.

Table 5.14 shows that responsiveness is positively and significantly correlated with attitudinal loyalty ( $r = .676$ ,  $p\text{-value} = 0.00$ ), responsiveness and behavioral

loyalty, ( $r = .620$ ,  $p\text{-value} = 0.00$ ). The table 5.14 Also shown that tangible is positively correlated with attitudinal loyalty ( $r = .618$ ,  $p\text{-value} = 0.00$ ). Tangible and behavioral loyalty ( $r = .552$ ,  $p\text{-value} = 0.00$ ), reliability and attitudinal loyalty ( $r = .600$ ,  $p\text{-value} = 0.00$ ). Reliability and behavioral loyalty ( $r = .600$ ,  $p\text{-value} = 0.00$ ), empathy and customer loyalty ( $r = .624$ ,  $p\text{-value} = 0.00$ ). Empathy and behavioral loyalty ( $r = .548$ ,  $p\text{-value} = 0.00$ ), assurance and attitudinal loyalty ( $r = .563$ ,  $p\text{-value} = 0.00$ ).and assurance and behavioral loyalty ( $r = .412$ ,  $p\text{-value} = 0.00$ ). The table also indicated that responsiveness is positively correlated with perceived value variables. Responsiveness is positively and significantly correlated with emotional value ( $r = .768$ ,  $p\text{-value} = 0.00$ ), price value ( $r = .593$ ,  $p\text{-value} = 0.00$ ) and social value ( $r = .625$ ,  $p\text{-value} = 0.00$ ). The table also indicated that tangible is positively correlated with perceived value, tangible and emotional value ( $r = .667$ ,  $p\text{-value} = 0.00$ ), tangible and price value ( $r = .636$ ,  $p\text{-value} = 0.00$ ) and tangible and social value ( $r = .652$ ,  $p\text{-value} = 0.00$ ).

Reliability is significantly correlated with emotional value ( $r = .678$ ,  $p\text{-value} = 0.00$ ), price value ( $r = .556$ ,  $p\text{-value} = 0.00$ ) and social value ( $r = .528$ ,  $p\text{-value} = 0.00$ ). Empathy is significantly correlated with perceived value, emotional value. ( $r = .680$ ,  $p\text{-value} = 0.00$ ), price value. ( $r = .539$ ,  $p\text{-value} = 0.00$ ), and social value ( $r = .572$ ,  $p\text{-value} = 0.00$ ). Also assurance is significantly correlated with perceived value, emotional value. ( $r = .598$ ,  $p\text{-value} = 0.00$ ), price value. ( $r = .493$ ,  $p\text{-value} = 0.00$ ), and social value ( $r = .515$ ,  $p\text{-value} = 0.00$ ).

The table also indicated that price value is positively correlated with customer loyalty variables. Price value is positively and significantly correlated with Attitudinal loyalty ( $r = .666$ ,  $p\text{-value} = 0.00$ ), between price value and behavioral loyalty. ( $r = .579$ ,  $p\text{-value} = 0.00$ ). The table also indicated that emotional value positively correlated with customer loyalty, attitudinal loyalty ( $r = .777$ ,  $p\text{-value}$



=0.00), and behavioral loyalty( $r = .639$ ,  $p$ -value =0.00). Social value significantly correlated with customer loyalty, social value and Attitudinal loyalty( $r = .711$ ,  $p$ -value =0.00), social value and behavioral loyalty( $r = .620$ ,  $p$ -value =0.00).

**Table 5.13 Person's Correlation Coefficient for All Variables**

Variable	E	D	B	A1	A2	H	G	I	K	L
Responsiveness(E)	1.00									
Tangible(D)	.714**	1.00								
Reliability(B)	.761**	.662**	1.00							
assurance 1(A1)	.675**	.573**	.660**	1.00						
Assurance 2(A2)	.563**	.540**	.643**	.603**	1.00					
emotional value(H)	.768**	.667**	.678**	.680**	.598**	1.00				
price value(G)	.593**	.636**	.556**	.539**	.493**	.739**	1.00			
social value(I)	.625**	.652**	.528**	.572**	.515**	.696**	.623**	1.00		
attitudinal loyalty(K)	.676**	.618**	.600**	.624**	.563**	.777**	.666**	.711**	1.00	
behavioral loyalty(L)	.620**	.552**	.517**	.548**	.412**	.639**	.579**	.620**	.775**	1.00

Source: prepared by researcher, (2015).

\*\*  $p < .01$

\*  $p < .05$

While the correlation analysis in Table 5.14 provides a strong indication of association. In order to undertake a more complete examination of the proposed relationships and to evaluate whether such associations are direct or indirect, hierarchical regression was conducted. Hierarchical regression employed because it gives the best predictive model of the linear relationship present among the independent variables (Tabachnik & Fidell, 2001). Hierarchical regression was chosen rather than a structural equations approach because of sample size (Frazier, Tix and Barron, 2004). The next finding analyses are testing the hypotheses.

## 5.8 Hypotheses Testing

This section discusses the results of hypotheses of the study. Given that the new emerged variable from factor analysis and the eliminated ones, there are (103) hypotheses in this study. The main effects as well as the mediating and moderating effect were examined using hierarchical regression analysis, the statistical procedures of which had been explained in chapter 3.

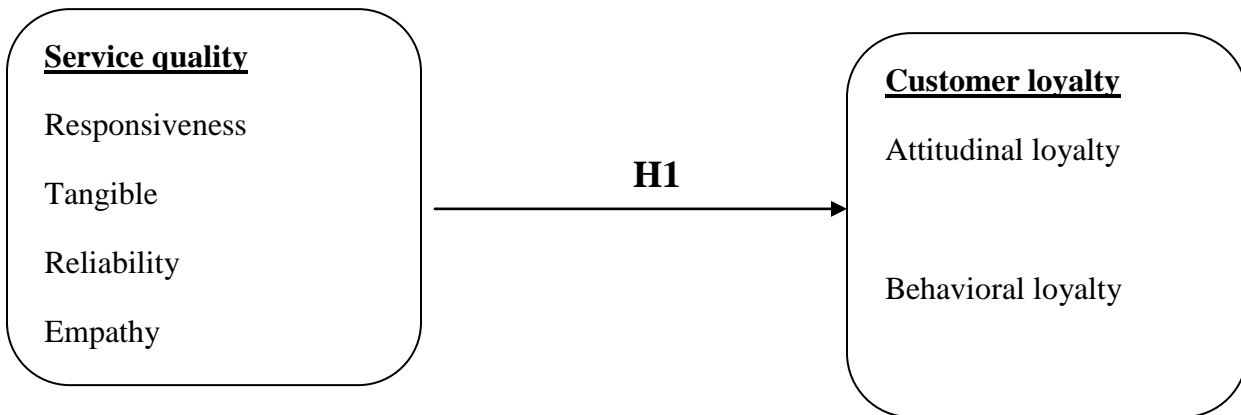
In order to perform hierarchal regression analysis, it is generally agreed that there are at least five assumptions (normality, linearity, multi co linearity, homoscedasticity and outliers) should be met. The results of testing these assumptions are provided below:

1. The normality had been established through the relevant histogram. The histograms show that most values fall in the center and the curves take the bell-shape. The normal probability (P-P) plots also show that the residual points are close to the diagonal line. Therefore, the variables are normally distributed.
2. Linearity of relationships: No curvilinear pattern of relationship is apparent from the scatter plots. Therefore, there is no violation of the assumption of linearity.
3. Heteroscedasticity was checked through the scatter plots of standardized residual. The residual plots take roughly the rectangular shape, which indicates that there is no problem of heteroscedasticity in the data.
4. The result of Multicollinearity test indicated that all values of the VIF are less than the threshold of 10, all Tolerance values are more than 0.1, and all Variance Proportions are less than 0.90. This indicates that, there is no multicollinearity in the data.
5. Outliers were identified and removed through using a case-wise diagnostics.

### 5.8.1 The Relationship Between Service Quality and Customer Loyalty

This section deal with the first hypotheses in the study which predicts that five service quality components (responsiveness, tangible, reliability, Empathy and assurance) have positive relationship with the two dimensions of customer loyalty (attitudinal loyalty, and behavioral loyalty) As shown in figure 5-2 below:

**Figure 5.2: Relationship between service quality and customer loyalty**



To test these hypotheses, a two-step hierarchical regression analysis was carried out (Haire et al., 2010). First step, the analysis tests the effect of control variables (income and type of account) on customer loyalty. Second step service quality was introduced to test the impacts on customer loyalty. The results of three hierarchical regression analyses were discussed in next subsections.

#### 5.8.1.1 The Relationship between Service Quality and Attitudinal Loyalty

Table 5.15 presents the result of two-step regression analysis of two control variables and five components of service quality on attitudinal loyalty. There two regression models, model one is un significant ( $F= .404, p=.668$ ), but model 2 is significant ( $F= 53.213, p<0.01$ ). In the first step, the two control variables together explain about .04% of the total variation in customer loyalty. The additions of the five service quality components in step two explain additional 54% of attitudinal

loyalty variance. This means that control variables and the service quality cumulatively explain 58% of the variance in attitudinal loyalty.

**Table 5.15 Multiple Regression Result: The Relationships between service quality and attitudinal loyalty.**

Variables	DV: attitudinal loyalty	
	Step1 std.Beta	step 2 std.Beta
<i>Control variables</i>		
Income	.059	.052
Type of account	.002	-.083
<i>Model variables:</i>		
Responsiveness		.323
Tangible		.188
Reliability		<b>-.016</b>
Empathy		.216
Assurance		.152
R <sup>2</sup>	.004	.546
Adjusted R <sup>2</sup>	-.005	.531
R <sup>2</sup> change	.004	.542
F change	.404	53.213

The results showed that the hypothesis was supported, i.e. there is a positive relationship between service quality and attitudinal loyalty .the results also showed that responsiveness have the most significant effect on attitudinal loyalty ( $\beta = .323$ ,  $p < 0.01$ ), followed by Assurance1 ( $\beta = 0.216$ ,  $p < 0.10$ ), Tangible ( $\beta = 0.188$ ,  $p < 0.05$ ), and assurance 2 ( $\beta = 0.152$ ,  $p < 0.10$ ). But reliability is un significant effect on attitudinal loyalty ( $\beta = -.016$ ,  $p > 0.10$ ). These results give support to hypotheses H1.1a (responsiveness and attitudinal loyalty). H1.2.a (tangible and attitudinal loyalty). H.1.4.a (empathy and attitudinal loyalty). And H1.5.a (assurance and attitudinal loyalty).but not supports H1.3.a (reliability and attitudinal loyalty).

Therefore, these results provide support for the assertion that the effort to become service quality does lead to the attitudinal loyalty. The full SPSS output is displayed in Appendix ().

### **5.8.1.2 The Relationship between Service Quality and Behavioral Loyalty**

Similar analysis was conducted for the relationships between service quality and behavioral loyalty table 5.16 summarizes the results of two step regression analysis. The first step discloses the effect of control variables on behavioral loyalty, There two regression models, model one is un significant ( $F=1.313$ ,  $p=.271$ ), but model 2 is significant ( $F=31.047$ ,  $p<0.01$ ). In the first step, the two control variables together explain about 0.011% of the total variation in customer loyalty. The additions of the five service quality components in step two explain additional 41% of behavioral loyalty variance. This means that control variables and the service quality cumulatively explain 42% of the variance in behavioral loyalty.

The results showed that the hypothesis was supported, i.e. there is a positive relationship between service quality and behavioral loyalty .the results also showed that empathy have the most significant effect on behavioral loyalty ( $\beta=0.343$ ,  $p<0.01$ ), followed by responsiveness ( $\beta=.293$ ,  $p<0.01$ ), Tangible ( $\beta=.184$ ,  $p<0.05$ ), But reliability and assurance are un significant effect on behavioral loyalty, reliability ( $\beta=-.044$ ,  $p>0.10$ ) and assurance ( $\beta=0. -.070$ ,  $p>0.10$ ). These results give support to hypotheses H1.1b (responsiveness and behavioral loyalty). H1.2b (tangible and behavioral loyalty). H.1.4.b (empathy and behavioral loyalty). But not supports H1.3.b (reliability and behavioral loyalty) and H1.5.b (assurance and behavioral loyalty). Therefore, these results provide support for the assertion that the effort to become service quality does lead to the behavioral loyalty. The full SPSS output is displayed in Appendix () .

**Table 5.15 Relationships between Service Quality and Behavioral Loyalty**

Variables	DV: Behavioral loyalty	
	Step1 (std.Beta)	Step2(std. Beta)
<b>Control variables</b>		
Income	-0.003	0.02
Type of account	0.108	0.20
Responsiveness		.293
Tangible		.184
Reliability		-.044
Assurance1		.343
Assurance 2		-.070
<b>R<sup>2</sup></b>	.011	.418
<b>Adjusted R<sup>2</sup></b>	.003	.400
<b>R<sup>2</sup> change</b>	.011	.407
<b>F change</b>	1.313	31.047

**5.16 Summary of Hypotheses Testing Results for the Relationship between Service Quality and Customer Loyalty**

H1	<b>There are a positive relationship between service quality variables and customer loyalty.</b>	<b>Partially Supported</b>
H1.1	There is a positive relationship between responsiveness and customer loyalty.	Fully Supported
H1.1.a	There is a positive relationship between responsiveness and attitudinal loyalty.	Supported
H1.1.b	There is a positive relationship between responsiveness and behavioral loyalty.	Supported
H1.1.2	There is a positive relationship between tangible and customer loyalty	Fully Supported
H1.2.	There is a positive relationship between tangible and attitudinal loyalty.	Supported

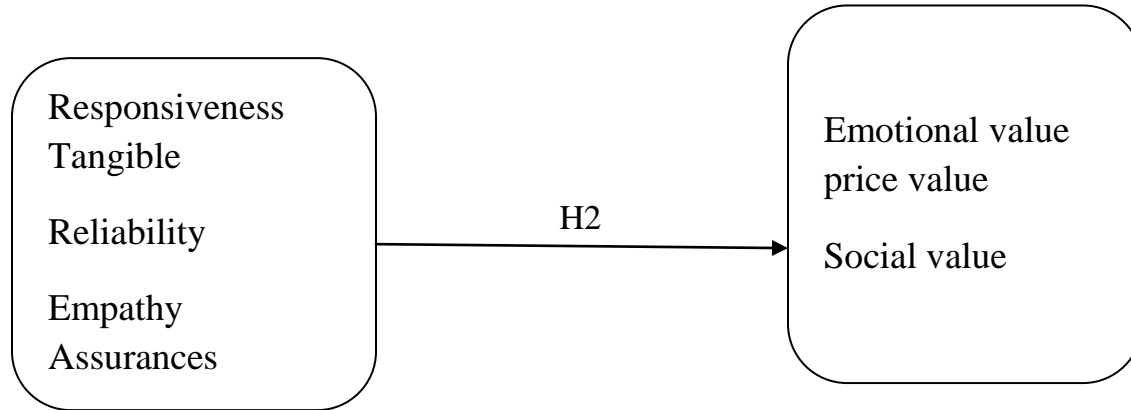
a		
H1.2. b	There is a positive relationship between tangible and behavioral loyalty.	Supported
H1.3	There is a positive relationship between reliability and customer loyalty.	Not Supported
H1.3. a	There is a positive relationship between reliability and attitudinal loyalty.	Not Supported
H1.3. b	There is a positive relationship between reliability and behavioral loyalty	Not Supported
H.1.4	There is a positive relationship between empathy and customer loyalty	Fully Supported
H.1.4 .a	There is a positive relationship between empathy and attitudinal loyalty.	Supported
H1.4. .B	There is a positive relationship between empathy and behavioral loyalty.	Supported
H1.5	There is a positive relationship between assurance and customer loyalty	Partially Supported
H1.5. a	There is a positive relationship between assurance and attitudinal loyalty.	Supported
H.5.b	There is a positive relationship between assurance and behavioral loyalty.	Not supported

### **5.8.2 The Relationship between Service Quality and Perceived Value**

This section deal with the second hypotheses in the study which predicts that five service quality components: responsiveness, tangible, reliability, empathy, and

assurance have positive relationship with the three dimensions of perceived value: emotional value, price value, social value. As shown in figure 5. Below:

**Figure: 5.3 The relationship between service quality and perceived value**



*The relationship between service quality variables and perceived value.*

### 5.8.2.1 Relationship between Service Quality and Emotional Value

To test these hypotheses, a two step regression analysis. The first step discloses the effect of control variables on emotional value, There two regression models, model one is not significant ( $F=.838, p=.434$ ), but model 2 is significant ( $F=83.362, p<0.01$ ). In the first step, the two control variables together explain about 0.07% of the total variation in customer loyalty. The additions of the five service quality components in step two explain additional 65% of emotional value variance. This means that control variables and the service quality cumulatively explain 66% of the variance in behavioral loyalty.

**Table 5.17 Relationship between service quality and emotional value**

Variables	DV: emotional	
	Step1(std.B	Step2(std. Beta)
<b><u>Control variables</u></b>		
Income	.072	.058
Type of account	.030	-.061



Responsiveness		.436
Tangible		.126
Reliability		.030
Empathy		.252
Assurance		.089
<b>R<sup>2</sup></b>	.007	.656
<b>Adjusted R<sup>2</sup></b>	-.001	.645
<b>R<sup>2</sup> change</b>	.007	.649
<b>F change</b>	.838	83.362

The results showed that the hypothesis was partially supported, i.e. there is a positive relationship between service quality and emotional loyalty. The results also showed that responsiveness and Assurance1 have the significant effect on emotional value, responsiveness ( $\beta=0.436$ ,  $p<0.01$ ), and empathy ( $\beta=.252$ ,  $p<0.01$ ), However, tangible, reliability and assurance are no significant effect on emotional value, reliability ( $\beta=.030$ ,  $p>0.10$ ) , assurance ( $\beta=.089$ ,  $p>0.10$ ) , and tangible ( $\beta=.126$ ,  $p>0.05$ ).

These results give support to hypotheses H1.1b (responsiveness and emotional value). H.1.4.b (empathy and emotional value). However not supports H1.3.b (reliability and emotional value), H1.2b (tangible and emotional value and H1.5.b (assurance and emotional value). Therefore, these results provide support for the assertion that the effort to become service quality does lead to the emotional value. The full SPSS output is displayed in Appendix () .

### **5.8.2.2 Relationship between Service Quality and Price Value**

Similar analysis was conducted for the associations between service quality and price value. Table 5.18 summarizes the results of two step regression analysis.

The table shows that the first model was not significant, however, the second was significant ( $F= 45.686, p<0.01$ ). The first step discloses the effect of control variable on price value, The first model shows the control variables were not significant, These control variables explain about 5% of variance in price value. However, the addition of the five service quality components in step two explains additional 50.7% of the variance; this means that the control variables and the five service loyalty components cumulatively explain 51.2% of the variance in price value.

Further analysis of the results in table 5.18 showed that responsiveness have the most significant effect on price value ( $\beta=.363, p<0.01$ ), followed by Assurance1 ( $\beta=.220, p<0.05$ ), Tangible ( $\beta=.193, p<0.05$ ), However reliability and assurance 2 are un significant effect on price value, reliability ( $\beta= .006=, p>0.10$ ) and assurance 2( $\beta= .036=, p>0.10$ ) . These results give support to hypotheses H1.1.b (responsiveness and price value). H1.2.b (tangible and price value). H.1.4.b (empathy and price value). However, hypothesis H1.3.b (reliability and price value) and H1.5.b (assurance and price value) were not supported.

The full SPSS output is displayed in Appendix ().

**Table 5.18 Relationship between service quality and price value**

Variables	DV: price loyalty	
	Step1(std.	Step2(std. Beta)
<b><u>Control variables</u></b>		
Income	. -.056	-.068
Type of account	.066	-.008
Responsiveness		.363
Tangible		.193
Reliability		.006
Empathy		.220

Assurance		.036
<b>R<sup>2</sup></b>	.005	.512
<b>Adjusted R<sup>2</sup></b>	-.004	.496
<b>R<sup>2</sup> change</b>	.005	.507
<b>F change</b>	.594	45.686

### 5.8.2.3 Relationship between Service Quality and Social Value

Table 5.18 presents the result of two-step regression analysis of control variable and five r components of service quality on social value, The table shows that the first model was not significant, however, the second was significant ( $F=40.475$ ,  $p<0.01$ ). The first step discloses the effect of control variable on social value, Theses control variables explain about 2% of variance in price value. However, the addition of the five service quality components in step two explains additional 47.9% of the variance; this means that the control variables and the five service loyalty components cumulatively explain 47.92% of the variance in social value.

Further analysis of the results in table 5.18 showed that tangible have the most significant effect on social value ( $\beta=.349$ ,  $p<0.01$ ), followed by empathy ( $\beta=.234$ ,  $p<0.05$ ), and responsiveness ( $\beta=.206$ ,  $p<0.10$ ), However reliability and assurance are not significant effect on social value, reliability ( $\beta= -.073$ ,  $p>0.10$ ) and assurance ( $\beta= .077$ ,  $p>0.10$ ) . These results give support to hypotheses H1.1.c (responsiveness and social value). H1.2.c (tangible and social value) and H.1.4.c (empathy and social value). However, hypothesis H1.3.c (reliability and social value) and H1.5.c (assurance and social value) were not supported.

The full SPSS output is displayed in Appendix () .

**Table5.19: Relationship between service quality and social value**

Variables	<u>DV: behavioral loyalty</u>	
	Step1 (std.	Step2(std. Beta)
<b><u>Control variables</u></b>		
Income	.028	-.068
Type of account	.039	-.056
Responsiveness		.206
Tangible		.349
Reliability		-.073
Empathy		.234
Assurance		.077
<b>R<sup>2</sup></b>	.002	.481
<b>Adjusted R<sup>2</sup></b>	-.007	.465
<b>R<sup>2</sup> change</b>	.002	.479
<b>F change</b>	.233	40.475

**Table5.20 Summary of Hypotheses Testing Results for the Relationship between service quality and perceived value.**

H2.	There is a positive relationship between service quality variables and perceived value.	Partially Supported
H2.1.	There is a positive relationship between responsiveness and perceived value.	Fully Supported
H2.1.a	There is a positive relationship between responsiveness and price value.	Supported

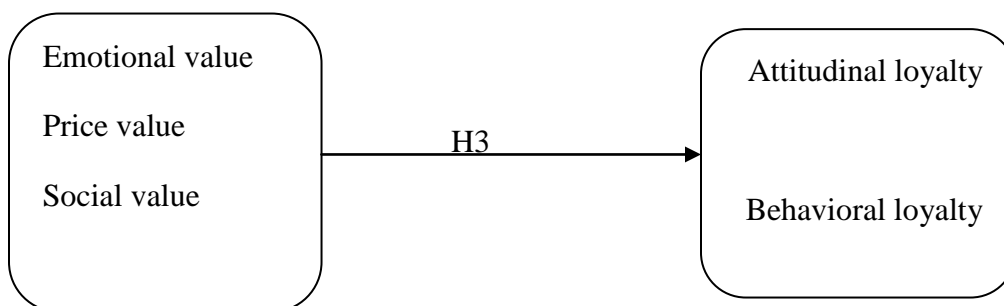
H2.1.b	There is a positive relationship between responsiveness and emotional value.	Supported
H2.1.c	There is a positive relationship between responsiveness and social value.	Supported
H2.2	There is a positive relationship between tangible and perceived value	Partially Supported
H2.2.a	There is a positive relationship between tangible and price value.	Supported
H2.2.b	There is a positive relationship between tangible and emotional value.	Not Supported
H2.2.c	There is a positive relationship between tangible and social value.	Supported
H2.3	There is a positive relationship between reliability and perceived value	Fully not Supported
H2.3.a	There is a positive relationship between reliability and price value.	Not Supported
H2.3.b	There is a positive relationship between reliability and emotional value.	Not Supported
H2.3.c	There is a positive relationship between reliability and social value.	Not Supported
H2.4	There is a positive relationship between empathy and perceived value	Fully Supported
H2.4.a	There is a positive relationship between empathy and price value.	Supported
H2.4.b	There is a positive relationship between empathy and emotional value.	Supported

H2.4.C	There is a positive relationship between empathy and social value.	Supported
H2.5	There is a positive relationship between assurance and perceived value	Fully not Supported
H2.5.a	There is a positive relationship between assurance and price value.	Not Supported
H2.5.b	There is a positive relationship between assurance and emotional value.	Not Supported
H2.5.c	There is a positive relationship between assurance and social value.	Not Supported

### 5.8.3 The Relationship between Perceived Value and Customer Loyalty

This subsection deal with the third hypotheses in the study which predicts that three types of perceived value; emotional value , price value, and social value have positive relationship with the two dimension of customer loyalty : attitudinal loyalty, and behavioral loyalty) .As shown in figure 5.4 below.

**Figure5.4 The relationship between perceived value and Customer loyalty**



*The relationship between perceived value and Customer loyalty.*

To test these hypotheses, a two-step hierarchical regression analysis was carried out. First step, the analysis tests the effect of control variables (income, and type of account) on customer loyalty. Second steps, the three types of perceived

value were introduced to test their impacts on two dimensions of customer loyalty. The results of three hierarchical regression analyses were discussed in subsections below.

### **5.8.3.1 The Relationship between Perceived Value and Attitudinal Loyalty**

Table 5.19 presents the result of two-step regression analysis of two control variables and three component of perceived value on attitudinal loyalty. The table shows that the first model was not significant, however, the second was significant ( $F= 149.620p<0.01$ ). In the first step, the two control variables together explain about 7% of the total variation in attitudinal loyalty. The additions of the three perceived value components in step two explain additional 64.4% of attitudinal loyalty variance. This means that control variables and the service quality cumulatively explain 64.5% of the variance in attitudinal loyalty.

The results showed that the hypothesis was supported, i.e. there is a positive relationship between perceived value and attitudinal loyalty .the results also showed that (emotional value , price value, and social value) have significant effect on attitudinal loyalty (emotional value ( $\beta=.390$ ,  $p=0.00$ ), price value ( $\beta=.256$ , $p=0.00$ ), and social value ( $\beta=.250$ ,  $p=0.00$ ))

These results give support to hypotheses H3.1.a (price value and attitudinal loyalty). And H3.2.a (emotional value and attitudinal loyalty). H.3.3.a (social value and attitudinal loyalty).

Therefore, these results provide support for the assertion that the effort to become perceived value does lead to the attitudinal loyalty. The full SPSS output is displayed in Appendix ().

**Table 5.21: Relationship between perceived value and attitudinal loyalty**

Variables	DV: attitudinal loyalty	
	Step1(std.	Step2(std. Beta)
<b>Control variables</b>		
Income	.088	.061
Type of account	-.023	-.050
Emotional value		.390
Price value		.256
Social value		.250
<b>R<sup>2</sup></b>	.007	.651
<b>Adjusted R<sup>2</sup></b>	-.001	.644
<b>R<sup>2</sup> change</b>	.007	.644
<b>F change</b>	.875	149.620

### 5.8.3.2 The Relationship between Perceived Value and Behavioral Loyalty

Table 5.20 presents the result of two-step regression analysis of two control variables and three component of perceived value on behavioral loyalty. The table shows that the first model was not significant, however, the second was significant ( $F= 70.921, p<0.01$ ). In the first step, the two control variables together explain about 4% of the total variation in behavioral loyalty. The additions of the three perceived value components in step two explain additional 46.6% of behavioral loyalty variance. This means that control variables and the perceived value cumulatively explain 64.64% of the variance in attitudinal loyalty.

The results showed that the hypothesis was partially supported, i.e. there is a positive relationship between perceived value and behavioral loyalty the results also showed that (price value, and social value) have significant effect on behavioral loyalty, price value ( $\beta=.295, p=0.00$ ), and social value ( $\beta=.373, p=0.00$ ), however emotional value is not significant ( $\beta=.098, p<0.10$ ),



These results give support to hypotheses H3.1.b (price value and behavioral loyalty). And H.3.3.b (social value and behavioral loyalty), however not supported H3.2.b (emotional value and behavioral loyalty).

Therefore, these results provide support for the assertion that the effort to become perceived value does lead to the behavioral loyalty. The full SPSS output is displayed in Appendix.

**Table5 .22: Relationship between perceived value and behavioral loyalty**

Variables	DV: behavioral loyalty	
	Step1(std.	Step2(std. Beta)
<b>Control variables</b>		
Income	.010	.016
Type of account	.062	.031
Emotional value		.098
Price value		.295
Social value		.373
<b>R<sup>2</sup></b>	.004	.470
<b>Adjusted R<sup>2</sup></b>	-.004	.459
<b>R<sup>2</sup> change</b>	.004	.466
<b>F change</b>	.530	70.921

Table 5.22 summarizes the results of testing hypotheses concerning the relationships between perceived value and customer loyalty.

The table reveals that all of the main hypotheses are partially supported. These results signify that price value and social value show significant positive relationship on the all two types of customer loyalty. However, the results show that emotional value significant positive relationship with attitudinal loyalty and show insignificant negative relationship with behavioral loyalty. Thus, over all hypotheses are partially supported.

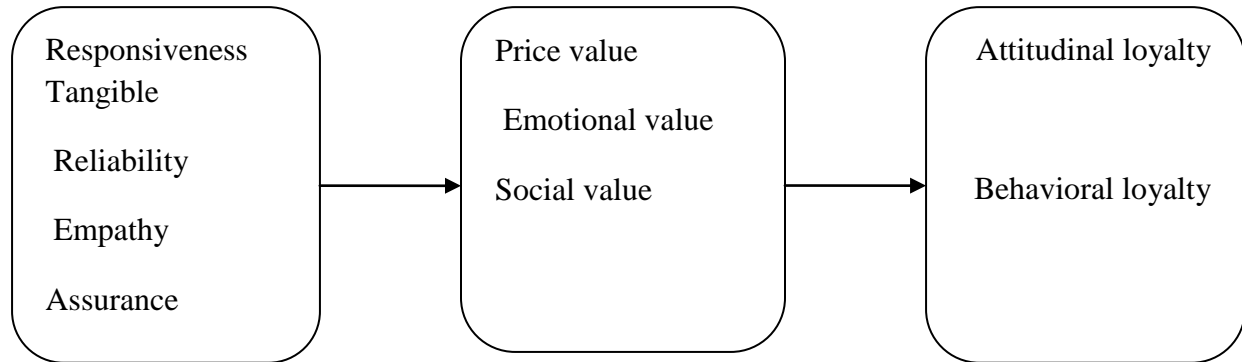
**Table 5.23: Summary of Hypotheses Testing Results for the Relationship between perceived value and customer loyalty**

H3	There is a positive relationship between perceived value and Customer loyalty.	Partially Supported
H3.1	There is a positive relationship between price value and customer loyalty.	Fully Supported
H3.1.a	.There is a positive relationship between price value and attitudinal loyalty.	Supported
H3.1.b	There is a positive relationship between price value and behavioral loyalty.	Supported
H3.2	There is a positive relationship between emotional value and customer loyalty.	Partially Supported
H3.2.a	There is a positive relationship between emotional value and Attitudinal loyalty.	Supported
H3.2.b	There is a positive relationship between emotional value and behavioral loyalty.	Not Supported
H3.3	There is a positive relationship between social value and customer loyalty	Fully Supported
H3.3.a	There is a positive relationship between social value and Attitudinal loyalty.	Supported
H3.3.b	There is a positive relationship between social value and behavioral loyalty.	Supported

#### **5.8.4 The Mediating Effect of Perceived Value**

The support from the hypotheses provides the initial steps required to test the Hypotheses in the study which predicts whether perceived value (price value, emotional value, social value) may be a mediating variable between service quality (responsiveness, tangible, reliability, empathy and assurance and customer loyalty (attitudinal loyalty, and behavioral loyalty) (Baron & Kenney, 1986). As shown in figure 5.5 below.

**Figure 5.5 The Mediating Effect of Perceived Value**



*The relationship between perceived value and Customer loyalty.*

To test these hypotheses, this study was applied a three-step hierarchical regression recommended by Baron and Kenny (1986). First step, the independent variable must affect the dependent variable significantly ( $\beta_1$  must be significant).

Second step, the independent variable should affect the mediating variable ( $\beta_2$  must be significant). Third step, mediating variable must influence the dependent variable significantly ( $\beta_3$  must be significant). On the other hand, in order to establish whether mediator is fully or partial mediating the relationship between the independent variable and dependent variable, the impact of independent variable on dependent variable controlling for mediating variable should be zero or  $\beta_4$  is not significant in fully mediator, while partial mediator exists once  $\beta_4$  is significant but reduced.

In order to fulfill the condition for testing the mediation effect of perceived value three regression equations were estimated with all dimensions of customer loyalty (attitudinal loyalty and behavioral loyalty).

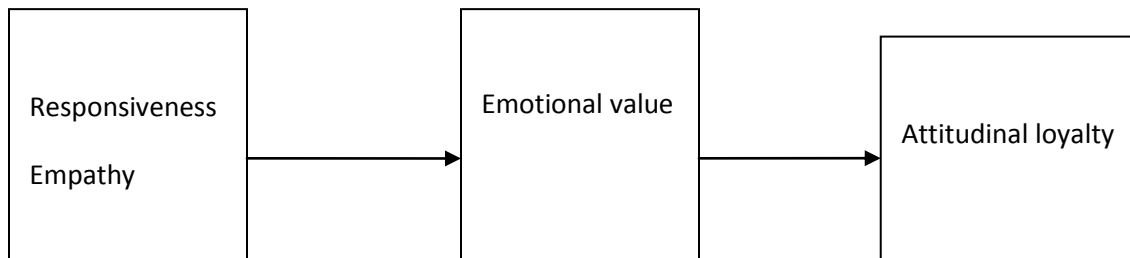
Each dimensions of customer loyalty were regressed on control variables (income, type of account) in step one, adding five components of service quality in step two, perceived value were added in step three as mediating to know whether are significant influence customer loyalty.

#### 5.8.4.1 The Mediating Effect of emotional value on the Relationship between service quality and customer loyalty.

The emotional value was hypothesized to mediate the relationship between service quality and customer loyalty. However, based on the result of multiple regression analysis that had been presented in Table 5.22, (tangible, reliability, and assurance) were not significantly influence emotional value. Therefore, these variables had violated the second assumption of the mediating effect; in that the independent variable must significantly influence the mediating variable ( $\beta_2$  must be significant). Thus (tangible, reliability and assurance) could not establish the mediation effects.

On the other hand, the relationship between emotional value and behavioral loyalty in Table 5.22 was not significantly. Thus, these relationships had violated the third assumption of mediating effect; in that the mediating variable must significantly influence the dependent variable ( $\beta_3$  must be significant). Therefore, emotional value could not establish the mediation effect with the above mentioned relationships. Thus, the above-mentioned relationships were eliminated from further analysis.

**Figure: 5.6 The Mediating Effect of Emotional Value on the Relationship between Service Quality and Customer Loyalty**



*Figure 5.6: Mediating effect of emotional value*

The perceived value was hypothesized to mediate the relationship between service quality and customer loyalty as presented in Figure 5.6 The other two

dimensions of service quality (responsiveness, and empathy) were found to influence significantly emotional value and attitudinal loyalty. Also emotional value was found significantly influenced attitudinal loyalty. This indicated that there is a possible mediating effect of emotional value on the relationship between two components of service quality and attitudinal loyalty.

Table 5.24 presented the results of the hierarchical regression analysis testing the mediating effect of emotional value on the relationship between service quality and attitudinal loyalty. In the first step, all two control variables have significant effect on attitudinal loyalty. The control variables explain about 7% of the variance in attitudinal loyalty. In the second step, the results showed that all two service quality components significantly influenced attitudinal loyalty. In step three responsiveness and empathy significantly in attitudinal loyalty. The results indicate also that emotional value as mediating variable significantly influenced attitudinal loyalty in step three ( $\beta=.530, p<0.01$ ). Hence, it could be interpreted that emotional value fully mediated the relationship between responsiveness, empathy and attitudinal loyalty. The full SPSS is presented in Appendix ()).

**Table 5.24: Mediating Effect of emotional value on the Relationship between service quality and attitudinal loyalty**

	<u>DV attitudinal loyalty</u>		
Variables	Step1(std.)	Step2(std. Beta)	Step2(std .Beta)
Control variables	.088	.069	-.062
Income			
Type of account	-.014	-.095	-.062
Responsiveness		.327 ***	.097
Empathy		.214 ***	.081
Mediator: Emotional value			.530***
R <sup>2</sup>	.007	.538	.635
R <sup>2</sup> change	.007	.531	.097
F change	.851	50.508	58.323

*Level of significant: \*p<0.10, \*\*p<0.05, \*\*\*p<0.01*

#### 5.8.4.2 Mediating Effect of Price Value on the Relationship between Service Quality and Customer Loyalty

The price value was hypothesized to mediate the relationship between service quality and customer loyalty. However, based on the result of multiple regression analysis that had been presented in Table 5..., (reliability, and assurance2) were not significantly influence price value.

Therefore, these variables had violated the second assumption of the influence the mediating variable ( $\beta_2$  must be significant). Thus (reliability and assurance) could not establish the mediation effects.

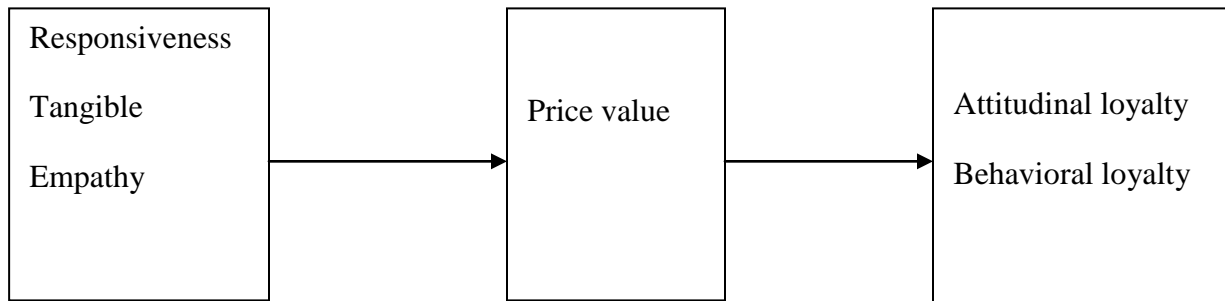


Figure 5.7: Mediating effect of price value

The perceived value was hypothesized to mediate the relationship between service quality and customer loyalty as presented in Figure 5.24 The other three dimensions of service quality (responsiveness, tangible, and empathy) were found to influence significantly price value and customer loyalty (attitudinal and behavioral). Also price value was found significantly influenced customer loyalty. This indicated that there is a possible mediating effect of price value on the relationship between two three components of service quality and components of customer loyalty (attitudinal loyalty, and behavioral loyalty).

Table 5.25 presented the results of the hierarchical regression analysis testing the mediating effect of price value on the relationship between service quality and attitudinal loyalty. In the first step, all two control variables have significant effect

on customer loyalty. The control variables explain about 8% of the variance in attitudinal loyalty, in the second step, the results showed that all two service quality components significantly influenced attitudinal loyalty. In step three responsiveness, tangible, and assurance 1significantly in attitudinal loyalty. The results indicate also that price value as mediating variable significantly influenced attitudinal loyalty in step three ( $\beta=.434, p<0.01$ ). Hence, it could be interpreted that price value fully mediated the relationship between responsiveness, tangible, empathy and attitudinal loyalty. The full SPSS is presented in Appendix ()

**Table 5.25: Mediating Effect of price value on the Relationship between service quality and attitudinal loyalty**

		DV attitudinal loyalty	
Variables	Step1(std.	Step2(std. Beta)	Step2(std .Beta)
Control variables	.091	.068	.097
Income			
Type of account	-.022	-.097	-.093
Responsiveness		.308 ***	.150
Tangible		.174***	.091
Assurance 1		.234 ***	.138
Mediator: Price value			.434***
R <sup>2</sup>	.008	.592	.629
R <sup>2</sup> change	.008	.592	.093
F change	.851	49.928	54.439

*Level of significant: \*p<0.10, \*\*p<0.05, \*\*\*p<0.01*

With respect to the mediating effect of price value on the relationship between service quality and customer behavioral loyalty, Table 5.26 summarized the results of the hierarchical regression analysis testing this relationship.

As revealed in the table, the two control variables had significant effect on behavioral loyalty in step one. The control variables explain 8.6% of the variance in behavioral loyalty. In the second step, the results showed that all three service quality components significantly influenced behavioral loyalty. In step three that

three component of service quality significantly influenced price value. In addition, price value as mediating variable was also statistically significant influenced behavioral loyalty in step three ( $\beta=.310$ ,  $p<0.01$ ).

The result of statistic analysis revealed that price value fully mediated the relationship between responsiveness, tangible and behavioral loyalty, while it partially mediated the relationships between empathy and behavioral loyalty. The full SPSS is presented in Appendix.

**Table 5.26: Mediating Effect of price value on the Relationship between service quality and behavioral loyalty**

Variables	<u>DV attitudinal loyalty</u>		
	Step1 (std.	Step2(std. Beta)	Step2(std .Beta)
Control variables			
Income	.012	.007	.025
Type of account	.090	.012	.017
Responsiveness		.259 ***	.160
Tangible		.181 ***	.112
Empathy		.337 ***	.260
Mediator: Price value			.310 ***
R <sup>2</sup>	.009	.401	.447
R <sup>2</sup> change	.009	.392	.049
F change	1.004	28.581	17.915

*Level of significant: \* $p<0.10$ , \*\* $p<0.05$ , \*\*\* $p<0.01$*

#### **5.8.4.3 Mediating Effect of Social Value on the Relationship between Service Quality and Customer Loyalty**

The social value was hypothesized to mediate the relationship between service quality and customer loyalty. However, based on the result of multiple regression analysis that had been presented in Table 5.27, (reliability, and assurance) were not significantly influence social value.

Therefore, these variables had violated the second assumption of the influence the mediating variable ( $\beta_2$  must be significant). Thus (reliability and assurance) could not establish the mediation effects.



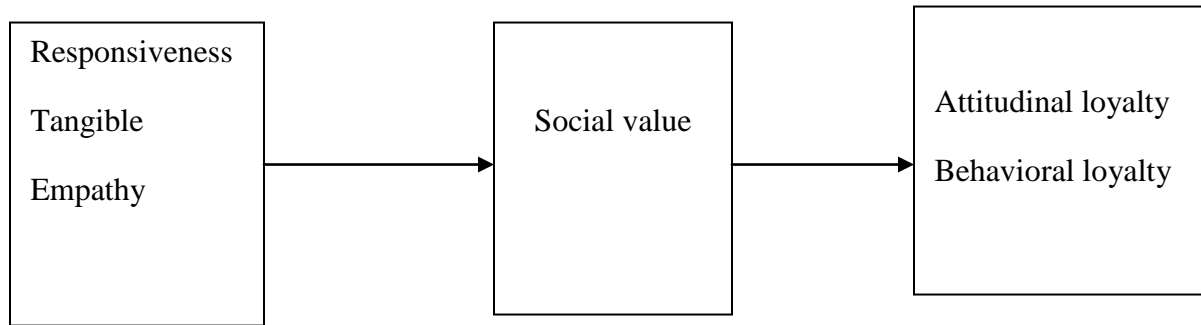


Figure 5.8: Mediating effect of social value

The perceived value was hypothesized to mediate the relationship between service quality and customer loyalty as presented in Figure 5.28 .The other three dimensions of service quality (responsiveness, tangible, and empathy) were found to influence significantly social value and customer loyalty: attitudinal and behavioral. This indicated that there is a possible mediating effect of social value on the relationship between three components of service quality and components of customer loyalty (attitudinal loyalty, and behavioral loyalty).

Table 5.27 presented the results of the hierarchical regression analysis testing the mediating effect of social value on the relationship between service quality and attitudinal loyalty. In the first step, all two control variables have significant effect on attitudinal loyalty. The control variables explain about 4% of the variance in attitudinal loyalty, in the second step, the results showed that all three service quality components significantly influenced attitudinal loyalty. In step three responsiveness, tangible, and empathy significantly in attitudinal loyalty. The results indicate also that social value as mediating variable significantly influenced attitudinal loyalty in step three ( $\beta=.399$ ,  $p<0.01$ ). Hence, it could be interpreted that social value fully mediated the relationship between tangible, empathy and attitudinal loyalty, and partially mediated the relationship between responsiveness and attitudinal loyalty. The full SPSS is presented in Appendix ()

**Table 5.27: Mediating Effect of social value on the Relationship between service quality and attitudinal loyalty**

Variables	DV attitudinal loyalty		
	Step1(std.	Step2(std. Beta)	Step2(std .Beta)
<b>Control variables</b>			
Income	.057	.047	.033
Type of account	.006	-.075	-.52
Responsiveness		.336 ***	.253
Tangible		.181***	.042
Empathy		.213 ***	.119
Mediator: Social value			.399***
R <sup>2</sup>	.004	.549	.631
R <sup>2</sup> change	.004	.545	.083
F change	.395	52.644	48.552

Level of significant: \* $p < 0.10$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$

With respect to the mediating effect of social value on the relationship between service quality and behavioral loyalty, Table 5.29 summarized the results of the hierarchical regression analysis testing this relationship.

As revealed in the table, the two control variables had significant effect on behavioral loyalty in step one. The control variables explain 8.6% of the variance in behavioral loyalty. In the second step, the results showed that all three service quality components significantly influenced behavioral loyalty. In step three that three component of service quality significantly influenced social value. In addition, social value as mediating variable was also statistically significant influenced behavioral loyalty in step three ( $\beta = .385$ ,  $p < 0.01$ ).

The result of statistic analysis revealed that social value fully mediated the relationship between tangible and behavioral loyalty, while it partially mediated the relationships between responsiveness, empathy and behavioral loyalty. The full SPSS is presented in Appendix.

**Table 5.28: Mediating Effect of social value on the Relationship between service quality and behavioral loyalty**

Variables	DV attitudinal loyalty		
	Step1(std.	Step2(std. Beta)	Step2(std .Beta)
<b>Control variables</b>			
Income	.006	.015	.003
Type of account	.094	.002	.028
Responsiveness		.281 ***	.218
Tangible		.199***	.051
Empathy		.350 ***	.260
Mediator: Social value			385***
<b>R<sup>2</sup></b>	.009	.424	.499
<b>R<sup>2</sup> change</b>	.009	.415	.074
<b>F change</b>	1.040	31.279	<b>32.013</b>

Level of significant: \* $p < 0.10$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$

Table 5.29 summarizes the results of testing hypotheses concerning the mediating effect of perceived value between service quality and customer loyalty. The finding of mediating effects implied that three components of service quality (responsiveness, tangible, and empathy) influences the attitudinal loyalty in customers of Sudanese banking sector through price value, emotional value, and social value.

While these components influence behavioral loyalty of in customers of Sudanese banking sector through price value and social value.

These results indicated that perceived value through which three components of service quality (responsiveness, tangible, and empathy) effect customer loyalty, followed by price value, emotional value, and lastly social value.

**Table5.29: Summary of Hypotheses Testing Results for Mediated Effects of perceived value**

H4	Perceived value mediates the relationship between service quality and customer loyalty.	Partially Supported
H4.1	Price value mediates the relationship between service quality and customer loyalty.	Partially Supported
H4.1.a	Price value mediates the relationship between responsiveness and attitudinal loyalty.	Supported
H4.1.1.b	Price value mediates the relationship between responsiveness and behavioral loyalty.	Supported
H4.1.2.a	Price value mediates the relationship between tangible and attitudinal loyalty.	Supported
H4.1.2.b	Price value mediates the relationship between tangible and behavioral loyalty.	Supported
H4.1.3.a	Price value mediates the relationship between reliability and attitudinal loyalty	not Supported
H4.1.3.b	Price value mediates the relationship between reliability and behavioral loyalty.	not Supported
H4.1.4.a	Price value mediates the relationship between empathy and attitudinal loyalty	Supported
H4.1.4.b	Price value mediates the relationship between empathy and behavioral loyalty.	Supported
H4.1.4.a	Price value mediates the relationship between assurance and attitudinal loyalty.	Not Supported
H4.1.4.b	Price value mediates the relationship between assurance and behavioral loyalty.	Not Supported
H4.2	Emotional value mediates the relationship between service quality and customer loyalty.	Partially Supported

H4.2.1.a	Emotional value mediates the relationship between responsiveness and attitudinal loyalty.	Supported
H4.2.1.b	Emotional value mediates the relationship between responsiveness and behavioral loyalty.	Not Supported
H4.2.2.a	Emotional value mediates the relationship between tangible and attitudinal loyalty.	Supported
H4.2.2.b	Emotional value mediates the relationship between tangible and behavioral loyalty.	Not Supported
H4.2.3.a	Emotional value mediates the relationship between reliability and attitudinal loyalty	Not Supported
H4.2.3.b	Emotional value mediates the relationship between reliability and behavioral loyalty.	Not Supported
H4.2.4.a	Emotional value mediates the relationship between empathy and attitudinal loyalty	Supported
H4.2.4.b	Emotional value mediates the relationship between empathy and behavioral loyalty.	Supported
H4.2.5.a	Emotional value mediates the relationship between assurance and attitudinal loyalty.	Not Supported
H4.2.5.b	Emotional value mediates the relationship between assurance and behavioral loyalty.	Not Supported
H4.3	Social value mediates the relationship between service quality and customer loyalty.	Partially Supported
H4.3.1.a	Social value mediates the relationship between responsiveness and attitudinal loyalty.	Supported
H4.3.1.b	Social value mediates the relationship between responsiveness and behavioral loyalty.	Supported

H4.3.2.a	Social value mediates the relationship between tangible and attitudinal loyalty.	Supported
H4.3.2.b	Social value mediates the relationship between tangible and behavioral loyalty.	Supported
H4.3.3.a	Social value mediates the relationship between reliability and attitudinal loyalty	Not Supported
H4.3.3.b	Social value mediates the relationship between reliability and behavioral loyalty.	Not Supported
H4.3.4.a	Social value mediates the relationship between empathy and attitudinal loyalty	Supported
H4.3.4.b	Social value mediates the relationship between empathy and behavioral loyalty.	Supported
H4.3.5.a	Social value mediates the relationship between assurance and attitudinal loyalty.	Not Supported
H4.3.5.b	Social value mediates the relationship between assurance and behavioral loyalty.	Not Supported

### 5.8.5 The Moderating Effects of Switching Costs

The fifth hypothesis predicts that the two dimensions of switching costs (Relational cost and Procedural) moderate the relationship between societal marketing orientation and market-based capabilities, as shown in Figure 5.31 below.

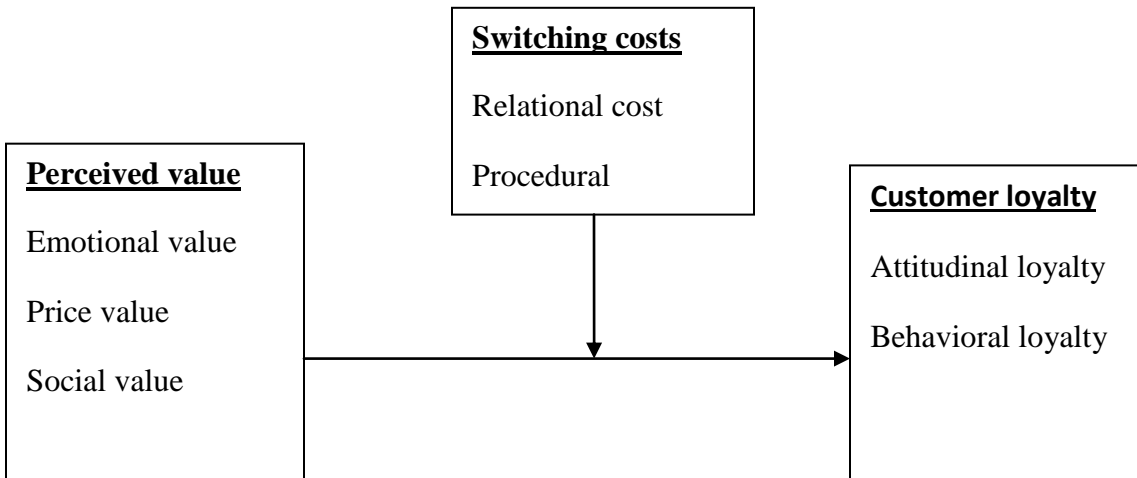


Figure 5.9: Moderating Effect of switching costs

To test these hypotheses a four-step hierarchical regression analysis was conducted (Baron & Kenny, 1986; Sharma et al., 1981) for each of moderator. In the first step, the control variables are entered, in the second step the predictor variables entered in the regression equation. In the third step, moderating variable was entered into the regression equation to test its isolated effect on the criterion variable. While in step four, the process requires the introduction of a multiplicative interaction term into the regression equation. Accordingly, four multiplicative interaction terms were created by multiplying the values of societal marketing orientation by the values of hypothesized institutional context

To demonstrate if the moderator effect is present on the proposed relationship, three maximum conditions were used. First, the final model is significant. Second, the F change is significant. Third multiplicative interaction term is also statistically significant. Additionally, in order to establish whether moderator is a pure or a quasi moderating this research applied the criteria mentioned by Sharma et al (1981). If the coefficients of both the multiplicative interaction term and the moderator variable are significant, the moderator is a quasi-moderator. However, if the coefficient of the multiplicative interaction term

was significant and the coefficient of the moderator variable effect was not significant, the moderator is a pure moderator.

A pure moderator effect implies that the moderator variable (institutional context) modifies the relationship (i.e. the regression coefficient) between the predictor variable (perceived value) and criterion variable (two type of customer loyalty).

#### **5.8.5.1 The Moderating Effect of Relational Cost on the Relationship between Perceived Value and Customer Loyalty**

At first, the results of its direct and moderating effects of switching costs (1) on the relationship between perceived value and customer loyalty are as follows:

##### **5.8.5.1.1 The Moderating Effect of Relational Costs on the Relationship between Perceived Value and Attitudinal Loyalty**

Table 5.30 presents the result of testing moderating effect of relational costs on the relationship between the components perceived value and attitudinal loyalty. A close inspection revealed that relational costs to have no significant moderating effect on the said relationship. None of the values of interaction terms in step four is significant and the change in the models as a whole, after introduction of the interaction terms, is also not significant as indicated by the value of F change. The introduction of the interaction terms in step four increases R square about less than 2%. Therefore, relational costs not moderate the relationship between components of perceived value (emotional value, price value, social value) and attitudinal loyalty.



**Table5.30: Moderating Effect of relational cost on the Relationships between perceived value and attitudinal loyalty**

Variables	DV attitudinal loyalty			
	Step1 (std.	Step2(std. Beta)	Step3(std .Beta)	Step4 (std .
Control variables				
Income	.089	.066	.067	.097
Type of account	-.022	-.057	-.060	-0.67
<u>Predictor variables:</u>				
Emotional value		.402	.400	-.010
Price value		.257	.256	.639
Social value		.240	.236	.187
<u>Moderating variable</u>				
Relational costs				
Interaction terms:				
Em X sw1				.838
Pr X sw1				-.699
So X sw1				.110
F value	.890	91.601	76.102	52.103
R <sup>2</sup>	.007	.657	.657	.666
Adjusted R2	-.001	.650	.649	.653
R <sup>2</sup> change	-.007	.650	.000	.009
F change	.890	150.972	.179	2.064

Level of significant: \* $p < 0.10$ , \*\* $p < 0.05$ , \*\*\* $p < 0.0$

### 5.8.5.1.2 Moderating Effect of Procedural on the Relationships between Perceived Value and Attitudinal Loyalty

Table 5.31 presents the result of testing moderating effect of Procedural on the relationship between the components perceived value and attitudinal loyalty. A close inspection revealed that Procedural to have no significant moderating effect on the said relationship. None of the values of interaction terms in step four is significant and the change in the models as a whole, after introduction of the interaction terms, is also not significant as indicated by the value of F change. The introduction of the interaction terms in step four increases R square about less than 2%. Therefore, Procedural not moderates the relationship between components of perceived value (emotional value, price value, social value) and attitudinal loyalty.

**Table:5.31 Moderating Effect of Procedural on the Relationships between perceived value and attitudinal loyalty**

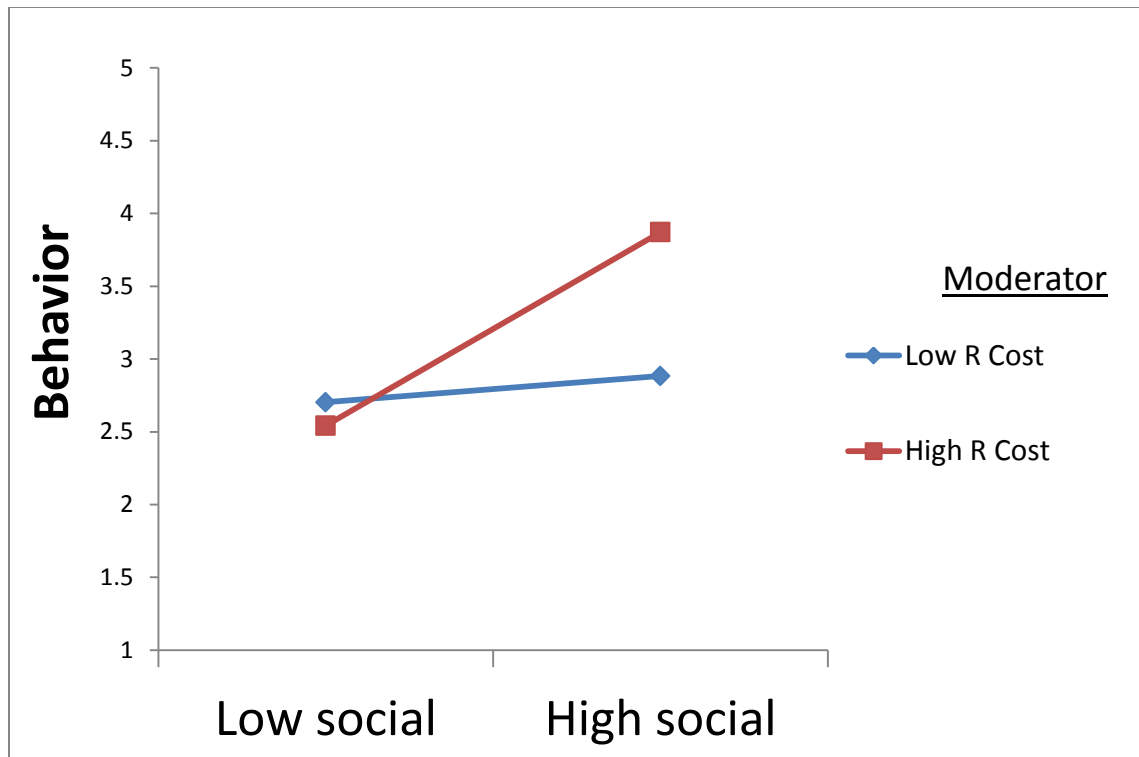
Variables	DV attitudinal loyalty			
	Step1(std.	Step2(std. Beta)	Step3(std .Beta)	) Step4(std .
Control variables	.097	.074	.076	.079
Income				
Type of account	-.010	-.042	-.048	-0.034
<u>Predictor variables:</u>		.405	.388	-.397
Emotional value				
Price value		.250	.245	.777
Social value		.258	.239	-.062
<u>Moderating variable:</u>				
Relational costs				
<u>Interaction terms:</u>				
Em X PR				-.018
Pr X PR				-1.002
So X PR				.064
F value	1.082	101.042	85.271	58.501
R <sup>2</sup>	.009	.680	.683	.692
Adjusted R2	.001	.673	.675	.680
R <sup>2</sup> change	.009	.671	.004	.009
F change	1.082	166.197	2.735	2.254

#### **5.8.5.4 Moderating Effect of Relational Cost on the Relationships between Perceived Value and Behavioral Loyalty**

For moderating effect of relational cost on the relationships between perceived value and behavioral loyalty the results are presented in Table 5.33 An inspection on the beta coefficients for interaction terms reveals that relational cost moderates the relationship between one component1 of perceived value ,namely (social value  $\beta=.287$ ,  $p<0.10$ ) and behavioral loyalty. The introduction of the interaction terms in step four increase R square about 3% and the model as a whole is significant ( $F=6.18$ ,  $p<0.01$ ). However, relational cost shows no moderating effect between the other two perceived value components (emotional value, price value) and behavioral loyalty. Hence, relational cost in this context is a quasi moderator rather than a pure moderator.

**Table 5.32 Moderating Effect of relational cost on the Relationships between Perceived Value and Behavioral Loyalty**

<u>Variables</u>	<u>DV behavioral loyalty</u>			
	Step1(std.	Step2(std. Beta)	Step3(std .Beta)	Step4(std .
Control variables				)
Income	.011	.019	.020	.047
Type of account	.64	.031	.015	-.008
<u>Predictor variables:</u>		.110	.098	-.346
Emotional value				
Price value		.291	.284	.522
Social value		.377	.353	.207
<i>Moderating variable:</i> relational cost				
<i>Interaction terms:</i>				
Em X RC				.868
Pr X RC				-.461
So X RC				.287
F value	.559	44.557	38.505	29.419
R <sup>2</sup>	.005	.485	.495	.532
Adjusted R <sup>2</sup>	.004	.474	.482	.514
R <sup>2</sup> change	.005	.480	.010	.037
F change	.559	73.551	4.734	6.179



R Cost strengthens the positive relationship between social and Behavior.

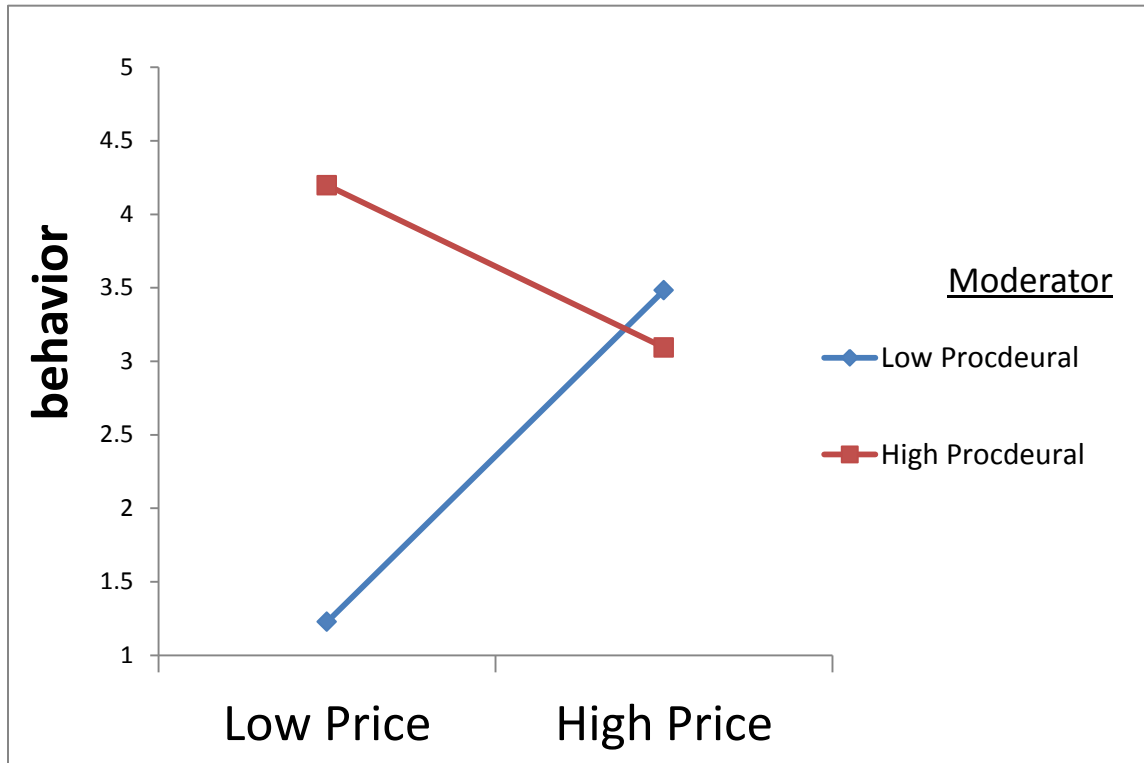
### 5.8.2.2 Moderating Effect of Procedural on the Relationships between Perceived Value and Behavioral Loyalty

Table 5.34 presents the result of testing moderating effect of Procedural on the relationship between perceived value and behavioral loyalty. An inspection on the beta coefficients for interaction terms reveals that Procedural moderates the relationship between one component of perceived value, namely (price value  $\beta=.287$ ,  $p<0.10$ ) and behavioral loyalty. The model as a whole is significant ( $F=1.14$ ,  $p<0.01$ ). However, Procedural shows no moderating effect between the other two perceived value components (emotional value, price value) and

behavioral loyalty. Hence, Procedural in this context is a quasi-moderator rather than a pure moderator.

**Table: 5.33 Moderating Effect of Procedural on the Relationships between perceived value and behavioral loyalty**

Variables	DV behavioral loyalty			
	Step1(std.	Step2(std. Beta)	Step3(std .Beta)	Step4(std .
Control variables				)
Income	.002	.014	.022	.017
Type of account	.064	.031	.010	.017
<i>Predictor variables:</i>		.112	.045	.049
Emotional value				
Price value		.288	.262	.645
Social value		.377	.309	.165
<u>Moderating variable</u>				
Procedural				
<u>Interaction terms:</u>				
Em X sw1				.090
Pr X sw1				-.840
So X sw1				.248
F value	.504	43.992	44.105	30.052
R <sup>2</sup>	.004	.482	.530	.538
Adjusted R <sup>2</sup>	-.004	.471	.518	.520
R <sup>2</sup> change	.004	.478	.047	.009
F change	.504	72.681	23.603	1.445



Procedural dampens the positive relationship between Price and behavior.

Table 5.34 summarizes the results of testing hypotheses concerning the moderating effect of switching costs between perceived value and customer loyalty. The results indicate that overall the main hypothesis was partially supported. The result of testing this hypothesis revealed that the relational cost and Procedural were not supported with the relationship between all perceived value components and attitudinal loyalty. And then competitive intensity. The results also revealed that the moderating effect of relational cost on the Relationship between social value and behavioral loyalty was supported. Another observation, the hypotheses of the moderating Effect of Procedural on the

Relationship between price value and behavioral loyalty was supported. The results also revealed that relational cost not moderator on the relationship between two component of perceived value (price value, emotional value) and behavioral loyalty. Finally, the Procedural not moderator on the relationship between two component of perceived value (emotional value, social value) and behavioral loyalty.

**Table 5.34: Summary of Hypotheses Testing Results for moderator of switching costs on the Relationship between perceived value and customer loyalty.**

<b>Item</b>	The Moderating Effect of switching costs on the relationship between perceived value and customer loyalty	<b>Remark</b>
H5.1	The Moderating Effect of relational cost on the Relationship between price value and customer loyalty.	<b>Partially Supported</b>
H5.1.1	The Moderating Effect of relational cost on the Relationship between price value and attitudinal loyalty.	<b>Not Supported</b>
H5.1.1.a	The Moderating Effect of relational cost on the Relationship between price value and behavioral loyalty.	<b>Not Supported</b>
H5.1.1.b	The Moderating Effect of relational cost on the Relationship between emotional value and customer loyalty.	<b>Not Supported</b>
H5.1.2	The Moderating Effect of relational cost on the Relationship between emotional value and attitudinal loyalty.	<b>Not Supported</b>
H5.1.2.a	The Moderating Effect of relational cost on the Relationship between emotional value and behavioral loyalty.	<b>Not Supported</b>
H5.1.2.b	The Moderating Effect of relational cost on the Relationship between social value and customer loyalty.	<b>Partially Supported</b>
H5.1.3	The Moderating Effect of relational cost on the Relationship between social value and attitudinal loyalty.	<b>Not Supported</b>

H5.1.3.a	The Moderating Effect of relational cost on the Relationship between social value and behavioral loyalty.	<b>Supported</b>
H5.1.3.b	The Moderating Effect of Procedural on the Relationship between perceived value and customer loyalty.	<b>Partially Supported</b>
H5.2	The Moderating Effect of Procedural on the Relationship between price value and customer loyalty.	<b>Partially Supported</b>
H5.2.1	The Moderating Effect of Procedural on the Relationship between price value and attitudinal loyalty.	<b>Not Supported</b>
H5.2.1.a	The Moderating Effect of Procedural on the Relationship between price value and behavioral loyalty.	<b>Supported</b>
H5.2.1.b	The Moderating Effect of Procedural on the Relationship between emotional value and customer loyalty.	<b>Not Supported</b>
H5.2.2	The Moderating Effect of Procedural on the Relationship between emotional value and attitudinal loyalty.	<b>Not Supported</b>
H5.2.2.a	The Moderating Effect of Procedural on the Relationship between emotional value and behavioral loyalty.	<b>Not Supported</b>
H5.2.2.b	The Moderating Effect of Procedural on the Relationship between social value and customer loyalty.	<b>Not Supported</b>
H5.2.3	The Moderating Effect of Procedural on the Relationship between social value and attitudinal loyalty.	<b>Not Supported</b>
H5.2.3.a	The Moderating Effect of Procedural on the Relationship between social value and behavioral loyalty.	<b>Not Supported</b>



# **CHAPTER SIX**

## **DISCUSSION AND CONCLUSION**

### **6.0 Chapter Overview**

This chapter is for discussion and conclusion that come consistency with data analysis and findings , so it contain research recapitulation, major research outcomes , research implication of the research. Next, limitations and directions for future research. Finally, an overall conclusion of the research.

### **6.1 Recapitulation of the Research Findings**

This contemplation aimed to investigate Service quality in Sudanese banking sector. Alongside, the research aimed at investigating the relationship between the service quality and customer loyalty. The research as well investigated the relationship between service quality using SERVQUAL and perceived value. The relationship between perceived value and customer loyalty was also searched. Furthermore, the research tried to locate the mediating impact of perceived value between the relationship between service quality and customer loyalty drivers besides the moderating impact of switching costs variables on the relationship between perceived value and customer loyalty. the research covered all Sudanese banking sector(37) bank.

Six research questions were outlined to attain the aims of the research. The questions are as follows:

1. To what lengthening the relationship among all study variables are positive?

2. What is the relationship service quality and customer loyalty?
3. What is the relationship between service quality and perceived value?
4. What is the relationship between perceived value and customer loyalty?
5. Do perceived value mediate the relationship between service quality and customer loyalty?
6. Does switching costs moderate the relationship between perceived value and customer loyalty?

According to the literature review, the research matched the variables to be converged on and to involve five components of service quality namely: (tangible, reliability, Responsiveness, assurance, empathy) , and two proportion of customer loyalty(attitudinal loyalty, behavioral loyalty).This beside four forms of perceived value (Price value, Emotional value, Social value, and quality value) and proportion of switching costs .

The data for this research was taken out from a questionnaire survey on 34 banks in Sudan. The helpful sampling technique was used in selecting a sample for this research (quota sampling). Data collection was carried out through a structured questionnaire survey pointed to customers in each bank. The response rate achieved from the survey was 73% which was assumed to be satisfying the research intents. To locate whether non-response bias was present in the research early respondents were compared with late respondents along all the descriptive response items in the survey.

Prior running the analyses for hypothesis testing, factor analysis and reliability test were run to secure goodness of measures. Factor analysis was used to test for validity of the measures on all the research variables. Specially, varimax rotation was utilized to identify the dimensionality of the research variables. The outcomes pointed out that the extracted factors appropriate the conceptualized variables. However, the outcomes of factor analysis for service quality

demonstrated that five factors (tangible, reliability, Responsiveness, assurance, empathy).the empathy merged in factors, and assurance split to two factors, one component was renamed empathy according to the literature review. Also the four component of perceived value merged in three components, in addition, the switching costs was split to two dimensions (procedural, and relational costs).

The reliability of empirical measurements was taken out by internal consistency method using Cronbach's alpha test. The outcomes of the reliability analysis confirmed that all the scales show satisfactory level of reliability.

To describe the characteristics of surveyed banks and all variables under research, the research used descriptive statistics beside to t-test and ANOVA .the five components of service quality: (responsiveness, tangible, reliability, assurance, and empathy. The table reveals that the customers in Sudanese banking sector more one empathy, followed by assurance and responsiveness, followed by reliability and the lowest components of service quality is tangible.

Descriptive analysis was also run for the mediate Variables on the research namely: the: perceived value (price value, emotional value and social value). In Sudanese banking sector more on social value followed by emotional value, and the lowest components of perceived value is price value. The moderator Variables: switching costs (relational costs and procedural).and The table reveals that the all Sudanese banks the highest relational costs and lowest components of switching costs is procedural. With respect of the two components of customer loyalty: attitudinal loyalty, and behavioral loyalty in Sudanese banking sector highest on attitudinal loyalty and lowest is behavioral loyalty .Given that the scale used a 5-point scale (1=strongly disagree, 5=strongly agree) it can be concluded that in Sudanese banking sector is highly of attitudinal loyalty above the average mean.

The outcomes of the bivariate correlations between the constructs incorporated in both the measurements and theoretical framework demonstrates that all the

correlations are in the hypothesized positive relationship. The outcome reveal that relationship between service quality component and customer loyalty: responsiveness, tangible, reliability, empathy and assurance) positively and significantly correlated with attitudinal loyalty and behavioral loyalty. Also that service quality dimension were positively correlated with perceived value variables(emotional value ,price value, and social value). that perceived value is positively correlated with customer loyalty variables(attitudinal and behavioral). The multiple and hierarchical regression analysis was used to test the hypotheses of the research.

The first hypothesis predicts that there is a positive relationship between service quality and customer loyalty. , two-step regression analysis of two control variables and five components of service quality on customer loyalty the two control variables together contributed of the total variation in customer loyalty. The results showed that hypothesis was supported while some are not.

The second hypotheses in this research predict that five service quality components ( responsiveness, tangible ,reliability, empathy, and assurance) have positive relationship with the three dimensions of perceived value(emotional value, price value, social value). The outcomes predict that there is a positive relationship between two component of service quality (responsiveness, and empathy) and perceived value. The hypothesis of the relationship between (reliability, and assurance) and perceived value were not supported. However, the relationship between tangible and (price value, and social value) was positive, Beside, the outcomes point out that tangible significant negative relationship with emotional value.

The third hypothesis predicts that perceived value (price value,emotional value, and social value) have a positive relationship with customer loyalty namely (attitudinal loyalty, and behavioral loyalty).

The outcomes point out that the relationship between (price value, social value) and customer loyalty was supported. , Beside, the outcomes point out that emotional value was positive relationship with attitudinal loyalty ,and negative relationship with behavioral loyalty.

The forth hypothesis predicts that the three proportions of perceived value(price value, emotional value, and social value) mediate the relationship between service quality (responsiveness, tangible ,reliability, empathy, and assurance) and the two proportions of customer loyalty (attitudinal loyalty, and behavioral loyalty). The outcomes showed that demonstrated that the three mentioned components of service quality(responsiveness, tangible, empathy) impacts on customer loyalty (attitudinal loyalty, and behavioral loyalty) throughPrice value and social value . However, price value and social value could not set up the mediation impacts between (reliability, assurance) and customer loyalty), Emotional value mediates the relationship between responsiveness and attitudinal loyalty. Beside, the outcomes point out the emotional value mediator between (responsiveness, tangible, and empathy) and attitudinal loyalty. But could not set up the mediation impacts. The relationship between (responsiveness, tangible) and behavioral loyalty. Also, the outcomes point out the emotional value mediator between empathy and behavioral loyalty.

The fifth hypothesis predicts that the two proportions of switching costs(procedural, and relational costs). The outcome of testing this hypothesis brought out that the procedural moderate the relationship between social value and behavioral loyalty. Also, the Moderating Effect of relational costs on Relationship between price value and behavioral loyalty supported.

## **6.2 Discussion**

Instituted on the previous section, this section foster discusses the research findings. The discussion covers the service quality and its lengthening of existence,

the relationship between service quality and customer loyalty, the relationship between service quality and perceived value, the relationship between perceived value and customer loyalty. The discussion also covers the mediating impact of perceived value between service quality and customer loyalty, as well as the moderating impacts of switching costs.

### **6.2.1 Lengthening of Positive Relationship between the Study Variables**

The first research aim was to test extend of the positive relationship between all the study variables among Sudanese banking sector. The findings in this research present the results of the inter correlation among the variables. The correlation analysis was conducted because these vicariate correlations allow for preliminary inspection and information regarding hypothesized relationships. After satisfying the reliability of the scales assessed by internal consistency using Cronbach' alpha. The outcomes depicted that all the main variables were had positive relationship among each other.

### **6.2.2 The Relationship between Service Quality and Customer Loyalty**

The second, this research aim was to test the relationship between service quality and customer loyalty. This relationship is meaningful because the past studies could not test the relationship between service quality using SERVIQUAL and customer loyalty as the tow dimensions (attitudinal loyalty, and behavioral loyalty). The outcomes are discussed in the following subsections.

The outcomes of the research demonstrated that four components of service quality (responsiveness, tangible, empathy, and assurance) have positive relationship with a customer loyalty(attitudinal loyalty, behavioral loyalty), but reliability, has negative significant relationship with customer loyalty. In addition, assurance has negative relationship with behavioral loyalty.

The relations between service quality, customer satisfaction and loyalty are one of the most popular research topics among service researchers (Chai, Ding, and Xing,

2009; Pilkington and Chai 2008). Pilkington and Chai (2008) studied the importance of quality of products and services on customer satisfaction and found out that loyal customers generally lie in category of customers who have used higher quality products. This implies that better quality of products tends to increase customers' loyalty.

Researches by Chai and colleagues (2009) show that quality of services to a customer is one of the the majority important factors in identifying new customer needs and as we all know, the key to customer satisfaction and loyalty is providing the customers with their undiscovered needs. Other studies done by Bastos and Gallego (2008); Yi, (1990); Chai et al, (2009); Bloemer, et al (1995) also show the importance of products and services quality in enhancing customer satisfaction and loyalty. One may pursue the general point of these studies in undiscovered customer needs. In a setting where companies do not depend on others to serve customers, the customer is aware to whom his/her perception is dedicated, and the direct link between perceived quality, customer satisfaction and loyalty is naturally expected.

This has been proven by many researchers in both pure product (e.g. Zeithaml 1988, Cronin et al. 2000, Brady and Cronin 2001) and pure service settings (e.g. Parasuraman et al. 2005, Wofinbarger and Gilly 2003). It may be easy to point out that customer satisfaction increases their loyalty, but there are also many satisfied customers who are not loyal to that particular brand. Thus, paying attention to satisfaction and loyalty at the same time is to be a critical and also a challenging task for a company. Studies undertaken by Coyne (1989); Oliva et al., (1992); Fornell (1992); Gultinan, et al. (1997); Sivadas and Baker-Prewitt (2000); Bowen, and Chen (2001); Bansal and Gupta (2001); Silvestro, and Low (2006), show that there is a positive and meaningful relationship between customer satisfaction and increase in the customers' loyalty.

Su et al., 2009; Pollack, 2009; Yavas&Babakus, 2009), found that higher levels of service quality lead to higher levels of customers loyalty.

The findings of this study proved that service quality has significant relationship with customer loyalty coincides with the results of(Alok Kumar Rai, 2013) who found service quality holds greatest significance for the customers while taking conscious or unconscious decision of binding their loyalty with a life insurer. Service quality is of primary importance in respect of customer loyalty. Additionally, (Rahim Mosahab, 2010) demonstrates service quality has a direct relation with loyalty, and nearly 45 percent of loyalty changes can be explained by service quality changes. This result also confirm with (Mughtar Rizka, 2013)reported that service quality direct effect on customer loyalty. Moreover, (Robabeh Sadat Hosseini\*, 2015) examines the relative importance of service performance and quality of experience in building of brand image and ultimately the brand loyalty. (Es, 2012)Demonstrates dimensions of service quality are the most important variables of service quality to determine customer loyalty, responsiveness and reliability have very high correlation coefficients with customer loyalty. About 80% of the variance in customer loyalty is explained by these constructs. Similar to the effect of service quality was found in this study to have a significant and positive relationship with behavioral loyalty .This result aligns with previous research that found service quality has direct effects on passengers' behavioral intention. (Huang, 2009).

Unlike (Wang, 2011) found e-service quality did not significantly affect customer loyalty, Therefore e-service quality influences customer loyalty through satisfaction. These results indicate that e-service quality does not directly affect online shopping customer loyalty, but it does so indirectly through the mediation of perceived value and customer satisfaction. customer perceived value has a significant impact on customer loyalty.



On the other hand, (Ko de Ruyter and Martin Wetzels, 1998) suggest there are three dimensions of service loyalty that can be identified: preference loyalty, price indifference loyalty and dissatisfaction response. Moreover, who found a positive relationship between perceived service quality and preference loyalty and price indifference loyalty. No significant relationship between perceived service quality and dissatisfaction response was found. This might be explained by the fact that dissatisfaction response is related specifically to an incident or a specific attribute of service (e.g. a complaint handling procedure) instead of an overall evaluation of the quality of the core service. Second, investigated the influence of industry type on the perceived service quality-service loyalty relationship. It was found that the influence of service quality on preference loyalty generally varies per industry and that findings from one industry cannot be generalized to other industries. In line with Fornell (1992) there seems to be what might be called a “loyalty-elasticity” across service industries. Furthermore, we established that in industries characterized by relatively low switching costs, customers will be less loyal both in the preference and price indifference sense as compared to service industries with relatively high switching costs.

The result of the study revealed that tangible has a significant effect on customer loyalty. This result is consistent with the previous findings that found significant impact on customer loyalty. Sureshchandar et al. (2003).Furthermore, tangible has a significant effect on customer loyalty consistent with (Es, 2012) who demonstrates, tangibles have the lowest correlation coefficient with customer loyalty. Garages cannot directly capture value from tangibles and therefore it does not determine customer loyalty. So, tangibles of the service should be of a sufficient level, but they are more a basic requirement that is supposed to be present.

In addition (Lai-Ying Leong a, 2015) found as for the impacts of SERVPERF dimensions towards customer satisfaction of the airline industry, tangibles, reliability and responsiveness were found to have a direct, significant and positive impact on CS. At the same time these indirectly impact on CL as well. While assurance and empathy pose no direct and significant impact on CS and no indirect significant impact on CL.

(Choudhury, 2013) Explores the relationship between service quality (attitude, competence, tangibles and convenience) )and WOM by linking both constructs at their dimensional level. The results of this study provide strong support for the predictive power of perceived service quality on WOM communications, find out the effects of the four factors of service quality (attitude, competence, tangibles and convenience) on WOM offer strong support for the facts that attitude is most important for influencing WOM about the banks followed by competence, tangibles and convenience The results thus provide evidence of the Usefulness of service quality research, since WOM communications and purchase intentions have been suggested as important dimensions of the concept of service loyalty.

Also This coincides with the results (Al-Zoubi M. R., 2013)indicate a strong and positive correlation between SERVQUAL and customer loyalty in the Jordanian telecom market. These results support the existing relationship between the SERVQUAL and customer loyalty in the telecom market in Jordan. The Study revealed that SERVQUAL had a significant impact at level on customer loyalty in the Jordanian telecom market. The study revealed that for (Responsiveness, Empathy, and Reliability) respectively which indicates a significant impact at level on customer loyalty in the Jordanian telecom market.

The results further reveal that tangible positively affects customer loyalty. This result is consistent with the previous findings is that the bank customers often

look to any tangible indications which may be used as indicators of the service quality. The customers can assess the premises of the banks; or perhaps the appearance of the bank's staff. (Daniel Onwonga Auka, 2013). Lai (2004) also pointed out that tangibility is positively related to customer loyalty.

Additionally, contrary to the findings by (Alok Kumar Rai, 2010) focus upon the tangibles have no significant impact on customer loyalty. Also, (Alok Kumar Rai, 2010) due to the emergence of IT, tangible has lost its importance as a measurement for customer loyalty.

The outcomes foster show that responsiveness has a significant effect on customer loyalty. This result is consistent with the previous findings that found significant relationship between responsiveness and customer loyalty (Alok Kumar Rai, 2010). Moreover (Daniel Onwonga Auka, 2013) thinkable that responsiveness and customer loyalty are positively correlated. The bank customers in Kenya prefer a friendly bank, which is willing to help in their banking operations. Willingness to help customers is likely to have an important and positive effect on customer loyalty in the retail banking sector in Kenya. Mengi (2009) also demonstrates that responsiveness is positively related to customer loyalty. On the other hand, Surprisingly, these results are contrary to the prior findings in other studies (Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006).

The results further reveal that empathy positively affects on customer loyalty. This finding coincides with previous studies that found empathy has significant positive relationship with customer loyalty. (Alok Kumar Rai, 2010), Furthermore, This evidence is supported by the findings by Butcher (2001), Ndubisi (2006) and Ehigie (2006).

Moreover, This outcome is justifiable by (Jorge Vera a, 2013) who suggest, the empathy at least partially, both client satisfaction and the loyalty the customer manifests towards the retail bank brand. Never the less, the results also suggest that

the achievement of service quality attributes is not sufficient to convince clients to pay a higher price for the services they receive from their bank. findings also pointed out that the bank customers in Kenya want a high degree of interaction with the bank staff and they also expect personalized service from the bank staff. The bank customers are also looking for front line staff that is capable of understanding their specific needs. The study confirms that empathy has a large positive correlation with customer satisfaction (Daniel Onwonga Auka, 2013). The findings also concur with the study by Ladhari (2009) which found that empathy is a very strongest predictor of customer loyalty.

This study found assurance strongest significant effect of on attitudinal loyalty this consistent with (Alok Kumar Rai, 2010) who explore a significant relationship between assurance and customer loyalty. also agree with the evidence of the studies carried out by Lympelopoulos et al. (2006) and Ndubisi (2006), And (Es, 2012)points out assurance is positively related to customers loyalty, but the correlation is less strong .The findings also pointed out that there is a positive and meaningful relation among all fivefold dimensions of service quality with satisfaction and loyalty, which in both cases assurance and tangibles have the most and the least relation with satisfaction and loyalty, In other words, it sees that tangibles can be considered as health factors, and assurance as motivational factor(Rahim Mosahab, 2010). (Daniel Onwonga Auka, 2013) Found assurance shows a positive correlation with customer loyalty. The possible explanation of this finding is that the bank can instill feelings of confidence in its customers and the banks handle their customers in a professional and competent way. The findings concur with those of Kumar et al (2010), and Lai (2004) who found that assurance is one of the important factors for customer loyalty.

On the other hand, assurance not significant effect of behavioral loyalty. This result line with (Al-Zoubi M. R., 2013) who demonstrates that Physical

Appearance and assurance have no significant impact on customer loyalty in the Jordanian Telecom market.

The results further reveal that Reliability negatively effect on customer loyalty, This result is consistent with (Mu'azu Saidu Badara1, 2013) who examined mediating effect of customer satisfaction on the relationship between service quality and customer loyalty in Nigerian Islamic Bank., The interpretation of the hypotheses results indicates that responsiveness has a significant positive effect on customer satisfaction, Likewise assurance has significant positive effect on customer loyalty. Therefore, other the relationship between customer loyalty and reliability is rejected. In addition, the relationship between customer loyalty and (responsiveness, empathy, and tangible) not supported.

Additionally, contrary to the findings by (Daniel Onwonga Auka, 2013) who argue that a positive relationship between reliability and customer loyalty in the retail banking sector in Kenya. The result shows that customers are satisfied with the services provided by the bank as promised and handling (speed) of solving the problem. Customers are confident that banks will fulfill the promised terms and conditions which will not go against their (customers) interests. Reliability is considered one of the important factors of service quality dimension that contributes to customer loyalty. This study empirically established that customer loyalty to bank will be strongly influenced by service quality. It can be observed from table 2c that using beta values to measure the variation in customer loyalty indicated that reliability contributed to the highest variability followed by empathy, assurance, tangibility and responsiveness respectively.

### **6.2.3 The relationship between Service Quality and Perceived Value**

The third research objective was to investigate the relationship between service quality and perceived value. The perceived value as consisting of three types namely; price value, emotional value, and social value.

Service quality was posited as having a significant and positive relationship with perceived value. On the results had revealed that some of the findings are consistent with previous research while some are not. These results are discussed in the following subsections.

The result of the study revealed that responsiveness and empathy positive relationship with perceived value. .In addition, the relationship between reliability and assurance negative relationship with perceived value. Moreover, tangible negative relationship with emotional value.

According to (Cemal Zehira, 2014) who using E\_S\_QUAL scale, it is observed that the relationship of E-service Quality, with Perceived Values is significant relationship. Similar, (mumel, 2004) examined the impact of perceived quality on perceived value of a mobile phone who showed The relationship between perceived quality and perceived value will be positive the effect of service quality was found in this study to have a significant and positive relationship with perceived value. Positive effect was also confirmed in the research with small household appliances by Sweeney et al. (1999) and in research with calculators by Teas and Agarwal (2000).Also , This result is consistent with the previous findings that found significant relationship between service quality was able to influence customer perceive value of a service brand (Sadia Jahanzeb, 2013), results of this study suggest that alongside perceived value, investigates the direct effect of service quality on building perceive that a service brand deliver quality services, considered it as a value creating entity .This results also is line with the previous findings that suggest a strong and positive relationship between a firm's service quality and value perceived by its customers (He and Li, 2011; Yang and Peterson, 2004).

Furthermore, (Wang, 2011)demonstratesE-service quality influence accounted for 54.3 per cent of the variance in customer perceived value. Together,

the predictors such as e-service quality and customer perceived value explained 81 per cent of the variance in customer satisfaction. E-service quality, customer perceived value and customer satisfaction influence collectively accounted for 78 per cent of the variance in customer loyalty.

(Anderson and Gerbing, 1988) Revealed the highest correlation is between the functional value of the service quality and the emotional value ,and the lowest correlation is between the functional value of the contact personnel and the functional value price. The existence of discriminant validity is thus confirmed With the results obtained we can ratify the working hypothesis that the perceived value of the purchase has a multidimensional character, formed by the functional value of the establishment, the functional value of the personnel, the functional value of the service, the functional value price, the emotional value and the social value.

(Juan Carlos Fandos Roig, 2006)put forward as to the multidimensionality of perceived value is therefore accepted, differentiating functional and affective dimensions, and a scale of measurement of the perceived value by the customer in the banking sector, which incorporates not only functional or utilitarian characteristics, but also affective aspects represented by the emotional and social dimension, is also validated. This affective dimension is divided in to an emotional dimension (relating to feelings or internal emotions) and a social dimension (relating to the social impact of the purchase made). We have obtained the result that the value perceived by the customer in the banking sector is composed of six dimensions: functional value of the establishment, functional value of the personnel, functional value of the service, functional value price, emotional value and social value. (Moliner, 2009) Regarding the influence of perceived value on relationship quality, the first thing that stands out. Perceived quality acquires

importance in the formation of honesty and of benevolence, so we can conclude that it is the most important antecedent of trust.

furthermore (Gordon H.G. McDougall, 2000) reported that the impacts of core quality, relational quality, and perceived value on satisfaction are all hypothesized to be direct. (Manoj Edward, 2011) also indicate that service quality(SQ) has a positive effect on perceived value(PV) and customer satisfaction(CS).

According to (Muhammad Ahmad Raza, 2012) who reveals three dimensions of service quality and two dimensions of perceived value. The findings of the research show that there is relationship between all these variables. But the relationship is very complex. First of all three dimensions of service quality discovered from this study. These dimensions are service consistency, service convenience and customer demand fulfillment. Service consistency is not new one because this dimension is explored by many authors including Parasuman et al. This dimension is also not new but very rare in literature. This study explores Service convenience as new dimension of service quality. This study explores Service convenience as new dimension of service quality. Customer need fulfillment is new dimension discovered from this research. More researches in different industries and environments are required to prove importance of these dimensions. In perceived value, we find only two dimensions. These two dimensions are functional which is related with monetary value and other is symbolic which is related with social and emotional value. Secondly, this research finds relationship among service quality, perceived value, satisfaction and revisit intention in hotel industry. First of all the relationship between service quality dimensions and perceived value dimensions is significant. But only one dimension (service consistency) has positive relationship.

Besides that, (Ismail, Abdullah, & Francis, 2009)demonstrated that responsiveness is positively and significantly related to perceived value, assurance



is positively and significantly related to perceived value . empathy is positively and significantly related to perceived value. These statistical results show that the three service quality characteristics are important antecedents of perceived value in the organizational sample. The finding for this research shows that perceived value does act as a partial moderating variable in the relationship between service quality features and customer satisfaction.

This results is contrary with (Chung-Jye Hung, 2013) who regard there is a negative relationship between service quality of provider and perceived value towards the TBSE(technology-based service encounters).

#### **6.2.4 The relationship between Perceived Value and Customer Loyalty**

The fourth research objective sought to examine the relationship between three types of perceived value (emotional value, price value, and social value) and two dimensions of customer loyalty (attitudinal loyalty, and behavioral loyalty). These relationships are important because previous studies were negligible to the relationship between perceived value and two dimension of customer loyalty (Attitudinal and behavioral).This outcome is justifiable by previous research has demonstrated that Perceived Value, Perceived Quality and Product Attribute are the key factors for contributing towards customer loyalty. Keeping the findings of this research it is very obvious that the companies should always continue to emphasize on Perceived Value, Perceived Quality and Product Attribute in order to make customer loyal towards their products. Hence it is concluded that firms should emphasize on customer value (The cost benefit side) and customer perceived Quality because these two dimensions has greater influence on customer loyalty (Mohammad Majid, 2012). However, (Pin Luarn, 2003)investigated the direct effects of customer satisfaction, trust, perceived value, and commitment on loyalty .perceived value and commitment had a significant positive effect on the loyalty.Similarly, (Sadia Jahanzeb, 2013)explain the perceived value has a positive

and significant direct impact on brand corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm. Also, this result goes in line with the study of (Cemal Zehira, 2014) who demonstrated there is a positive significant relationship between Perceived Value and Loyalty Intentions. (Arne Floh a, 2014) Found strongly support the argument that perceived value dimensions (Functional Value, Economical Value, Emotional Value, and Social Value) influences behavioral intentions, but also that the effects differ in magnitude depending on the consumer segment. Hence, the basic model, assuming a homogeneous sample, provides a misleading view of consumer evaluations, with regression coefficients reflecting merely the ‘midpoints’ of given perceptions. However ,(Paul G. Patterson, 1997) examine the impact of perceived value in concert with satisfaction and repeat purchase intentions in a business to-business services context. Hence the results represent an important step forward in unraveling the intricate relationship between these three key constructs. Unlike studies that have found perceived value to influence intentions directly (usually in a pre-purchase situation, and thus neglecting satisfaction.

This result is also in line with the previous findings that suggest a strong and positive relationship between perceived value and brand equity (Sadia Jahanzeb, 2013) . On the other hand, (Ahmad Jamal a, 2015) in the study finds a significant link between PV (perceived value) and IP (Intention to purchase) but a non significant link between PV and IB (Intention to buy). Thoughts about specific product attributes may play a significant role in purchase decisions, whereas consequences may be more salient in decisions about shopping at retail stores. Perhaps the presence of other factors, such as cultural orientation and religiosity, renders the direct path between PV and IB insignificant. Besides that (Wang, 2011) examine in E-service quality, customer perceived value and customer satisfaction influence collectively accounted for 78 per cent of the variance in customer

loyalty. Also this result consist with (Chi, 2013), points out the consumer perceived price, quality and emotional values are significantly affected by where they usually purchase casual sportswear.(Chen .L.C., 2014) substantiate the impact of perceived program value, particularly the psychological value, on active loyalty. This finding echoes the results of prior studies (Bojanic, 1996; Chen and Tsai, 2007; Petrick and Bachman, 2002a, b) by validating the important role of psychological value in promoting continued consumer loyalty. In addition, (Chen .L.C., 2014) identifies significant differences in perceived financial value and externality value of the loyalty programs among eleven major hotel loyalty programs.

However, (Andrea Eggert, 2002) Examine the substantive relationship between customer perceived value, customer satisfaction and behavioral outcomes. The mediated model customer perceived value is estimated to have a strongly positive and highly significant impact on satisfaction .satisfaction itself has a strongly positive and highly significant impact on repurchase and word –of mouth intention. Direct relationships between CPV and behavioral outcomes did not improve the fit significantly. Satisfaction is better predictor for behavioral outcomes than CPV.

This outcome is justifiable by previous research has demonstrated that the significance of the influence of emotional and social values on attitudinal loyalty, as well as the significant effects of functional and monetary value on behavioral intentions, was confirmed. Furthermore, the strong influence of attitudinal loyalty on behavioral intentions was also identified. The results clearly reveal that in terms of the intensity of the effect, emotional value stands out as the strongest antecedent of attitudinal loyalty. Emotional value has a significant indirect effect on behavioral intentions through attitudinal loyalty (Vladimir Seni´, 2014).

(Md.Ariff, 2012) Explain Customers' perceived emotional value of the mobile phone had the strongest impact on customer satisfaction. A high correlation existed between customer satisfaction of the mobile phone and their loyalty towards the mobile phone service provider. In this research, emotional and social values to measure customers' perceived values of mobile phone services. The findings provide usable model for mobile phone service providers to enhance customers' perceived values of their services that contribute to high customer satisfaction and loyalty. Emotional value plays an important role in determining customer satisfaction. As discussed in the literature review, emotional value is generated from the feeling of using or purchasing a product or service. Thus, the mobile phone service provider should develop value-added services focusing on the emotional part of its subscribers. The social value appeared to be the least affective factor to influence customer satisfaction towards the mobile phone services. The finding of this study also validated the formation of customers' perceived values, satisfaction and loyalty. In services marketing literature, it was found those customers' perceived values of a product or a service will influence their satisfaction. Customers, who are satisfied with a service, will continuously use the service and become loyal customers.

(Pooja Jain, 2015) Focus upon, Perceived customer value significant positive impact on Loyalty and interaction effect of switching cost and perceived customer value is not significant on Loyalty. (Haslinda Hasan, 2014) Explain there is a positive relationship between perceived value and customer loyalty Results indicate that perceived value has a significant effect on customer loyalty. toward the products and services provided by the foreign banks. The higher the perceived value such as the perception of the quality of services, customer security and confidence will directly increase the level of customer loyalty towards the bank.

This result is similar to previous studies carried out in the telecommunication (Bolton and Drew, 1991), banking (Roiget al., 2006), airline, tourism and retail services industries (Sirdeshmukhet al., 2002; Parasuraman and Grewal, 2000; Reichheld, 1996). (Wang, 2011) study the relationship between service quality, perceived value, and customer loyalty in an online shopping environment. The results indicated that service quality is related positively to perceived value, but e-service quality did not significantly affect customer loyalty, Therefore e-service quality influences customer loyalty through satisfaction. These results indicate that e-service quality does not directly affect online shopping customer loyalty, but it does so indirectly through the mediation of perceived value and customer satisfaction. Customer perceived value has a significant impact on customer loyalty. (Pura, 2005) Showed, Commitment and three value dimensions: conditional, convenience and monetary value had a significant, positive relationship with behavioral intentions. conditional value had the strongest influence on behavioral intentions. Followed closely by commitment. Furthermore, convenience value and monetary value had also an effect on behavioral intentions; In addition, the other value dimensions had an indirect effect via commitment. Thus, commitment was influenced strongly by emotional value, but almost as strongly also by conditional value. In contrast, the positive effect of social value on commitment and the negative effect of epistemic value on behavioral intentions were non-significant.

In addition The result of the study showed that the relationship between emotional value and behavioral loyalty was not significant. Because all the banks in the Sudan deal Islamic regime which does not allow for the customer empathy with another system.

### **6.2.5 The Mediating Effects of Perceived Value**

The fifth research objective of this study deals with examining whether the four types of the perceived value (price value, emotional value, and social value) mediate the relationship between service quality and customer loyalty. This relationship is generally important since the process, service quality leads to customer loyalty, has often been uncared for in previous research. The mediating effect of perceived value between service quality and customer loyalty. The finding of mediating effects implied that three components of service quality (responsiveness, tangible, and empathy) influences the attitudinal loyalty in customers of Sudanese banking sector through price value, emotional value, and social value. While these components influence behavioral loyalty of in customers of Sudanese banking sector through price value and social value. These results indicated that perceived value through which three components of service quality (responsiveness, tangible, and empathy) effect customer loyalty; price value, followed by, emotional value, and lastly social value. Except emotional value not mediator between service quality dimensions (responsiveness, tangible, and empathy) and behavioral loyalty.

This result consistent with (Cemal Zehira, 2014) showed the Perceived Value act as a mediator between Service Quality and Loyalty Intentions. Furthermore, (Sadia Jahanzeb, 2013) suggest that alongside perceived value, corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm. Also (Wang, 2011) show a strong moderating effect of perceived value in the relationship between satisfaction and loyalty. Moreover (Md.Ariff, 2012) findings revealed that customers' perceived high emotional value towards the mobile phone. Economic and social values were in the moderate level. The high and moderate positive correlations were found between customers' perceived emotional value and economic value with customer satisfaction. (Serkan Akinci, 2015) Confirmed the mediating role of all perceived

value dimensions (emotional value, functional value, price value, and perceived service quality) except social value in the relation between satisfaction and loyalty intention. Also (Paul G. Patterson, 1997) findings clearly show value (as well as each performance dimension) is completely mediated through satisfaction in influencing repeat purchase behavior.

Emotional value not mediator between service quality dimensions (responsiveness, tangible, and empathy) and behavioral loyalty.

### **6.2.6 The Moderating Effects of Switching Costs on the Relationship between Perceived Value and Customer Loyalty**

The sixth research objective of this study deals with the moderating effect of switching costs (relational costs, and procedural) on the relationship between perceived value and customer loyalty. The results of this study are the moderating effect of switching costs between perceived value and customer loyalty. The results indicate the (relational costs, and procedural) were not supported with the relationship between all perceived value components and attitudinal loyalty.

And then competitive intensity. The results also revealed that the moderating effect of relational costs on the Relationship between social value and behavioral loyalty was supported. Another observation, the hypotheses of the moderating Effect procedural on the Relationship between price value and behavioral loyalty was supported. The results also revealed that relational costs not moderator on the relationship between two components of perceived value (price value, emotional value) and behavioral loyalty. Finally, the procedural not moderator on the relationship between two component of perceived value (emotional value, social value) and behavioral loyalty.

Most previous studies have regarded switching costs as a moderator in the satisfaction–loyalty linkage. When switching costs are substantial or the switching processes especially painful, dissatisfied customers are likely to maintain business

relationships with existing service providers and resist the dissolution of the relationship (Jackson, 1985; Port, 1980) as cited in (Peterson, 2004). switching costs can assume a significant moderating effect on customer loyalty through satisfaction. For instance, Lee, Lee, and Feick (2001) have examined the effect of switching costs on the satisfaction and loyalty linkage in the mobile phone service in France and found that switching costs did impose a moderating effect on customer loyalty. Hauser, Simester, and Wernerfelt(1994) have discovered that substantial switching costs reduce customer sensitivity to perceived satisfaction levels. In the same vein, E. W. Anderson and Sullivan (1993) have found a negative relationship between switching costs and customer sensitivity to satisfaction levels in the banking industry. Sharma and Patterson (2000) produced findings indicating that in a personal financial-planning service context, switching costs positively moderate the effect of trust and satisfaction on relationship commitment. The results reported revealed some interesting findings. Although switching costs have a positive impact on customer loyalty, their direct effect on loyalty was insignificant. This is consistent with previous studies and arguments (Fornell, 1992; Lee et al., 2001). Additionally, the interactions of switching costs with both customer satisfaction and perceived value imposed negative and negligible influences on customer loyalty. Hence, H4(The higher the level of switching costs, the greater is the likelihood that customer satisfaction will lead to greater customer loyalty.) and H5(The higher the level of switching costs, the greater is the likelihood that perceived value will lead to greater customer loyalty.) are not supported. In other words, though switching costs do not have moderating effects on the relationships linking both customer satisfaction and perceived value with customer loyalty individually, the aggregated effect of switching costs on customer loyalty still matters. Switching costs play a significant moderating role in the satisfaction–loyalty relationship only when the level of



customer satisfaction is above the mean. The same applies to customer-perceived value. In contrast to previous findings, when the level of customer satisfaction or perceived value is below average, switching costs have no significant moderating impact in the association of customer loyalty with customer satisfaction and perceived value. The results suggest that switching costs could serve as exit barriers only when a firm's services are above average. (Peterson, 2004).

(Kurt Matzler, 2015) Measured switching costs along three dimensions (financial, brand, and procedural switching costs) and predicted a positive relationship between switching costs and behavioral. The results show that switching experience negatively influences customer satisfaction and behavioral loyalty intention. Furthermore, the influence of customer satisfaction on behavioral loyalty intentions is partially mediated by financial and relational switching costs. Furthermore, Financial and relational switching costs positively influence behavioral loyalty intentions. For procedural switching costs, again no significant effect was found. (Pooja Jain, 2015) study switching costs as uni dimension, and moderator between e- service quality and loyalty, who found independently switching cost is not significant, and interaction between Switching cost and e-service quality are regressed on Loyalty, switching cost acted as moderating variable between e-service quality and Loyalty. Effect of e-service quality on Loyalty is significant at the value of moderator in both case of Low and High switch cost.

(Yanqun He, 2009) In his study found, the moderating effects of switching costs through direct influences of the three primary antecedents are investigated. The moderating effects of switching costs on loyalty dimensions through service quality and service value are supported in general. Satisfaction, service quality and service values simultaneously affect the loyalty dimensions and the impacts are stronger in the situation of HSC than those in LSC.

Contrary (Tracey S. Dagger, 2012) suggested, negative moderating effect of switching costs on the relationship between satisfaction and customer loyalty gets stronger as customers perceive greater benefit from being in the relationship. also The negative moderating effect of switching costs on the relationship between satisfaction and customer loyalty gets weaker as the customer's level of involvement increase. Furthermore,(Manoj Edward,2011) who found, both SQ and PV has indirect effect on switching cost perception through CS.

(Serkan Aydin and Go'khan O'zer, 2005) focused on two issues in order to explain customer loyalty. The first is whether or not perceived switching cost is a basic factor, along with customer satisfaction and trust, in explaining customer loyalty. The findings supported the results in the existing literature. However, noted that perceived switching cost had a positive effect on customer loyalty the second issue was whether or not perceived switching cost had a moderator effect on the relationships between customer satisfaction and loyalty, and trust and loyalty. The results showed that it has a moderator effect on both links: the effect of customer satisfaction on loyalty in customers is less when switching cost is perceived to be high rather than low. In other words, perceived switching cost reduces customers' sensitivity to the level of customer satisfaction.

### **6.2.7 Control variables**

Before testing hypotheses, two customer characteristics namely: income and type of account showed significant effects on the focal variables of the study. These two characteristics were considered as control variables. this result line with (Chi, 2013) how contrast, income level, and retailer type significantly affected perceived price and emotional values, while perceived quality value was significantly affected by all contingency factors except race and perceived social value was only significantly affected by age and income level. Gender significantly affected price, quality, and emotional values of casual sportswear perceived by US

consumers. Age significantly affected consumer perception of casual sportswear in quality and social values. Income level significantly affected all types of values perceived by consumers toward casual sportswear. Consumer perceived price, quality and emotional values are significant.

Schwartz and Huisman (1995) found that people with lower income value more tradition, stimulation and compliance, while people with higher income give more importance to hedonism. In the same way, studies suggest that income is related to customer loyalty (Evanschitzky and Wunderlich, 2006). On the other hand, (Henrique & Matos, 2015) regarding, there was difference in the four proposed paths. Bank customers with higher income presented a negative effect of growth/achievement on the loyalty stages, meaning that the pursuit of growth/achievement reduces the loyalty for those individuals with higher income. Although higher income individuals tend to be more loyal, on average, as indicated by t-tests, the moderation shows that there is an influence of the search for growth/achievement on this relationship. A high-income customer who is pursuing growth/achievement will be less loyal. There is a negative relationship between the personal values of growth/ achievement and action loyalty. This effect will be moderated by income, in such a way that it will be stronger for high income individuals (vs. low income).

### **6.3 Implications of the Research**

This section contains two sub-sections the theoretical implications and managerial implications of research findings which are discussed below:

#### **6.3.1 Theoretical Implications**

The current research has supported the present knowledge on business value of service quality within the field of banking sector. The first theoretical contribution is related customer loyalty component as two component attitudinal loyalty and behavioral loyalty.

The second theoretical contribution of this research the development of better and more acceptable measures of variables.

The third theoretical contribution of the research demonstrated that four components of service quality (responsiveness, tangible, empathy, and assurance) have positive relationship with a customer loyalty (attitudinal loyalty, behavioral loyalty), but reliability, has negative significant relationship with customer loyalty. In addition, assurance has negative relationship with behavioral loyalty.

The fourth theoretical contribution of this research social and price value mediator between service quality and (attitudinal and behavioral loyalty), but emotional value mediator between service quality and attitudinal loyalty, Emotional value not mediator between service quality dimensions (responsiveness, tangible, and empathy) and behavioral loyalty.

The fifth theoretical contribution of this research adds the switching costs as moderator in the relationship between perceived value and customer loyalty in banking sector. Particularly, the outcomes of this research represent that, Relational costs moderator between social value and behavioral loyalty, also Procedural moderator between price value and attitudinal loyalty.

### **6.3.2 Managerial Implications**

Any Managers attempt to create profitable strategies for the banks and try to develop larger market share, they should not forget the importance of customer loyalty. Attention should be given to loyalty of customer in strategy development to maintain service quality, increase customer perceived value and customer loyalty.

A direct managerial implication is the process of *building loyalty scales* in order to measure the level of customers' loyalty. We highlight the importance of measuring both behavioral and attitudinal levels of loyalty. The dimensions and the effects of customer loyalty are very important concepts which are less studied in

academic literature. We consider that this subject must be carefully investigated in specific area of Sudanese banking services.

This study suggests that service quality is not only important as a standalone variable, but its interlinked with other marketing constructs in generating consumer preferential attitudes towards services. Thus a firm's service strategy should not only focus on building and delivering excellent service quality but also on communicating other aspects of a firm such as higher perceived value in the eyes of their customers in banking sector in Sudan. Consequently, it is important to notice that all the constructs in this research model are interrelated. It means that an integrated approach should be followed in developing the overall business strategy for a bank. It is extremely productive for managers to identify that how different aspect of service quality contributes towards building customers perceive value and loyalty of their banking services. As the impact of different aspects of service quality may varies from one country to another and from one segment to another, it is the job of a manager to identify the strongest aspects of service quality that contributes towards building loyalty to customers or helps in enhancing customers perceive value. Addition managerial implication is the finding that switching cost is a significant predictor of loyalty in the banking industry. Thus, managers can work to create loyalty programs with benefits that establish long-term contracts and increase customer switching behavior.

The outcomes of the research demonstrated that four components of service quality (responsiveness, tangible, empathy, and assurance) have positive relationship with a customer loyalty (attitudinal loyalty, behavioral loyalty), but reliability, has negative significant relationship with customer loyalty. In addition, assurance has negative relationship with behavioral loyalty; it means that the manager should focus on the four dimensions of service quality and lack of attention to the fifth dimension (reliability) because it does not affect loyalty.

The results also revealed that the moderating effect of relational costs on the Relationship between social value and behavioral loyalty was supported. Another observation, the hypotheses of the moderating Effect procedural on the Relationship between price value and behavioral loyalty was supported. The results also revealed that relational costs not moderator on the relationship between two components of perceived value (price value, emotional value) and behavioral loyalty. Finally, the procedural not moderator on the relationship between two component of perceived value (emotional value, social value) and behavioral loyalty, that mean all bank managers in Sudan to put switching costs as two dimensions in consideration , because it affect on the relationship between perceived value and customer loyalty.

#### **6.4 Limitation & Directions for Future Research**

This study has some limitations. First this research use sampling method was a quota sampling, this method are Not easily generalizable the results.

The second limitation of this research was is the four foreigner banks that operating in Sudan are refused to respond to the questionnaire, which means that there is no transparency, thus future research must take the lack of transparency into consideration. The last limitation was this study conducted on the banking sector. Therefore, it is germane that future research endeavors to focus on different services as well as other developing economies.

Third limitation, this study is based on a single industry, i.e. the banking sector. Future studies may consider multiple sectors to support the generalizability of these results.

In addition, future research may explore the individual impact of service quality sub dimensions on perceived value and customer loyalty so that each can be manipulated for a specific outcome.

Fourth limitation is that we have used only a dimension for switching costs, Though, SC has multiple dimensions, and we have focused only on selected measures of this dimension. Further studies could look at the switching cost as multiple dimensions.

## **6.5 Conclusions**

This research is an attempt to enhance the understanding of customer loyalty of concept in the context of sundaes banking sector. Alongside, the research has investigated the relationship between service quality and customer loyalty of sundaes banking sector. Expressing the role that key perceived value play in mediating the relationship and switching cost as moderator. The present research was run among 364 customers of sundaes banking sector. Finally, it is hoped that the issues raised in this study reinforces the need to target the research discourse in switching costs at how practitioners might find the concept more useful. This is crucial if practitioners are to consider any future theoretical discourse in switching costs relevant.

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## Appendix (I)

### Service quality:

Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
<u>Assurance:</u>					
The bank can provide customer the service promised.	5	4	3	2	1
The bank can provide accurate service to customer.	5	4	3	2	1
The bank can honor their commitment.	5	4	3	2	1
-Employees who instill confidence in customers.	5	4	3	2	1
Making customers feel safe in their transactions.					
Employees are consistently courteous.					
Employees who have the knowledge to answer customer question.					
<u>Reliability:-</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
customers can feel a s encore during the transaction process.	5	4	3	2	1
Banking service can increase customers confident and trust in quality services.	5	4	3	2	1
staff can provide customers prompt and appropriate services.	5	4	3	2	1

Providing services as promised.	5	4	3	2	1
- Maintaining error free records.	5	4	3	2	1
<u>Empathy:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
staff are knowledgeable to solve customers' problems.	5	4	3	2	1
staff have the enthusiasm to understand customers' needs.	5	4	3	2	1
Staff consider customer need in the first place.	5	4	3	2	1
-Giving customer's individual attention.					
- Employees who deal with customers in a caring.					
- Having the customers best interest at heart.					
Employees who understand the needs of their customers.					
Convenient business hours.					
<u>Tangibility:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1-The equipment of bank is sufficient and visible for customers usage	5	4	3	2	1
The bank facilities and designs make customers feel comfortable.	5	4	3	2	1
Sufficient staff are available to provide customers banking services.	5	4	3	2	1
Modern equipment.	5	4	3	2	1
Visually appealing facilities					
Employees who have a neat					



professional appearance.					
-Visually appealing materials associated with the service.					
<u>Responsiveness:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
-staff can provide customers precise personal services	5	4	3	2	1
staffs can understand customers needs.	5	4	3	2	1
- staffs are helpful to customers	5	4	3	2	1
Keeping customers informed about when services will be performed.	5	4	3	2	1
prompt service to customers					
-willingness to help customers.					
Readiness to respond to customers requests.					

### Perceived value

Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Quality value:					
The service as a whole is correct.	5	4	3	2	1
The quality has been maintained all of the time .	5	4	3	2	1
The level of quality is acceptable in comparison with other entities.	5	4	3	2	1
The results of the services received were as expected.	5	4	3	2	1

<u>Price value:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
-the payment of interest or commission is fully justified.					
the service is good for the expense it causes me.					
the total cost that it causes me is reasonable					
It was a good purchase for the price paid.					
<u>Emotional value:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I am happy with the financial service contracted.					
I feel relaxed.					
The personnel give me positive feelings.					
The personnel don't hassle me.					
In general I feel at ease.					
<u>Social value:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
It is very well considered at a social level.					
The fact that I come here looks good to the people I know					
The people who use its services have a certain level and style.					
The people who use its services obtain					

social approval.					
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Switching costs.

Switching costs					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Consumers need considerable advance planning to buy the product.					
-consumers need a lot of preparation time to use the service.					
The effort that consumers devote to adopting the product makes changing to a similar service less likely.					
switching to anew bank would involve some hassle some problem may occur when we switch to another bank.					
It is complex for us to change bank.					

customer loyalty

<u>Attitudinal loyalty:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I am likely to say positive things about my bank to other people					
I would recommend my bank to someone who seeks my advice.					
I intend to continue to use my bank if its price increases somewhat .					
I am likely to spend more money at my bank than others.					
<u>Behavioral loyalty:</u>					
Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree

	Agree				Disagree
I say positive things about my bank to other people .					
I encourage friends and relatives to use my bank others.					
-I have spent more money to my bank than at others.					
- I have bought more products and service from my bank than from others.					



رقم الاستبانة:

إستبانة بحث لنيل درجة الدكتوراه في إدارة الأعمال

البحث بعنوان:

أثر جودة الخدمة على ولاء العملاء  
القيمة المدركة كمتغير وسيط والتكاليف التحويلية كمتغير معدل

إشراف:

د. عبد الحفيظ حسب الرسول

د. صديق إبراهيم بلل

إعداد:

عفراء أحمد محمد خالد

بسم الله الرحمن الرحيم

السيدة/..... المحترمين

أسعد الله أوقاتكم

وبعد

يطيب لي أن أضع بين أيديكم هذه الاستبانة التي تم تصميمها لأغراض البحث العلمي بهدف جمع المعلومات اللازمة حول أترجودة الخدمة على الولاء بالقطاع المصرفي السوداني.

نرجو التكرم بتعبئة الاستبانة بعد قراءة كل عبارة بعناية ومن ثم وضع علامة الإجابة في المكان الذي تراه مناسباً. وسوف تكون المعلومات التي تدلون بها موضع السرية التامة ولن تستخدم إلا لأغراض البحث العلمي.

شاكراً لكم حسن تعاونكم

وتفضلوا بقبول فائق الاحترام

الدارسة: عفراء أحمد محمد خالد

Email: aafraa50@yahoo.com

للإطلاع على نتائج البحث يمكنكم وضع بريدكم الإلكتروني .....

الجزء الأول: البيانات الشخصية

يرجى وضع علامة (✓) أمام العبارة التي تناسبك

2- النوع: ذكر  أنثى

3- العمر:

أقل من 30	40 - 30	50 - 41	60 - 51	أكثر من 60

4- المؤهل العلمي

ثانوي	دبلوم	بكالوريوس	دبلوم عالي	ماجستير	دكتوراه	أخرى (أذكرا)

5- الحالة الاجتماعية:

متزوج	أعزب	أخرى

6- الدخل:


7- نوع الحساب

إدخار	جاري	إستثمار

8- فترة التعامل مع البنك

أقل من سنتين	2 - 5 سنوات	6 - 10	11 - 15	16 - 20	20 فأكثر

9- هل تم التعامل مع عدة بنوك؟ نعم  لا

10- إذا كانت إجابتك في السؤال 9 بنعم عدد البنوك التي تعاملت معها

2	3	4	5	أكثر من 5

## الجزء الثاني: جودة الخدمة

هذه العبارات تقيس جودة الخدمة في البنوك السودانية عليه وحسب معرفتك الجيدة لاكثر بنك تتعامل معه  
ارجو شاكرة توضيح استجابتك علي العبارة

أولاً: الضمان					
رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق بشدة
1	يستطيع البنك تقديم الخدمات التي وعدني بها				
2	يستطيع البنك تقديم خدمات دقيقة لي				
3	يحترم البنك التزاماته إتجاهي				
4	يعزز الموظفون الثقة في العملاء				
5	أشعر بالامان أثناء تعاملاتي مع هذا البنك				
6	يكون الموظفون حذرين دائماً تجاه الأخطاء				
7	يمتلك الموظفون المعلومات الكافية الخاصة بالعميل				
ثانياً: الاعتمادية					
رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق بشدة
1	جودة الخدمة المقدمة من قبل هذا البنك تزيد من ثقتي به				
2	يقدم الموظفون خدمات دقيقة ومناسبة				
3	تقدم الخدمات كما هو متوقع				
4	الوثائق والسجلات خالية من الأخطاء				
5	يقدم البنك الخدمات في الوقت المتفق عليه مع العملاء				
6	يقدم البنك خدمات جيدة من المرة الاولى				

ثالثاً: التعاطف					
رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق بشدة
1	يمتلك الموظفون القدرة على حل قضايا العملاء				
2	لدى الموظفين القدرة على تفهم احتياجات العملاء				
3	يضع الموظف احتياجات العميل في المرتبة الأولى				
4	كل عميل يحس بانه يعامل بطريقة خاصة				
5	يتعامل الموظفون مع العملاء بعناية				



						6	ساعات العمل مريحة بالنسبة لي
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رابعاً: الملموسية							
رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق	غير موافق بشدة	
1	لدى البنك معدات كافية ولموسة للعملاء						
2	إمكانيات وتصميمات البنك تجعل العميل مرتاحاً						
3	مظهر الموظفين أنيق ومناسب مع المهنة						
4	خدمات البنك مرئية وجذابة						
5	معدات البنك حديثة						
6	الدعاية والمواد المطبوعة للبنك جذابة						

خامساً: الإستجابة							
رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق	غير موافق بشدة	
1	الموظفون على استعداد دائم لمساعدتي						
2	يكون العميل ملماً بالخدمات أثناء تأديتها						
3	لدى البنك خدمات سريعة						
4	لدى البنك القدرة على الإستجابة الفورية لمطالب العملاء						
5	عندما تواجهني مشكلة يسعى البنك لحلها بصدق وسرعة						

### الجزء الثالث: هذه الأسئلة تقيس أبعاد القيمة المدركة

أولاً: قيمة الجودة							
رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق	غير موافق بشدة	
1	يقدم البنك خدمات صحيحة						
2	يقدم البنك خدمات جيدة بصورة دائمة						
3	مستوى الجودة مقبول مقارنة مع البنوك الأخرى						
4	نتائج الخدمات كما هو متوقع بالنسبة لي						

					اعتقد ان جودة الخدمة معقولة مقابل السعر الذي ادفعه	5
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### ثانياً: قيمة السعر

رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق بشدة	غير موافق
1	الفوائد التي ادفعها للبنك مبرره بشكل كامل					
2	الخدمات التي يقدمها البنك جيدة مع سعر الخدمة					
3	الخدمات مناسبة مع السعر المدفوع فيها					
4	التكاليف الكلية التي ادفعها معقولة					
5	انخفاض اسعار خدمات هذا البنك مقارنة مع البنوك الاخرى					

### ثالثاً: القيمة العاطفية

رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق بشدة	غير موافق
1	أنا سعيد بالخدمات المالية المتفق عليها					
2	أنا مرتاح للخدمات التي يقدمها البنك					
3	إحساسي إيجابي ناحية الموظفين					
4	عموماً أشعر بالراحة التامة إتجاه خدمات هذا البنك					
5	من دوعي سروري اختيار هذا البنك					

### رابعاً: القيمة الاجتماعية

رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق بشدة	غير موافق
1	إختياري لهذا البنك يتناسب مع مستوى الاجتماعي					
2	يعتبر معارفي إختياري لهذا البنك أمر جيد					
3	يتميز عملاء البنك بأسلوب ومستوى معين					
4	عملاء هذا البنك مقبولين اجتماعياً					
5	لدى هذا البنك سمعة جيدة					

### الجزء الرابع: هذه الأسئلة تقيس أبعاد التكاليف التحويلية

رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق بشدة	غير موافق
1	أحتاج لتخطيط مسبق للتعامل مع بنك اخر					
2	عند التحول لبنك اخر احتاج لفترة إستعداد للاستفادة من الخدمات					

					3	الجهد الذي ابذله للتعامل مع البنك يحول دون تحولي الى بنك اخر
					4	التحول إلى بنك آخر أمر مزعج ويسبب مشاكل لا داعي لها
					5	من الصعب ان احول معاملاتتي لبنك اخر

الجزء الخامس: هذه الأسئلة تقيس أبعاد ولاء الخدمة

أولاً: الولاء الموقفي

رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق	غير موافق بشدة
1	يمكن أن أحدث الناس بصورة إيجابية عن البنك الذي أتعامل معه					
2	يمكن أن أنصح الناس بالتعامل مع هذا البنك					
3	لدي الاستعداد للتعامل مع هذا البنك حتى لو زادت أسعار الخدمات التي يقدمها					
4	لدي الاستعداد لصرف أموال أكثر على الخدمات التي يقدمها هذا البنك أكثر من البنوك الأخرى					
5	ارغب في التعامل مع هذا البنك لسنوات عديدة اخرى					

ثانياً: الولاء السلوكي

رقم الفقرة	الفقرة	أوافق بشدة	أوافق	لا أدري	غير موافق	غير موافق بشدة
1	أحدث الناس عن هذا البنك بصورة إيجابية					
2	أشجع أصدقائي وأقاربي للتعامل مع هذا البنك					
3	صرفت على خدمات هذا البنك أموالاً أكثر مما صرفته على البنوك الأخرى					
4	حصلت على عدد من الخدمات من هذا البنك أكثر مما حصلت عليها من البنوك الأخرى					

## Appendix (II)

### Frequencies

#### age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than	78	21.4	21.8	21.8
	30-40	142	39.0	39.8	61.6
	41-50	76	20.9	21.3	82.9
	51-60	45	12.4	12.6	95.5
	rather than	15	4.1	4.2	99.7
	6	1	.3	.3	100.0
	Total	357	98.1	100.0	
Missing	999	7	1.9		
Total		364	100.0		

#### education level

	Frequency	Percent	Valid Percent	Cumulative Percent
secondary school	37	10.2	10.5	10.5
high school diploma	36	9.9	10.3	20.8
university degree	173	47.5	49.3	70.1
high university diploma	27	7.4	7.7	77.8
master degree	60	16.5	17.1	94.9
phd degree	12	3.3	3.4	98.3
Other	6	1.6	1.7	100.0
Total	351	96.4	100.0	
999	13	3.6		
Total	364	100.0		

#### Period to deal with the bank

	Frequency	Percent	Valid Percent	Cumulative Percent
less than 1 year	90	24.7	25.1	25.1
2-5 year	110	30.2	30.6	55.7
6-10 year	72	19.8	20.1	75.8
11-15year	34	9.3	9.5	85.2
16-20 year	21	5.8	5.8	91.1

rather than 20 year	32	8.8	8.9	100.0
Total	359	98.6	100.0	
999	5	1.4		

	Frequency	Percent	Valid Percent	Cumulative Percent
Meal	271	74.5	77.7	77.7
Femalil	78	21.4	22.3	100.0
Total	349	95.9	100.0	
999	15	4.1		
Total	364	100.0		
Total		364	100.0	

**Gender**

**KMO and Bartlett's**

**Test (service quality 1)**

Kaiser-Meyer-Olkin Measure...		.951
Bartlett's Test of Sphericity	Approx. Chi-Square	5710.306
	df	435
	Sig. Bartlett	.000

**Communalities (service quality 1)**

	Initial	Extraction
The bank can provide customer the service promised.	1.000	.630
The bank can provide accurate service to customer.	1.000	.704
The bank can honor their commitment	1.000	.765
Employees who instill confidence in customers	1.000	.621
Making customers feel safe in their transactions.	1.000	.708

Employees are consistently courteous	1.000	.632
Employees who have the knowledge to answer customer question	1.000	.552
Banking service can increase customers confident and trust in quality services.	1.000	.540
staff can provide customers prompt and appropriate services.	1.000	.618
Providing services as promised.	1.000	.744
Documents and records are free from mistakes	1.000	.612
The Bank provides services at the agreed time with customers	1.000	.679
The Bank provides good services from the first time	1.000	.569
Employees have the ability to solve customer issues	1.000	.559
Employees have the ability to understand the needs of customers	1.000	.684
Employee puts the needs of the client in the first place	1.000	.738
Each client feels that he is treated in a special way	1.000	.513
Staff dealing with customers carefully	1.000	.626
Convenient working hours	1.000	.437
The equipment of bank is sufficient and visible for customers usage	1.000	.534
The bank facilities and designs make customers feel comfortable	1.000	.676
Employees who have a neat professional appearance	1.000	.637
Bank services visible and attractive	1.000	.743
Modern equipment	1.000	.645

Advertising and printed materials attractive to the bank	1.000	.649
staffs are helpful to customers	1.000	.740
Keeping customers informed about when services will be performed	1.000	.554
prompt service to customers	1.000	.720
Readiness to respond to customers requests	1.000	.727
I am having a problem when the bank seeks to solve them honestly and speed	1.000	.594

**Rotated Component Matrix(SQ1)**

	Component				
	1	2	3	4	5
staffs are helpful to customers	.780	.148	.105	.227	.217
Employees have the ability to understand the needs of customers	.715	.163	.224	.308	.023
Employee puts the needs of the client in the first place	.685	.222	.403	.190	.146
Readiness to respond to customers requests	.662	.343	.308	-.003	.275
Employees have the ability to solve customer issues	.662	.118	.219	.233	.067
I am having a problem when the bank seeks to solve them honestly and speed	.636	.276	.167	.141	.255
prompt service to customers	.620	.352	.258	-.048	.379
Keeping customers informed about when services will be performed	.578	.311	.097	.036	.336
Staff dealing with customers carefully	.567	.220	.427	.178	.205
Each client feels that he is treated in a special way	.501	.190	.392	.238	.123
Modern equipment	.193	.756	.106	.104	.118

Advertising and printed materials attractive to the bank	.169	.737	.276	.009	.040
Bank services visible and attractive	.240	.699	.298	.094	.315
The bank facilities and designs make customers feel comfortable	.193	.649	.132	.230	.383
Employees who have a neat professional appearance	.317	.629	-.106	.354	.064
Convenient working hours	.132	.581	.195	.200	-.063
The equipment of bank is sufficient and visible for customers usage	.202	.508	.154	.140	.438
Providing services as promised.	.367	.171	.672	.094	.345
Documents and records are free from mistakes	.222	.265	.628	.300	.093
The Bank provides services at the agreed time with customers	.346	.217	.600	.225	.319
The Bank provides good services from the first time	.270	.341	.576	.187	.115
staff can provide customers prompt and appropriate services.	.335	.086	.515	.452	.171
Employees who have the knowledge to answer customer question	.296	.155	.441	.375	.325
Employees are consistently courteous	.139	.120	.198	.746	.055
Making customers feel safe in their transactions.	.096	.292	.120	.730	.258
Employees who instill confidence in customers	.366	.139	.306	.594	.148
Banking service can increase customers confident and trust in quality services.	.165	.164	.310	.490	.387
The bank can provide customer the service promised.	.182	.141	.257	.198	.687
The bank can provide accurate service to customer.	.402	.093	.281	.199	.644
The bank can honor their commitment	.396	.176	.052	.474	.592



**Total Variance Explained(service quality 1)**

Component _Total	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.687	45.625	45.625	13.687	45.625	45.625	5.598	18.660	18.660
2	1.834	6.113	51.738	1.834	6.113	51.738	4.128	13.761	32.421
3	1.573	5.242	56.980	1.573	5.242	56.980	3.461	11.538	43.958
4	1.041	3.469	60.448	1.041	3.469	60.448	3.121	10.405	54.363
5	1.019	3.397	63.846	1.019	3.397	63.846	2.845	9.483	63.846
6	.902	3.008	66.854						
7	.812	2.708	69.562						
8	.783	2.609	72.171						
9	.732	2.440	74.611						
10	.651	2.168	76.779						
11	.587	1.957	78.737						
12	.565	1.885	80.621						
13	.537	1.789	82.410						
14	.485	1.617	84.027						
15	.454	1.514	85.542						
16	.408	1.361	86.903						
17	.395	1.316	88.219						
18	.387	1.291	89.510						

19	.368	1.227	90.737						
20	.332	1.107	91.844						
21	.312	1.042	92.886						
22	.296	.988	93.874						
23	.292	.972	94.845						
24	.272	.906	95.751						
25	.267	.890	96.642						
26	.235	.783	97.425						
27	.218	.725	98.150						
28	.204	.679	98.829						
29	.181	.603	99.432						
30	.170	.568	100.000						

**KMO and Bartlett's Test(SQ2)**

Kaiser-Meyer-Olkin Measure...		.951
Bartlett's Test of Sphericity	Approx. Chi-Square df	5589.805 406
	Sig.Bartlett	.000

**Communalities(SQ2)**

	Initial	Extraction
The bank can provide customer the service promised.	1.000	.671
The bank can provide accurate service to customer.	1.000	.700
The bank can honor their commitment	1.000	.760
Employees who instill confidence in customers	1.000	.625
Making customers feel safe in their transactions.	1.000	.707
Employees are consistently courteous	1.000	.638
Employees who have the knowledge to answer customer question	1.000	.551
Banking service can increase customers confident and trust in quality services.	1.000	.536

staff can provide customers prompt and appropriate services.	1.000	.624
Providing services as promised.	1.000	.745
Documents and records are free from mistakes	1.000	.584
The Bank provides services at the agreed time with customers	1.000	.679
The Bank provides good services from the first time	1.000	.591
Employees have the ability to solve customer issues	1.000	.553
Employees have the ability to understand the needs of customers	1.000	.675
Employee puts the needs of the client in the first place	1.000	.737
Each client feels that he is treated in a special way	1.000	.512
Staff dealing with customers carefully	1.000	.626
The equipment of bank is sufficient and visible for customers usage	1.000	.541
The bank facilities and designs make customers feel comfortable	1.000	.680
Employees who have a neat professional appearance	1.000	.638
Bank services visible and attractive	1.000	.747
Modern equipment	1.000	.691
Advertising and printed materials attractive to the bank	1.000	.687
staffs are helpful to customers	1.000	.737
Keeping customers informed about when services will be performed	1.000	.564
prompt service to customers	1.000	.719
Readiness to respond to customers requests	1.000	.725

I am having a problem when the bank seeks to solve them honestly and speed	1.000	.592
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**Rotated Component Matrix(a ) (service quality 2)**

	Component				
	1	2	3	4	5
staffs are helpful to customers	.779	.159	.120	.235	.189
Employees have the ability to understand the needs of customers	.715	.137	.222	.304	.049
Employee puts the needs of the client in the first place	.683	.213	.410	.195	.140
Readiness to respond to customers requests	.663	.343	.325	.008	.250
Employees have the ability to solve customer issues	.662	.088	.211	.225	.109
I am having a problem when the bank seeks to solve them honestly and speed	.631	.304	.190	.158	.200
prompt service to customers	.620	.358	.272	-.040	.363
Keeping customers informed about when services will be performed	.583	.293	.102	.034	.355
Staff dealing with customers carefully	.566	.210	.434	.182	.199
Each client feels that he is treated in a special way	.499	.178	.399	.242	.117
Modern equipment	.188	.785	.138	.136	.043
Advertising and printed materials attractive to the bank	.164	.754	.301	.036	-.018

Bank services visible and attractive	.239	.706	.320	.114	.275
The bank facilities and designs make customers feel comfortable	.192	.655	.147	.245	.364
Employees who have a neat professional appearance	.318	.625	-.093	.369	.050
The equipment of bank is sufficient and visible for customers usage	.200	.517	.164	.149	.429
Providing services as promised.	.365	.161	.679	.097	.339
Documents and records are free from mistakes	.224	.212	.619	.293	.139
The Bank provides services at the agreed time with customers	.342	.213	.607	.231	.308
The Bank provides good services from the first time	.265	.347	.595	.205	.067
staff can provide customers prompt and appropriate services.	.331	.081	.525	.459	.146
Employees who have the knowledge to answer customer question	.290	.164	.451	.383	.299
Employees are consistently courteous	.140	.101	.204	.751	.043
Making customers feel safe in their transactions.	.097	.276	.127	.736	.252
Employees who instill confidence in customers	.365	.126	.314	.600	.132
Banking service can increase customers confident and trust in quality services.	.166	.162	.322	.497	.363
The bank can provide customer the service promised.	.182	.134	.252	.189	.722
The bank can provide accurate service to customer.	.398	.112	.287	.200	.637
The bank can honor their commitment	.395	.188	.061	.478	.580



**Total Variance Explained(SQ2)**

Component Total	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.482	46.488	46.488	13.482	46.488	46.488	5.553	19.150	19.150
2	1.748	6.028	52.516	1.748	6.028	52.516	3.830	13.207	32.357
3	1.561	5.383	57.899	1.561	5.383	57.899	3.575	12.329	44.685
4	1.024	3.530	61.428	1.024	3.530	61.428	3.172	10.939	55.624
5	1.019	3.515	64.943	1.019	3.515	64.943	2.702	9.319	64.943
6	.880	3.035	67.978						
7	.791	2.728	70.706						
8	.732	2.525	73.231						
9	.666	2.296	75.527						
10	.612	2.109	77.636						
11	.576	1.986	79.622						
12	.547	1.886	81.508						
13	.503	1.736	83.244						
14	.466	1.606	84.850						
15	.429	1.481	86.331						
16	.402	1.388	87.719						
17	.388	1.337	89.056						
18	.369	1.272	90.328						
19	.333	1.150	91.477						
20	.315	1.085	92.563						
21	.309	1.065	93.628						
22	.292	1.005	94.633						
23	.272	.937	95.571						
24	.267	.921	96.492						
25	.237	.818	97.310						
26	.218	.751	98.062						
27	.208	.719	98.781						
28	.183	.630	99.411						
29	.171	.589	100.000						

**KMO and Bartlett's Test (perceived value )**

Kaiser-Meyer-Olkin Measure...		.940
Bartlett's Test of Sphericity	Approx. Chi-Square	4232.916
	df	171
	Sig.Bartlett	.000

**Communalities(perceived value1)**

	Initial	Extraction
The service as a whole is correct	1.000	.424
The quality has been maintained all of the time	1.000	.500
The level of quality is acceptable in comparison with other entities	1.000	.474
The results of the services received were as expected	1.000	.633
The quality of service in exchange for a reasonable price you push it	1.000	.547
the payment of interest or commission is fully justified	1.000	.673
the service is good for the expense it causes me	1.000	.821
It was a good purchase for the price paid	1.000	.802
the total cost that it causes me is reasonable	1.000	.801
Services Bank this low price compared with other banks	1.000	.501
I am happy with the financial service contracted.	1.000	.668
I feel relaxed.	1.000	.779
The personnel give me positive feelings.	1.000	.594
In general I feel at ease.	1.000	.694
The pleasure of choosing this bank	1.000	.669
It is very well considered at asocial level.	1.000	.633



The fact that I come here looks good to the people I know	1.000	.681
The people who use its services have a certain level and style.	1.000	.762
The people who use its services obtain social approval.	1.000	.678
This bank has a good reputation	1.000	.485

**Communalities (perceived value 2)**

	Initial	Extraction
The results of the services received were as expected	1.000	.623
The quality of service in exchange for a reasonable price you push it	1.000	.549
the payment of interest or commission is fully justified	1.000	.666
the service is good for the expense it causes me	1.000	.824
It was a good purchase for the price paid	1.000	.807
the total cost that it causes me is reasonable	1.000	.807
Services Bank this low price compared with other banks	1.000	.507
I am happy with the financial service contracted.	1.000	.668
I feel relaxed.	1.000	.794
The personnel give me positive feelings.	1.000	.600
In general I feel at ease.	1.000	.710
The pleasure of choosing this bank	1.000	.677
It is very well considered at asocial level.	1.000	.633
The fact that I come here looks good to the people I know	1.000	.682
The people who use its services have a certain level and style.	1.000	.762

The people who use its services obtain social approval.	1.000	.680
This bank has a good reputation	1.000	.483
The quality has been maintained all of the time	1.000	.491
The level of quality is acceptable in comparison with other entities	1.000	.466

**Rotated Component Matrix( perceived value )**

	Component		
	1	2	3
I feel relaxed.	.788	.368	.196
In general I feel at ease.	.758	.301	.213
The personnel give me positive feelings.	.733	.125	.218
The pleasure of choosing this bank	.730	.129	.357
The results of the services received were as expected	.620	.355	.336
I am happy with the financial service contracted.	.605	.483	.260
The level of quality is acceptable in comparison with other entities	.601	.230	.228
The quality has been maintained all of the time	.574	.299	.268
It was a good purchase for the price paid	.211	.848	.210
the service is good for the expense it causes me	.263	.836	.237
the total cost that it causes me is reasonable	.260	.834	.210
the payment of interest or commission is fully justified	.169	.770	.212
Services Bank this low price compared with other banks	.291	.633	.146

The quality of service in exchange for a reasonable price you push it	.389	.579	.251
The people who use its services have a certain level and style.	.229	.217	.814
The people who use its services obtain social approval.	.213	.207	.770
The fact that I come here looks good to the people I know	.305	.182	.746
It is very well considered at a social level.	.371	.286	.643
This bank has a good reputation	.363	.284	.520

**Total Variance Explained(perceived value )**

Component Total	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.640	50.737	50.737	9.640	50.737	50.737	4.614	24.284	24.284
2	1.632	8.588	59.326	1.632	8.588	59.326	4.485	23.604	47.888
3	1.158	6.096	65.422	1.158	6.096	65.422	3.331	17.534	65.422
4	.814	4.284	69.706						
5	.693	3.647	73.353						
6	.654	3.442	76.794						
7	.574	3.019	79.814						
8	.526	2.769	82.583						
9	.460	2.422	85.005						
10	.438	2.305	87.310						
11	.394	2.073	89.384						
12	.359	1.887	91.271						
13	.341	1.796	93.067						
14	.306	1.610	94.677						
15	.254	1.338	96.015						
16	.233	1.226	97.241						
17	.199	1.046	98.287						
18	.178	.938	99.224						
19	.147	.776	100.000						

**Rotated Component Matrix(perceived value last)**

	Component		
	1	2	3
It was a good purchase for the price paid	.859	.174	.201
the service is good for the expense it causes me	.845	.240	.225
the total cost that it causes me is reasonable	.839	.249	.208
the payment of interest or commission is fully justified	.764	.178	.206
Services Bank this low price compared with other banks	.648	.258	.146
The quality of service in exchange for a reasonable price you push it	.594	.335	.285
The personnel give me positive feelings.	.133	.786	.217
In general I feel at ease.	.319	.775	.208
I feel relaxed.	.392	.766	.209
The pleasure of choosing this bank	.150	.738	.372
I am happy with the financial service contracted.	.498	.623	.235
The results of the services received were as expected	.389	.547	.377
The people who use its services have a certain level and style.	.226	.219	.828
The people who use its services obtain social approval.	.223	.194	.766
The fact that I come here looks good to the people I know	.197	.286	.762
It is very well considered at a social level.	.294	.379	.633

**KMO and Bartlett's Test(perceived value last)**

Kaiser-Meyer-Olkin Measure...		.936
Bartlett's Test of Sphericity	Approx. Chi-Square	3641.441
	df	120
	Sig.Bartlett	.000

**Total Variance Explained(perceived value last)**

Component_ Total	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.445	52.781	52.781	8.445	52.781	52.781	4.430	27.688	27.688
2	1.591	9.945	62.726	1.591	9.945	62.726	3.709	23.179	50.866
3	1.105	6.909	69.635	1.105	6.909	69.635	3.003	18.768	69.635
4	.638	3.986	73.621						
5	.592	3.702	77.323						
6	.560	3.503	80.826						
7	.474	2.963	83.788						
8	.435	2.721	86.509						
9	.372	2.322	88.831						
10	.364	2.277	91.108						
11	.341	2.132	93.240						
12	.288	1.798	95.038						
13	.245	1.531	96.569						
14	.210	1.315	97.885						
15	.184	1.151	99.036						
16	.154	.964	100.000						

**KMO and Bartlett's Test(switching costs)**

Kaiser-Meyer-Olkin Measure...		.709
Bartlett's Test of Sphericity	Approx. Chi-Square	606.324
	df	10
	Sig.Bartlett	.000

**Communalities(switching costs)**

	Initial	Extraction
Consumers need considerable advance planning to buy the product.	1.000	.832
-consumers need a lot of preparation time to use the service.	1.000	.773
The effort that consumers devote to adopting the product makes changing to a similar service less likely.	1.000	.569
switching to anew bank would involve some hassle some problem may occur when we switch to another bank.	1.000	.817
It is complex for us to change bank.	1.000	.762

**Total Variance Explained(switching )**

Component Total	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.687	53.747	53.747	2.687	53.747	53.747	2.147	42.944	42.944
2	1.066	21.312	75.059	1.066	21.312	75.059	1.606	32.115	75.059
3	.578	11.559	86.618						
4	.396	7.914	94.532						
5	.273	5.468	100.000						

**Rotated Component Matrix(switching costs)**

	Component	
	1	2
switching to anew bank would involve some hassle some problem may occur when we switch to another bank.	.887	.176
It is complex for us to change bank.	.868	.091
The effort that consumers devote to adopting the product makes changing to a similar service less likely.	.702	.275
Consumers need considerable advance planning to buy the product.	.074	.909
-consumers need a lot of preparation time to use the service.	.330	.815

**KMO and Bartlett's Test(customer loyalty)**

Kaiser-Meyer-Olkin Measure...		.871
Bartlett's Test of Sphericity	Approx. Chi-Square	2354.456
	df	45
	Sig. Bartlett	.000

**Communalities(customer loyalty)**

	Initial	Extraction
I am likely to say positive things about my bank to other people	1.000	.715
I would recommend my bank to someone who seeks my advice	1.000	.753
I intend to continue to use my bank if its price increases somewhat	1.000	.645
I am likely to spend more money at my bank than others	1.000	.577
i wount to deal with this bank for many years	1.000	.642
I say positive things about my bank to other people	1.000	.691
I encourage friends and relatives to use my bank others	1.000	.722
I have spent more money to my bank than at others	1.000	.738
I have bought more products and service from my bank than from others	1.000	.562
i will d eal with this bank in the fueture	1.000	.653



**Total Variance Explained(customers loyalty)**

Component_Total	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.687	56.865	56.865	5.687	56.865	56.865	4.517	45.172	45.172
2	1.011	10.110	66.975	1.011	10.110	66.975	2.180	21.803	66.975
3	.969	9.688	76.663						
4	.588	5.885	82.548						
5	.485	4.852	87.400						
6	.438	4.380	91.780						
7	.274	2.741	94.521						
8	.220	2.196	96.718						
9	.188	1.884	98.602						
10	.140	1.398	100.000						

**Rotated Component Matrix(customers loyalty)**

	Component	
	1	2
I would recommend my bank to someone who seeks my advice	.847	.189
I am likely to say positive things about my bank to other people	.835	.133
I say positive things about my bank to other people	.810	.186
I encourage friends and relatives to use my bank others	.803	.278
i wount to deal with this bank for many years	.731	.330
i will deal with this bank in the fueture	.716	.374
I have spent more money to my bank than at others	-.007	.859
I am likely to spend more money at my bank than others	.469	.597
I have bought more products and service from my bank than from others	.469	.585
I intend to continue to use my bank if its price increases somewhat	.562	.574

**Descriptive Statistics (service quality)**

	N	Minimum	Maximum	Mean	Std. Deviation
responsiveness	342	1.67	5.00	4.0078	.74912
tangible	335	2.00	5.00	3.9433	.68558
reliability	348	1.40	5.00	3.9661	.73614
assurance 1	350	1.00	5.00	4.1152	.73029
assurance2	349	1.00	5.00	4.2512	.66446
Valid N (listwise)	300				

**Descriptive Statistics (perceived value)**

	N	Minimum	Maximum	Mean	Std. Deviation
emotional value	346	1.00	5.00	4.1228	.67331
price value	355	1.17	5.00	3.9005	.76023
social value	353	1.00	5.00	4.1820	.65927
Valid N (listwise)	331				

**Descriptive Statistics (switching costs)**

	N	Minimum	Maximum	Mean	Std. Deviation
switching cost1	360	1.00	5.00	3.8833	.89427
switching cost2	358	1.00	5.00	3.7737	.92145
Valid N (listwise)	356				

**Descriptive Statistics (customer loyalty)**

	N	Minimum	Maximum	Mean	Std. Deviation
attitudinal loyalty	357	1.20	6.00	4.9916	.84271
behavioral loyalty	355	1.00	5.00	3.7021	.84508
Valid N (listwise)	352				

	E	D	B	A1	A2	H	G	I	K	L
responsiveness	1	.714(**)	.761(**)	.675(**)	.563(**)	.768(**)	.593(**)	.625(**)	.676(**)	.620(**)
	.	.000	.000	.000	.000	.000	.000	.000	.000	.000
	342	327	328	332	329	326	336	332	338	336
tangible	.714(**)	1	.662(**)	.573(**)	.540(**)	.667(**)	.636(**)	.652(**)	.618(**)	.552(**)
	.000	.	.000	.000	.000	.000	.000	.000	.000	.000
reliability	327	335	323	326	322	324	329	327	331	331
	.761(**)	.662(**)	1	.660(**)	.643(**)	.678(**)	.556(**)	.528(**)	.600(**)	.517(**)
	.000	.000	.	.000	.000	.000	.000	.000	.000	.000
assurance 1	328	323	348	337	335	333	341	339	342	341
	.675(**)	.573(**)	.660(**)	1	.603(**)	.680(**)	.539(**)	.572(**)	.624(**)	.548(**)
	.000	.000	.000	.	.000	.000	.000	.000	.000	.000
assurance2	332	326	337	350	338	335	343	340	343	342
	.563(**)	.540(**)	.643(**)	.603(**)	1	.598(**)	.493(**)	.515(**)	.563(**)	.412(**)
	.000	.000	.000	.000	.	.000	.000	.000	.000	.000
	329	322	335	338	349	334	342	338	343	342
emotional value	.768(**)	.667(**)	.678(**)	.680(**)	.598(**)	1	.739(**)	.696(**)	.777(**)	.639(**)
	.000	.000	.000	.000	.000	.	.000	.000	.000	.000
	326	324	333	335	334	346	340	337	340	339
price value	.593(**)	.636(**)	.556(**)	.539(**)	.493(**)	.739(**)	1	.623(**)	.666(**)	.579(**)
	.000	.000	.000	.000	.000	.000	.	.000	.000	.000
	336	329	341	343	342	340	355	344	348	347
social value	.625(**)	.652(**)	.528(**)	.572(**)	.515(**)	.696(**)	.623(**)	1	.711(**)	.620(**)
	.000	.000	.000	.000	.000	.000	.000	.	.000	.000
	332	327	339	340	338	337	344	353	348	346
attitudinal loyalty	.676(**)	.618(**)	.600(**)	.624(**)	.563(**)	.777(**)	.666(**)	.711(**)	1	.775(**)
	.000	.000	.000	.000	.000	.000	.000	.000	.	.000
	338	331	342	343	343	340	348	348	357	352
behavioral loyalty	.620(**)	.552(**)	.517(**)	.548(**)	.412(**)	.639(**)	.579(**)	.620(**)	.775(**)	1
	.000	.000	.000	.000	.000	.000	.000	.000	.000	.
	336	331	341	342	342	339	347	346	352	355

## Mediator Appendix

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.085(a)	.007	-.002	.79054	.007	.815	2	225	.444	1.812
2	.733(b)	.538	.523	.54550	.531	50.508	5	220	.000	
3	.797(c)	.635	.622	.48586	.097	58.323	1	219	.000	

### Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.914	.158		31.099	.000	4.603	5.226
	income	.067	.053	.088	1.264	.207	-.037	.171
	Account Type	-.008	.038	-.014	-.206	.837	-.082	.067
2	(Constant)	.794	.294		2.705	.007	.216	1.373
	income	.052	.037	.069	1.424	.156	-.020	.124
	Account Type	-.051	.027	-.095	-1.929	.055	-.104	.001
	responsiveness	.381	.097	.327	3.944	.000	.191	.572
	tangible	.201	.094	.166	2.133	.034	.015	.387
	reliability	-.002	.085	-.002	-.027	.979	-.169	.165
3	assurance 1	.258	.082	.214	3.149	.002	.096	.419
	assurance2	.191	.084	.151	2.262	.025	.025	.357
	(Constant)	.515	.264		1.949	.053	-.006	1.035
	income	.029	.033	.038	.870	.385	-.036	.093
	Account Type	-.034	.024	-.062	-1.418	.158	-.081	.013
	responsiveness	.113	.093	.097	1.215	.226	-.070	.296

a	tangible	.120	.085	.099	1.423	.156	-.046	.287
	reliability	-.020	.075	-.018	-.259	.796	-.168	.129
	assurance 1	.097	.076	.081	1.282	.201	-.052	.247
	assurance2	.132	.076	.104	1.739	.083	-.018	.281
	emotional value	.650	.085	.530	7.637	.000	.483	.818

Dependent Variable: attitudinal loyalty

**Model Summary(d)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.087(a)	.008	-.001	.78907	.008	.851	2	224	.428	
2	.732(b)	.536	.521	.54553	.529	49.928	5	219	.000	
3	.793(c)	.629	.615	.48911	.093	54.439	1	218	.000	1.935

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness, price value...

d Dependent Variable: attitudinal loyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.932	.157		31.331	.000	4.622	5.243
	income	.069	.053	.091	1.302	.194	-.035	.172
	Account Type	-.012	.038	-.022	-.321	.748	-.087	.062
2	(Constant)	.660	.306		2.161	.032	.058	1.263
	income	.052	.037	.068	1.405	.162	-.021	.124
	Account Type	-.053	.027	-.097	-1.969	.050	-.105	.000
	responsiveness	.361	.098	.308	3.678	.000	.168	.555
	tangible	.213	.094	.174	2.265	.024	.028	.399

3	reliability	-.006	.085	-.005	-.070	.944	-.174	.162
	assurance 1	.296	.084	.234	3.539	.000	.131	.460
	assurance2	.196	.085	.150	2.315	.022	.029	.364
	(Constant)	.471	.275		1.713	.088	-.071	1.014
	income	.073	.033	.097	2.215	.028	.008	.138
	Account Type	-.051	.024	-.093	-2.116	.035	-.098	-.003
	responsiveness	.176	.092	.150	1.928	.055	-.004	.357
	tangible	.111	.086	.091	1.298	.195	-.058	.280
	reliability	-.009	.076	-.008	-.120	.905	-.159	.141
	assurance 1	.175	.077	.138	2.283	.023	.024	.326
	assurance2	.176	.076	.135	2.311	.022	.026	.326
price value	.478	.065	.434	7.378	.000	.350	.606	

a Dependent Variable: attitudinal loyalty

#### Model Summary(d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.059(a)	.004	-.005	.82405	.004	.395	2	223	.674	
2	.741(b)	.549	.534	.56096	.545	52.644	5	218	.000	
3	.794(c)	.631	.618	.50826	.083	48.552	1	217	.000	1.962

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness, social value...

d Dependent Variable: attitudinal loyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.928	.164		30.047	.000	4.605	5.252
	income	.045	.055	.057	.812	.418	-.064	.154
	Account Type	.003	.040	.006	.085	.933	-.076	.083
2	(Constant)	.620	.300		2.067	.040	.029	1.212
	income	.037	.038	.047	.978	.329	-.038	.112
	Account Type	-.043	.028	-.075	-1.523	.129	-.098	.013
	responsiveness	.405	.100	.336	4.043	.000	.207	.602
	tangible	.225	.097	.181	2.321	.021	.034	.417
	reliability	-.027	.087	-.024	-.314	.754	-.199	.144
	assurance 1	.263	.083	.213	3.158	.002	.099	.426
3	assurance2	.208	.087	.159	2.388	.018	.036	.380
	(Constant)	.115	.281		.407	.684	-.440	.669
	income	.026	.035	.033	.762	.447	-.042	.094
	Account Type	-.030	.026	-.052	-1.172	.243	-.080	.020
	responsiveness	.305	.092	.253	3.319	.001	.124	.486
	tangible	.052	.091	.042	.572	.568	-.128	.232
	reliability	.006	.079	.005	.077	.939	-.150	.162
	assurance 1	.147	.077	.119	1.901	.059	-.005	.299
	assurance2	.168	.079	.128	2.116	.035	.012	.324
	social value	.502	.072	.399	6.968	.000	.360	.644

Dependent Variable: attitudinal loyalty

**Model Summary(d)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.094(a)	.009	.000	.80046	.009	1.004	2	223	.368	
2	.634(b)	.401	.382	.62921	.392	28.581	5	218	.000	
3	.669(c)	.447	.427	.60614	.046	17.915	1	217	.000	2.031

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness, price value...

d Dependent Variable: behavioral loyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.675	.159		23.080	.000	3.361	3.988
	income	.009	.053	.012	.178	.859	-.095	.114
	Account Type	.049	.038	.090	1.288	.199	-.026	.125
2	(Constant)	.179	.354		.505	.614	-.519	.876
	income	.005	.042	.007	.121	.904	-.078	.088
	Account Type	.006	.031	.012	.209	.834	-.054	.067
	responsiveness	.307	.115	.259	2.660	.008	.079	.534
	tangible	.224	.110	.181	2.046	.042	.008	.441
	reliability	-.025	.098	-.022	-.253	.800	-.218	.169
	assurance 1	.434	.097	.337	4.450	.000	.242	.626
3	assurance2	-.067	.098	-.051	-.684	.495	-.260	.126
	(Constant)	.072	.342		.210	.834	-.602	.745
	income	.019	.041	.025	.459	.646	-.062	.099
	Account Type	.009	.030	.017	.312	.755	-.049	.068
	responsiveness	.189	.114	.160	1.654	.100	-.036	.415



a	tangible	.139	.108	.112	1.294	.197	-.073	.351
	reliability	-.030	.095	-.026	-.312	.755	-.216	.157
	assurance 1	.335	.097	.260	3.457	.001	.144	.525
	assurance2	-.079	.094	-.060	-.838	.403	-.265	.107
	price value	.346	.082	.310	4.233	.000	.185	.507

Dependent Variable: behavioral loyalty

#### Model Summary(d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.096(a)	.009	.000	.82376	.009	1.040	2	222	.355	
2	.651(b)	.424	.406	.63517	.415	31.279	5	217	.000	
3	.706(c)	.499	.480	.59414	.074	32.013	1	216	.000	2.044

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness, social value...

d Dependent Variable: behavioral loyalty

#### Coefficients(a)

sModel		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.647	.163		22.311	.000	3.325	3.969
	income	.005	.055	.006	.086	.932	-.104	.114
	Account Type	.054	.040	.094	1.336	.183	-.026	.134
2	(Constant)	.199	.341		.585	.559	-.472	.870
	income	.012	.043	.015	.275	.784	-.073	.097
	Account Type	.001	.032	.002	.037	.970	-.062	.064
	responsiveness	.338	.115	.281	2.930	.004	.110	.565
	tangible	.247	.111	.199	2.226	.027	.028	.465

3	reliability assurance 1	-.040	.099	-.035	-.404	.687	-.235	.155
	assurance 1	.435	.095	.350	4.570	.000	.247	.622
	assurance2	-.111	.099	-.085	-1.123	.263	-.306	.084
	(Constant)	-.272	.329		-.827	.409	-.921	.377
	income	-.002	.040	-.003	-.056	.955	-.082	.077
	Account Type	.016	.030	.028	.529	.597	-.043	.075
	responsiveness	.262	.109	.218	2.411	.017	.048	.476
	tangible	.064	.109	.051	.588	.557	-.150	.278
	reliability assurance 1	-.007	.093	-.007	-.080	.936	-.190	.175
	assurance 1	.311	.092	.250	3.392	.001	.130	.491
	assurance2	-.148	.093	-.113	-1.594	.113	-.331	.035
	social value	.487	.086	.385	5.658	.000	.317	.656

a Dependent Variable: behavioral loyalty

## Moderator Appendix

### Model Summary(e)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.085(a)	.007	-.001	.77475	.007	.890	2	242	.412	
2	.811(b)	.657	.650	.45819	.650	150.972	3	239	.000	
3	.811(c)	.657	.649	.45898	.000	.179	1	238	.672	
4	.816(d)	.666	.653	.45593	.009	2.064	3	235	.106	1.801

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1...

d Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1, mean sc\*sw1, mean em\*sw1, mean pr\*sw1...

**Coefficients(a)**

a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.969	.148		33.603	.000	4.677	5.260
	income	.065	.049	.089	1.332	.184	-.031	.162
	Account Type	-.012	.036	-.022	-.321	.748	-.083	.060
2	(Constant)	.510	.230		2.216	.028	.057	.963
	income	.049	.030	.066	1.622	.106	-.010	.107
	Account Type	-.031	.022	-.057	-1.431	.154	-.074	.012
3	emotional value	.522	.086	.402	6.094	.000	.353	.691
	price value	.281	.064	.257	4.360	.000	.154	.408
	social value	.291	.067	.240	4.349	.000	.159	.423
	(Constant)	.485	.238		2.043	.042	.017	.953
	income	.049	.030	.067	1.625	.105	-.010	.108
	Account Type	-.032	.022	-.060	-1.473	.142	-.075	.011
	emotional value	.519	.086	.400	6.040	.000	.350	.689
4	price value	.280	.065	.256	4.329	.000	.152	.407
	social value	.287	.068	.236	4.216	.000	.153	.420
	switching cost1	.016	.037	.017	.423	.672	-.057	.089
	(Constant)	1.146	.753		1.521	.130	-.338	2.630
	income	.058	.030	.079	1.914	.057	-.002	.117
	Account Type	-.036	.022	-.067	-1.623	.106	-.080	.008
	emotional value	-.013	.320	-.010	-.041	.967	-.643	.617
4	price value	.698	.329	.639	2.122	.035	.050	1.346
	social value	.227	.083	.187	2.716	.007	.062	.391
	switching cost1	-.149	.203	-.165	-.732	.465	-.550	.252
	mean em*sw1	.134	.080	.838	1.674	.095	-.024	.291
	mean pr*sw1	-.108	.081	-.699	-1.325	.186	-.268	.053
	mean sc*sw1	.016	.010	.110	1.650	.100	-.003	.036

Dependent Variable: attitudinal loyalty

ANOVA(e)

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	1.069	2	.534	.890	.412(a)
	Residual	145.257	242	.600		
	Total	146.326	244			
2	Regression	96.151	5	19.230	91.601	.000(b)
	Residual	50.174	239	.210		
	Total	146.326	244			
3	Regression	96.189	6	16.031	76.102	.000(c)
	Residual	50.137	238	.211		
	Total	146.326	244			
4	Regression	97.476	9	10.831	52.103	.000(d)
	Residual	48.849	235	.208		
	Total	146.326	244			

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1...

d Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1, mean sc\*sw1, mean em\*sw1, mean pr\*sw1...

e Dependent Variable: attitudinal loyalty

**Model Summary(e)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Significance F Change	Durbin-Watson
						F Change	df1	df2		
1	.094(a)	.009	.001	.76961	.009	1.082	2	241	.340	
2	.824(b)	.680	.673	.44021	.671	166.197	3	238	.000	
3	.827(c)	.683	.675	.43862	.004	2.735	1	237	.100	
4	.832(d)	.692	.680	.43518	.009	2.254	3	234	.083	1.863

e Dependent Variable: attitudinal loyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.945	.147		33.558	.000	4.654	5.235
	income	.070	.049	.097	1.444	.150	-.026	.167
	Account Type	-.005	.036	-.010	-.151	.880	-.077	.066
2	(Constant)	.429	.222		1.934	.054	-.008	.866
	income	.054	.029	.074	1.878	.062	-.003	.111
	Account Type	-.023	.021	-.042	-1.091	.276	-.064	.018
	emotional value	.523	.082	.405	6.358	.000	.361	.685
	price value	.271	.062	.250	4.378	.000	.149	.393
3	social value	.311	.064	.258	4.828	.000	.184	.438
	(Constant)	.399	.222		1.802	.073	-.037	.836
	income	.055	.029	.076	1.922	.056	-.001	.112
	Account Type	-.026	.021	-.048	-1.234	.219	-.067	.015
	emotional value	.500	.083	.388	6.018	.000	.337	.664
	price value	.265	.062	.245	4.289	.000	.143	.387
	social value	.288	.066	.239	4.385	.000	.159	.418
4	switching cost2	.065	.039	.072	1.654	.100	-.012	.142
	(Constant)	-.406	.677		-5.999	.550	-1.739	.928
	income	.058	.029	.079	1.983	.049	.000	.115
	Account Type	-.018	.021	-.034	-.863	.389	-.060	.024

a	emotional value	.513	.084	.397	6.110	.000	.347	.678
	price value	.842	.238	.777	3.546	.000	.374	1.310
	social value	-.075	.249	-.062	-.299	.765	-.566	.416
	switching cost2	.282	.204	.314	1.387	.167	-.119	.684
	mean pr*sw1	-.003	.010	-.018	-.282	.778	-.022	.016
	mean pr*sw2	-.149	.061	-1.002	-2.446	.015	-.269	-.029
	mean sc*sw2	.090	.064	.611	1.409	.160	-.036	.217

Dependent Variable: attitudinal loyalty

**ANOVA(e)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	1.282	2	.641	1.082	.340(a)
	Residual	142.743	241	.592		
	Total	144.026	243			
2	Regression	97.904	5	19.581	101.042	.000(b)
	Residual	46.122	238	.194		
	Total	144.026	243			
3	Regression	98.430	6	16.405	85.271	.000(c)
	Residual	45.596	237	.192		
	Total	144.026	243			
4	Regression	99.710	9	11.079	58.501	.000(d)
	Residual	44.315	234	.189		
	Total	144.026	243			

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost2...

d Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost2, mean pr\*sw1, mean pr\*sw2, mean sc\*sw2...

e Dependent Variable: attitudinal loyalty

**Model Summary(e)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.068(a)	.005	-.004	.79580	.005	.559	2	240	.573	2.070
2	.696(b)	.485	.474	.57629	.480	73.551	3	237	.000	
3	.703(c)	.495	.482	.57180	.010	4.734	1	236	.031	
4	.729(d)	.532	.514	.55386	.037	6.179	3	233	.000	

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1...

d Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1, mean sc\*sw1, mean em\*sw1, mean pr\*sw1...

e Dependent Variable: behavioral loyalty

**ANOVA(e)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.708	2	.354	.559	.573(a)
	Residual	151.990	240	.633		
	Total	152.698	242			
2	Regression	73.988	5	14.798	44.557	.000(b)
	Residual	78.710	237	.332		
	Total	152.698	242			
3	Regression	75.536	6	12.589	38.505	.000(c)
	Residual	77.162	236	.327		
	Total	152.698	242			
4	Regression	81.223	9	9.025	29.419	.000(d)
	Residual	71.475	233	.307		
	Total	152.698	242			

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1...

d Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost1, mean sc\*sw1, mean em\*sw1, mean pr\*sw1...

e Dependent Variable: behavioral loyalty



**Coefficients(a)**

a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.727	.152		24.528	.000	3.427	4.026
	income	.008	.050	.011	.164	.870	-.091	.107
	Account Type	.036	.037	.064	.951	.343	-.038	.109
2	(Constant)	-.156	.292		-.535	.593	-.731	.419
	income	.014	.038	.019	.379	.705	-.060	.088
	Account Type	.017	.027	.031	.625	.532	-.037	.071
	emotional value	.146	.108	.110	1.354	.177	-.066	.358
	price value	.325	.082	.291	3.984	.000	.164	.485
3	social value	.472	.084	.377	5.586	.000	.305	.638
	(Constant)	-.312	.298		-1.046	.297	-.900	.276
	income	.015	.037	.020	.406	.685	-.058	.088
	Account Type	.008	.027	.015	.308	.758	-.046	.063
	emotional value	.130	.107	.098	1.216	.225	-.081	.341
	price value	.317	.081	.284	3.913	.000	.157	.476
	social value	.441	.085	.353	5.192	.000	.274	.608
4	switching cost1	.101	.047	.109	2.176	.031	.010	.193
	(Constant)	1.406	.920		1.529	.128	-.406	3.218
	income	.035	.037	.047	.957	.340	-.037	.107
	Account Type	-.005	.027	-.008	-.170	.865	-.058	.049
	emotional value	-.461	.391	-.346	-1.179	.240	-1.230	.309
	price value	.583	.404	.522	1.443	.150	-.213	1.379
	social value	.259	.103	.207	2.511	.013	.056	.462
	switching cost1	-.280	.249	-.302	-1.124	.262	-.772	.211
	mean em*sw1	.143	.098	.868	1.461	.145	-.050	.335
	mean pr*sw1	-.073	.100	-.461	-.731	.465	-.270	.124
	mean sc*sw1	.044	.013	.287	3.472	.001	.019	.069

Dependent Variable: behavioral loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.065(a)	.004	-.004	.79449	.004	.504	2	239	.605	
2	.695(b)	.482	.471	.57642	.478	72.681	3	236	.000	
3	.728(c)	.530	.518	.55065	.047	23.603	1	235	.000	
4	.734(d)	.538	.520	.54909	.009	1.445	3	232	.230	2.032

**Model Summary(e)**

- a Predictors: (constant) Account Type, income...
- b Predictors: (constant) Account Type, income, social value, price value, emotional value...
- c Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost2...
- d Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost2, mean pr\*sw1, mean pr\*sw2, mean sc\*sw2...
- e Dependent Variable: behavioral loyalty

**ANOVA(e)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.636	2	.318	.504	.605(a)
	Residual	150.858	239	.631		
	Total	151.495	241			
2	Regression	73.082	5	14.616	43.992	.000(b)
	Residual	78.412	236	.332		
	Total	151.495	241			
3	Regression	80.239	6	13.373	44.105	.000(c)
	Residual	71.256	235	.303		
	Total	151.495	241			
4	Regression	81.546	9	9.061	30.052	.000(d)
	Residual	69.949	232	.302		
	Total	151.495	241			

- a Predictors: (constant) Account Type, income...
- b Predictors: (constant) Account Type, income, social value, price value, emotional value...
- c Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost2...
- d Predictors: (constant) Account Type, income, social value, price value, emotional value, switching cost2, mean pr\*sw1, mean pr\*sw2, mean sc\*sw2...
- e Dependent Variable: behavioral loyalty

**Coefficients(a)**

a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.749	.153		24.568	.000	3.448	4.050
	income	.002	.050	.002	.032	.974	-.098	.101
	Account Type	.035	.037	.064	.950	.343	-.038	.109
2	(Constant)	-.132	.293		-.450	.653	-.709	.446
	income	.011	.038	.014	.279	.780	-.064	.085
	Account Type	.017	.027	.031	.631	.529	-.037	.071
	emotional value	.148	.108	.112	1.374	.171	-.064	.360
	price value	.321	.082	.288	3.932	.000	.160	.482
3	social value	.470	.084	.377	5.565	.000	.304	.636
	(Constant)	-.226	.281		-.804	.422	-.779	.327
	income	.017	.036	.022	.460	.646	-.054	.088
	Account Type	.006	.026	.010	.221	.826	-.046	.058
	emotional value	.060	.105	.045	.575	.566	-.146	.266
	price value	.292	.078	.262	3.730	.000	.138	.446
	social value	.385	.083	.309	4.664	.000	.222	.548
4	switching cost2	.244	.050	.262	4.858	.000	.145	.343
	(Constant)	-1.316	.862		-1.527	.128	-3.014	.382
	income	.013	.037	.017	.351	.726	-.060	.086
	Account Type	.010	.027	.017	.358	.720	-.043	.063
	emotional value	.064	.106	.049	.608	.544	-.144	.273
	price value	.719	.303	.645	2.374	.018	.122	1.315
	social value	.206	.317	.165	.649	.517	-.418	.829
	switching cost2	.575	.259	.618	2.220	.027	.065	1.084
	mean pr*sw1	.014	.012	.090	1.148	.252	-.010	.039
	mean pr*sw2	-.128	.078	-.840	-1.650	.100	-.281	.025
	mean sc*sw2	.038	.081	.248	.465	.642	-.122	.198

Dependent Variable: behavioral loyalty

**Model Summary(c)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Significance F Change	
1	.059(a)	.004	-.005	.81681	.004	.404	2	228	.668	
2	.739(b)	.546	.531	.55771	.542	53.213	5	223	.000	1.975

**ANOVA(c)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.540	2	.270	.404	.668(a)
	Residual	152.116	228	.667		
	Total	152.656	230			
2	Regression	83.295	7	11.899	38.257	.000(b)
	Residual	69.361	223	.311		
	Total	152.656	230			

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.932	.162		30.361	.000	4.612	5.252
	income	.046	.054	.059	.851	.396	-.061	.153
	Account Type	.001	.039	.002	.029	.977	-.076	.078
2	(Constant)	.652	.297		2.195	.029	.067	1.237
	income	.040	.037	.052	1.083	.280	-.033	.114
	Account Type	-.047	.027	-.083	-1.729	.085	-.101	.007
	responsiveness	.387	.098	.323	3.931	.000	.193	.581
	tangible	.233	.096	.188	2.433	.016	.044	.421
	reliability	-.019	.086	-.016	-.215	.830	-.189	.152
	assurance 1	.266	.082	.216	3.227	.001	.104	.429
	assurance2	.199	.086	.152	2.308	.022	.029	.368

**Model Summary(c)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Significance F Change
1	.107(a)	.011	.003	.81716	.011	1.313	2	227	.271	
2	.647(b)	.418	.400	.63389	.407	31.047	5	222	.000	2.095

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: behavioral loyalty

**ANOVA(c)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	1.754	2	.877	1.313	.271(a)
	Residual	151.579	227	.668		
	Total	153.333	229			
2	Regression	64.130	7	9.161	22.800	.000(b)
	Residual	89.203	222	.402		
	Total	153.333	229			

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: behavioral loyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.650	.162		22.525	.000	3.330	3.969
	income	-.003	.054	-.003	-.047	.962	-.109	.104
	Account Type	.061	.039	.108	1.562	.120	-.016	.138
2	(Constant)	.220	.339		.651	.516	-.447	.888

income	.002	.042	.002	.037	.970	-.082	.085
Account Type	.011	.031	.020	.364	.716	-.050	.072
responsiveness	.350	.114	.293	3.076	.002	.126	.574
tangible	.227	.110	.184	2.072	.039	.011	.444
reliability	-.050	.098	-.044	-.508	.612	-.244	.144
assurance 1	.426	.095	.343	4.497	.000	.239	.612
assurance2	-.092	.098	-.070	-.936	.351	-.285	.101

a Dependent Variable: behavioral loyalty

### Model Summary(c)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			Significance F Change	Durbin-Watson
					R Square Change	F Change	df1		
1	.086(a)	.007	-.001	.64471	.007	.838	2	226	.434
2	.810(b)	.656	.645	.38377	.649	83.362	5	221	.000

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: emotional value

### ANOVA(c)

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.697	2	.348	.838	.434(a)
	Residual	93.937	226	.416		
	Total	94.634	228			
2	Regression	62.085	7	8.869	60.220	.000(b)
	Residual	32.549	221	.147		
	Total	94.634	228			

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: emotional value

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.039	.128		31.548	.000	3.786	4.291
	income	.044	.043	.072	1.038	.300	-.040	.129
	Account Type	.013	.031	.030	.430	.668	-.048	.074
2	(Constant)	.427	.206		2.071	.040	.021	.834
	income	.036	.026	.058	1.390	.166	-.015	.086
	Account Type	-.027	.019	-.061	-1.446	.150	-.064	.010
	responsiveness	.413	.068	.436	6.076	.000	.279	.547
	tangible	.124	.066	.126	1.873	.062	-.006	.255
	reliability	.026	.060	.030	.444	.658	-.091	.144
	assurance 1	.247	.058	.252	4.293	.000	.134	.361
	assurance2	.092	.059	.089	1.544	.124	-.025	.209

a Dependent Variable: emotional value

**Model Summary(c)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Significance F Change
1	.072(a)	.005	-.004	.71877	.005	.594	2	225	.553	2.144
2	.716(b)	.512	.496	.50914	.507	45.686	5	220	.000	

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: price value

**ANOVA(c)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.614	2	.307	.594	.553(a)
	Residual	116.241	225	.517		
	Total	116.855	227			
2	Regression	59.827	7	8.547	32.971	.000(b)
	Residual	57.028	220	.259		
	Total	116.855	227			

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: price value

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.018	.142		28.208	.000	3.738	4.299
	income	-.038	.048	-.056	-.800	.425	-.132	.056
	Account Type	.033	.034	.066	.946	.345	-.035	.100
2	(Constant)	.390	.285		1.370	.172	-.171	.951
	income	-.046	.034	-.068	-1.363	.174	-.114	.021
	Account Type	-.004	.025	-.008	-.163	.870	-.053	.045
	responsiveness	.387	.092	.363	4.226	.000	.207	.568
	tangible	.214	.088	.193	2.438	.016	.041	.388
	reliability	.006	.079	.006	.079	.937	-.150	.163
	assurance 1	.253	.078	.220	3.250	.001	.100	.407
assurance2	.043	.079	.036	.547	.585	-.113	.199	

a Dependent Variable: price value



**Model Summary(c)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Significance F Change
1	.046(a)	.002	-.007	.65460	.002	.233	2	224	.792	
2	.694(b)	.481	.465	.47727	.479	40.475	5	219	.000	1.873

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: social value

**ANOVA(c)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.200	2	.100	.233	.792(a)
	Residual	95.985	224	.429		
	Total	96.185	226			
2	Regression	46.299	7	6.614	29.036	.000(b)
	Residual	49.886	219	.228		
	Total	96.185	226			

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, assurance2, tangible, assurance 1, reliability, responsiveness...

c Dependent Variable: social value

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.165	.129		32.176	.000	3.910	4.420
	income	.018	.044	.028	.404	.687	-.069	.104
	Account Type	.013	.032	.028	.393	.695	-.051	.076
2	(Constant)	1.017	.255		3.987	.000	.514	1.519
	income	.024	.032	.039	.758	.449	-.039	.088
	Account Type	-.026	.024	-.056	-1.068	.287	-.073	.022
	responsiveness	.197	.085	.206	2.315	.022	.029	.365
	tangible	.344	.083	.349	4.162	.000	.181	.506
	reliability	-.066	.074	-.073	-.889	.375	-.212	.080
	assurance 1	.229	.071	.234	3.243	.001	.090	.369
	assurance2	.080	.074	.077	1.076	.283	-.066	.226

a Dependent Variable: social value

**Model Summary(c)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Significance F
1	.084(a)	.007	-.001	.77196	.007	.875	2	246	.418	
2	.807(b)	.651	.644	.46031	.644	149.620	3	243	.000	1.878

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Dependent Variable: attitudinal loyalty

**ANOVA(c)**

Significance	F	Mean Square	df	Sum of Squares	Model
.418(a)	.875	.522	2	1.043	Regression 1
		.596	246	146.597	Residual
			248	147.641	Total
.000(b)	90.757	19.230	5	96.152	Regression 2
		.212	243	51.489	Residual
			248	147.641	Total

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Dependent Variable: attitudinal loyalty

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.974	.146		33.971	.000	4.686	5.263
	income	.064	.048	.088	1.322	.187	-.031	.159
	Account Type	-.012	.036	-.023	-.345	.730	-.083	.058
2	(Constant)	.529	.230		2.296	.023	.075	.982
	income	.045	.030	.061	1.503	.134	-.014	.104
	Account Type	-.027	.022	-.050	-1.255	.211	-.070	.015
	emotional value	.505	.086	.390	5.895	.000	.336	.674
	price value	.280	.065	.256	4.331	.000	.152	.407
	social value	.303	.067	.250	4.536	.000	.171	.435

a Dependent Variable: attitudinal loyalty

**Model Summary(c)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	Change Statistics		Significance F Change	Durbin-Watson
							df1	df2		
1	.066(a)	.004	-.004	.79238	.004	.530	2	245	.589	
2	.686(b)	.470	.459	.58160	.466	70.921	3	242	.000	2.150

a Predictors: (constant) Account Type, income...

b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Dependent Variable: behavioral loyalty

**ANOVA(c)**

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	.665	2	.333	.530	.589(a)
	Residual	153.827	245	.628		
	Total	154.492	247			
2	Regression	72.634	5	14.527	42.946	.000(b)
	Residual	81.858	242	.338		
	Total	154.492	247			

a Predictors: (constant) Account Type, income...

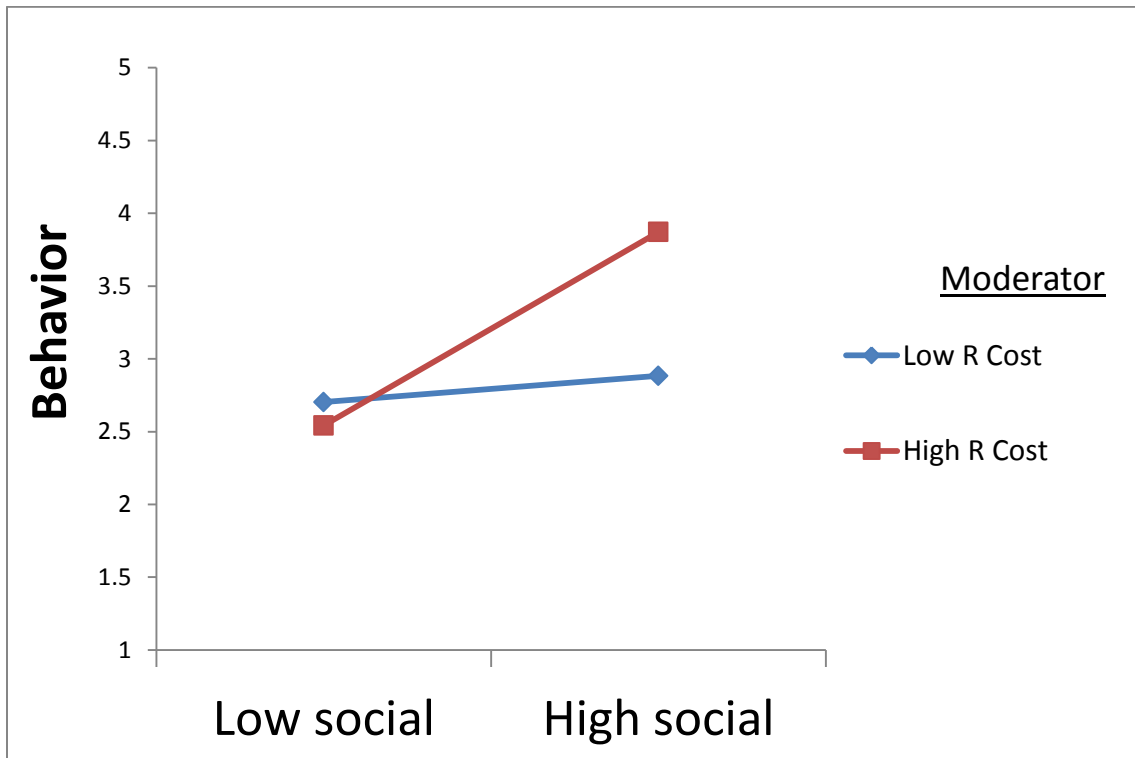
b Predictors: (constant) Account Type, income, social value, price value, emotional value...

c Dependent Variable: behavioral loyalty

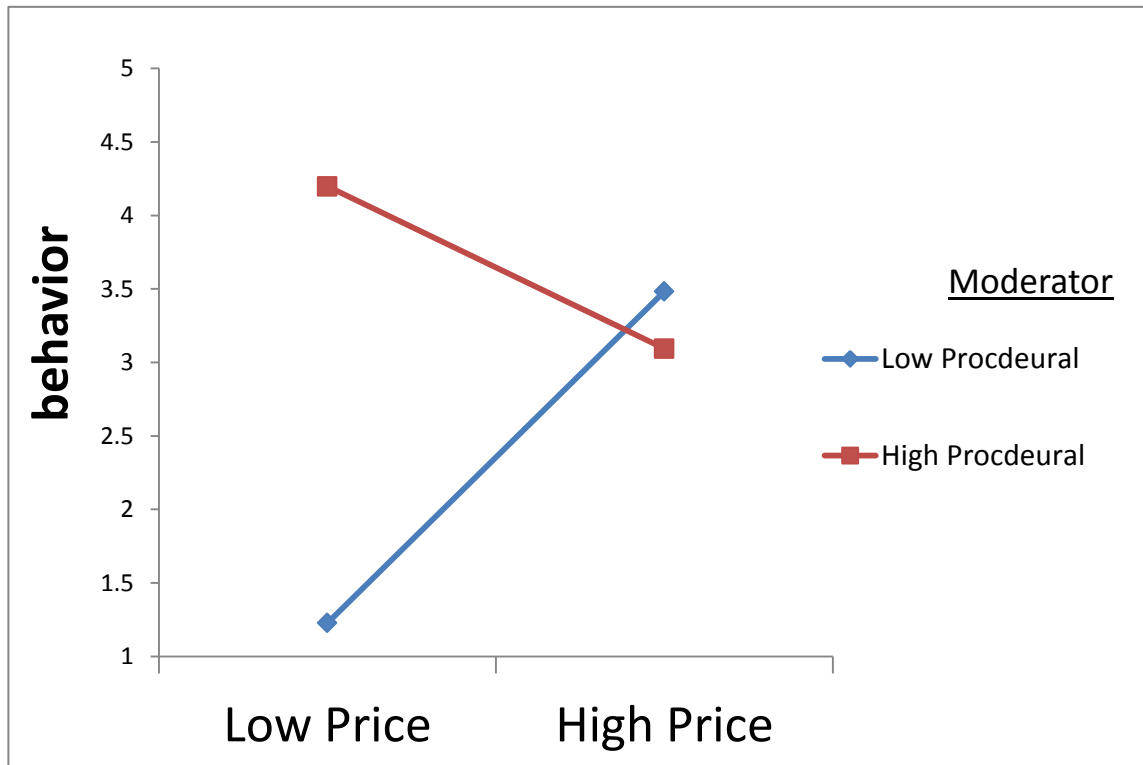
**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.731	.150		24.889	.000	3.435	4.026
	income	.007	.050	.010	.148	.882	-.090	.105
	Account Type	.034	.037	.062	.930	.354	-.038	.107
2	(Constant)	-.086	.293		-.293	.770	-.662	.491
	income	.012	.038	.016	.319	.750	-.062	.086
	Account Type	.017	.027	.031	.632	.528	-.037	.071
	emotional value	.130	.108	.098	1.203	.230	-.083	.344
	price value	.330	.082	.295	4.021	.000	.168	.491
	social value	.465	.084	.373	5.511	.000	.299	.632

a Dependent Variable: behavioral loyalty



R Cost strengthens the positive relationship between social and Behavior.



Procedural dampens the positive relationship between Price and behavior.

## Summary of the literature Review

No	Auther	Date/page	Title	Journal	methodology	results
1	Masood A. Badri, Mohamed Abdulla and Abdelwahab Al-Madani	2004 /819-848	Information technology center service quality Assessment and application of SERVQUAL	International Journal of Quality & Reliability Management	2,294 questionnaires was returned	Based on our findings of applying SERVQUAL on the service quality of information technology centers, the five component structure suggested by Parasuraman et al. (1991) was not confirmed. In addition, the four perceptions extracted factors accounted for a slightly higher percentage of variance relative to the percentage of variance resulting from the four gaps extracted factors
2	Dr. Masood H - Tripti Ghosh Sharma- Vijaynagar, Ghaziabad, India	2010/171-186	Measuring the Customer Perceived Service Quality for Life Insurance Services: An Empirical Investigation	International Business Research	868	The study indicates that among the various service quality dimensions in the life insurance industry, assurance is the most important determinant of service quality, followed by personalized financial planning, competence, corporate image, tangibles and technology, in that order. Hence the Life Insurance companies needs to comprehend assurance in customer terms and deliver the same.
3	1Sahar Siami,	2011/797	Service	Australian	883	

	2Mohammadbagher Gorji	-802	Quality Management in the Insurance Industry on the Basis of Service Gap Model	Journal of Basic and Applied Sciences	questionnaires	<p>This study evaluated the situation based on the service quality gap model to determine service gaps and five community services in the insurance industry had been studied. The results showed that the five dimensions Servqul customers to deliver excellent service of high level, but they know their perceptions that the service levels received from the insurance company has are moderate. It also became clear criteria and ensures reliability and guarantees the highest and most important factor for customers and the expected minimum standards empathy factor, the insurance is considered. In addition it was found that the pattern in all five criteria of quality customer service gap between expectations and perceptions are and this means that the service received was not the expected needs of clients and customers are highly satisfied with the services received. Also the results of the research findings revealed that the use of models and model Servqual service gap, an appropriate tool for measuring service quality in the insurance industry, so it is suggested that this model of service quality measurement in constant use. It should be noted that the degree of priority criteria for quality of service in</p>
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						<p>organizations and communities according to the mission and culture governing community organizations can be different, but it certainly can be said that the criteria and ensure reliability and guarantee the insurance industry and most Major impact on customer satisfaction will be.</p>
4	JorgeVera a,n, AndreaTrujillo	2013/580 -586	<p>Service quality dimensions and superior customer perceived value in retail banks: An empirical study on Mexican consumers</p> <p>service quality&amp; perceived value)&amp; measurement of Empathy• Assurance• Visual Aspec</p>	Journal of Retailin g and Consum er Services	209	<p>As the results suggest ,the service quality dimensions in this sector explain ,at least partially ,both client satisfaction and the loyalty the customer manifests towards the retail bank brand. Never the less, the results also suggest that the achievement of service quality attributes is not sufficient to convince clients to pay a higher price for the services they receive from their bank. This implies a lack of relation between service quality and customer perceived value in this sect . In other words ,the results this study provides may lead to the conclusion that service quality does not constitute a real source of superior customer perceived value, and thus, does not provide real source of brand differentiation. In the current study service quality was measured as service performance using the attributes contemplated in the Servperf scale.</p>

5	Lai-Ying Leong a, Teck-Soon Hewb, Voon-Hsien Lee a,† , Keng-Boon Ooi c	2015/ 6620- 6634	An SEM– artificial- neural-network analysis of the relationships between SERVPERF, customer satisfaction and loyalty among low- cost and full-service airline	Expert Systems with Applicat ions		This research empirically investigate SERVPERF’s influence on both CS and CL among the full service and low cost airlines in the Malaysian airline industry, with a further examination on whether a significant difference lies between full service and low cost airlines in terms of construct validity of the SERVPERF dimensions.the dimensions of service quality performance of the airline industry chosen for this research are tangible, reliability, responsiveness, assurance and empathy. And no significant difference was reported to exist between full service and low cost airlines for all SERVPERF constructs except for the reliability component. Furthermore, no significant differences exist in terms of causal relationship difference in the structural model across the two groups. As for the impacts of SERVPERF dimensions towards customer satisfaction of the airline industry, tangibles, reliability and responsiveness were found to have adirect, significant and positive impact on CS. At the same time these indirectly impact on CL as well. While assurance and empathy pose no direct and significant impact on CS and no indirect significant impact on CL.

6	Abdullah et al	2007/1-29	Measuring the service Quality of airline service in malaysia	Journal of economics and management	391	SERVQUAL dimensions influence CS, intention to re-patron and likelihood to recommend to others
7	Ariffin et al	2010/47-56	Service quality and satisfaction for low cost carries	International review of Business Research	100	Caring and tangible was the most important dimension of service quality followed by reliability, responsiveness, affordability and visual attractiveness. Only caring and tangible significantly predict customers' satisfaction on service quality
8	Atilgan, Akinci, and Aksoy	2008	Measuring and mapping customer s expectations for airlines. The sunexpress case with the GAPS model	Journal of Global strategic management	235	Gaps exist for the dimensions of food and beverage, cabin, aesthetics, convenience, dependability, in-flight activities and personnel
9	Chau and koa)	(2009/106-134	Bridge over troubled water or long and winding road Gap -5 service quality performance measure	Managing service quality	263	The gap-5 sizes quality dimensions have significant impact on CS and service value
10	Cunning, young, lee	2002/3-	Cross-cultural	Journal	105	US: reliability, connections and

		26	perspectives of service quality and risk in air transportation	of air transportation	(U.S.) 145 (Korea)	in-flight comfort influence CS. Intention to re-patronize is affected by reliability and empathy Korea: reliability, risk factors and assurance affect CS. Intention to re-patronize is affected by overall risk and reliability
11	Huang .Y.K	2009/2301-2314	The effect of airline service quality on passengers behavioral intentions using SERVIQUAL scores: a taiwan case study	Journal of the Eastern Asia society for transportation	602	Service quality has direct effects on passengers' behavioral intention
12	Ling and lin	2005/798-813	Difference in service quality of cross strait airlines and its effect on passengers,prefereces	Journal of the Eastern Asia society for transportation	262 (Taiwan) 142 (China)	CS is influenced by tangibles, reliability, responsiveness and assurance but not empathy. Customer's preference is affected by tangibles and reliability
13	Nadiri and Hussain	2008/265/280	An investigation on the factors influencing passengers	The TQM Journal	583	SERVQUAL dimensions positively influence CS and repurchase intention. CS positively influences word-of-mouth

			loyalty in the north cyrus National Air line			
14	Prayag. G	2007/492-514	Assising international tourists perception of service quality at air mauritius	Internati onal jouenal of quality and Relabilit y	140	Perceptions of service are influenced by service efficiency and affect, service personalization, reliability and tangibles. CS and willingness to recommend are dependent on service efficiency and affect
15	Park ,Robertson and wu	2006/359-381	Modelling the hmpact of airline service quality and marketing variable on passengers future behavioral intentions	Transpo rtation planning and technolo gy	501	Perceived price, perceived value, passenger satisfaction and airline image have direct effect on passengers' future behavioral intentions
16	Saha and Theingi	2009/350-371	Service quality ,satisfaction and behavioral intentions : Astudy of low costs airline carriers in Thailand	Managin g service quality	1212	Tangibles, ground staff, flight schedules and attendants influence CS. CS affects BI and word-of-mouth. Word-of-mouth affects BI(behavioral intention).
17	Achilleas Kontogeorg Dimitrios Tselempis	2014/54-64,	Measuring service quality	MEASU RING	245	This research proved that there are three dimensions (Tangibles,

	and Stamatis Aggelopoulos		of the Greek Ministry of Agriculture	BUSINESS EXCELLENCE		reliability and assurance) where citizens' expectations from this public service organization are not being met, while in the other two dimensions (empathy and responsiveness), both expectations and actual perceptions means were very low; less than 3. Therefore, in this study the 5-dimensional structure proposed by Parasuraman <i>et al.</i> (1988) for the SERVQUAL scale cannot be confirmed. The results indicate that service quality for the Hellenic MRDF is determined by three factors.
18	Stefan Cronholm and Nicklas Salomonson	2013/60-76	Measures that matters: service quality in IT service management	International Journal of Quality and Service Sciences	300	found a correspondence to our empirical data. Regarding the determinants reliability and responsiveness our findings are in line with Kettinger and Lee (1994) (Tables II and III). Concerning assurance we have corresponding findings for courtesy and credibility (Tables VI and VIII) but we were not able to relate any customer experiences to the determinant "Security" (Table IX). We can also conclude that we have corresponding findings regarding empathy. Empathy corresponds partly to the determinant understanding the customer (Table X). The results in our study partly correspond to the determinant "Tangible". We could confirm some of the attributes and

					<p>we also found support in our data for adding a new attribute. Two of the attributes in “Tangibles” could not be confirmed .</p> <p>Another observation is that some of the determinants are closely related and sometimes overlap. This is line with Kettinger and Lee (1997) who states that users of SERVQUAL need to be aware of the differences in semantics between responsiveness, assurance and empathy. Kettinger and Lee (1997) describe SERVQUAL as a diagnostic tool for uncovering areas of service quality strengths shortfalls and that the practical value is twofold. It can be used as a benchmarking tool to establish “best practice” in the industry and as a diagnostic/prescriptive tool to identify problems within specific service processes. We agree with Kettinger and Lee (1997) and there is nothing in our results that inform us that SERQUAL cannot serve the same purposes</p>
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19	Koushiki Choudhury	2013/612-627	Service quality and word of mouth: a study of the banking sector	International Journal of Bank Marketing	(864)	This study explores the relationship between service quality (attitude, competence, tangibles and convenience) and WOM by linking both constructs at their dimensional level. The results of this study provide strong support for the predictive power of perceived service quality on WOM communications, find out the effects of the four factors of service quality (attitude, competence, tangibles and convenience) on WOM offer strong support for the facts that attitude is most important for influencing WOM about the banks followed by competence, tangibles and convenience. The results thus provide evidence of the Usefulness of service quality research, since WOM communications and purchase intentions have been suggested as important dimensions of the concept of service loyalty (Zeithaml and Bitner, 2000).
20	Akram Mahmoud Al-jazzazi and Parves Sultan	2014/688-700	Banking service quality in the Middle Eastern countries	International Journal of Bank Marketing		Research meant to address these research questions would also indicate how certain demographic variables (including income, religion, gender, age, and profession) affect perceptions of service quality and the selection of banking services. Research to this end would also aid



						banking practitioners in effectively targeting potential customers and identifying service areas that require improvement as a means to retain customers and revenue streams.
21	Shu-Ching Chen	(2015)/10 7-116	Customer value and customer loyalty: Is competition a missing link?	Journal of Retailing and Consumer Services		<p>This study makes contributions to the extant research on customer loyalty, customer value, and competition in the service context .A service is as ource of experience from the consumer’s perspective(Ostrom etal.,2010). This study answers the call for more research on consumer consumption experience and prac- tices (e.g., Helkkula etal.,2012;Solomonetal.,1985;Verhoeftal., 2009). The value of the current research is that it extends our understanding of the customer value–customer loyalty relation- ship under different view points</p> <p>First, this study uncovers the signficance role of competition in the formation of customer loyalty by means of customer value from a dyadic view. Though service employees perceive competi- tion as a critical driving force for customer loyalty, consumers do not. Rather, consumers take certain type s of value delivery elements in to consideration when choosing a service out let from among</p>

						<p>competitive offers. Second, this study highlights that using service employees ,or other organizational personnel, to answer questions on the drivers of customer loyalty may be in effective, as their perceptions may not coincide with those of actual on su- mers. Consumers use the available alternatives to assess certain types of value they experien cefrom service employees. Accord- ingly , this study provide s managers with direct in sights as to what type of customer value to invest in the creation and delivery of services in order to achieve the desired level of customer loyalty. Third, the study of dyads provides a unique opportunity to investigate common them esacross respondents. The results show that there is asymmetry in the views on competition and the driving force of loyalty by means of customer value between the two sides of the dyad. Finally, the study raises an important issue on, and suggest show, managers of service out lets could manage their service employees in the critical moment of truth; that is, during the service encounter.</p>
22	Robabeh Sadat Hosseini*, Artinah Zainal, Norzuwana	( 2015 ) 156 – 164	The Effects of Service Performance of	Social and Behavior	302	Research is needed to determine whether the hotel brand management strategies discussed have different

	Sumarjan		Hotel Customers on Quality of Experience and Brand Loyalty in Iran	ral Sciences		effects on the development of brand equity. Different hotel segments may engender disparate results in this aspect. This study considers service performance, quality of experience, and brand loyalty to be the brand equity components in the service-dominant hotel industry. Research on the impact of service performance and quality of experience is reviewed, and their role in the development of brand equity is discussed. Direct experience of service performance in the hotel industry is deemed to consist of three primary components, i.e. interaction with hotel employees and customers, service environment, and service outcomes. The direct and indirect experiences together contribute to the establishment of brand image and brand loyalty. This study examines the relative importance of service performance and quality of experience in building of brand image and ultimately the brand loyalty.
23	Asghar Afshar Jahanshahi (Corresponding Author) , Mohammad Ali	2011/253-260	Study the Effects of Customer Service and Product	<i>International Journal of Humanities and</i>		The links between quality, customer satisfaction and loyalty are one of the most popular research topics among service researchers (Chai, Ding, and Xing, 2009; Pilkington and Chai 2008). Pilkington and Chai (2008) studied the

	<p>Hajizadeh Gashti  ., Seyed Abbas  Mirdamadi,  Khaled Nawaserm ,  Seyed Mohammad  Sadeq Khaksar</p>		<p>Quality on  Customer  Satisfaction  and Loyalty</p>	<p><i>Social  Science</i></p>	<p>importance of quality of products and services on customer satisfaction and found out that loyal customers mostly lie in category of customers who have used higher quality products. This implies that better quality of products tends to increase customers’ loyalty. Researches by Chai and colleagues (2009) show that quality of services to a customer is one of the most important factors in identifying new customer needs and as we all know, the key to customer satisfaction and loyalty is providing the customers with their undiscovered needs. Other studies done by Bastos and Gallego (2008); Yi, (1990); Chai et al, (2009); Bloemer, et al (1995) also show the importance of products and services quality in enhancing customer satisfaction and loyalty. One may pursue the common point of these studies in undiscovered customer needs. In a setting where companies do not depend on others to serve customers, the customer is aware to whom his/her perception is dedicated, and the direct link between perceived quality, customer satisfaction and loyalty is naturally expected. This has been proven by many researchers in both pure product (e.g. Zeithaml 1988, Cronin et al. 2000, Brady and Cronin 2001) and pure service settings</p>
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						(e.g. Parasuraman et al. 2005, Wofinbarger and Gilly 2003). It may be easy to point out that customer satisfaction increases their loyalty, but there are also many satisfied customers who are not loyal to that particular brand. Thus, paying attention to satisfaction and loyalty at the same time is to be a critical and also a challenging task for a company. Studies undertaken by Coyne (1989); Oliva et al., (1992); Fornell (1992); Guiltinan, et al. (1997); Sivadas and Baker-Prewitt (2000); Bowen, and Chen (2001); Bansal and Gupta (2001); Silvestro, and Low (2006), show that there is a positive and meaningful relationship between customer satisfaction and increase in the customers' loyalty. Findings of this research show that the quality of customer service and the quality of products in Tata Motor's Company promotes customer satisfaction, and also there is a positive relationship between customer satisfaction and customer loyalty in the context of the Indian automotive industry
24	<i>Çerri Shpëtim</i>	2012/16-35	Exploring the Relationships among Service Quality, Satisfaction,	<i>Journal of Competitiveness</i>	258	Service Quality positively influences Loyalty ( $\gamma_{13}=0.23$ ; $p<0.001$ ). This finding comply with the research conducted by Su et al., 2009; Pollack, 2009; Yavas &

			Trust and Store Loyalty among Retail Customers			Babakus, 2009), who found that higher levels of service quality lead to higher levels of customers loyalty. While several authors have emphasized the multidimensional nature of service quality and the relationships between customer satisfaction, customer trust, and customer loyalty, this research sought to establish the bridges between service quality, customer satisfaction, customer trust, and customer loyalty in a retail context.
25	Alok Kumar Rai, Srivastava Medha	139-163, June 201s3	The Antecedents of Customer Loyalty: An Empirical Investigation in Life Insurance Context	<i>Journal of Competitiveness</i>	400	In context of life insurance services in India, service quality holds greatest significance for the customers while taking conscious or unconscious decision of binding their loyalty with a life insurer. Service quality is of primary importance in respect of customer loyalty and life insurers, who desire unwavering loyalty of their customers, should carefully assess and deliver quality services to their customers by offering better products with greater flexibility and reasonable charges, hassle free claim procedures and a proactive and systematic grievance handling mechanism

26	Rahim Mosahab, Osman Mahamad, T. Ramayah,	2010/72- 80	Service Quality, Customer Satisfaction and Loyalty: A Test of Mediation	Internati onal Business Researc h	250	<p>The results of this research show that in all fivefold dimensions of service quality and also in total, customers' expectations are beyond their perceptions of the bank performance. In fact, findings of this research show that although in all fivefold dimensions of service quality Sepah Bank's performance has been higher than average limit, but its service quality does not satisfy customers' expectations. Also, it was expected that service quality would be one of the determinants of satisfaction and loyalty. In fact, nearly 43 percent of customer's satisfaction change is explained by service quality. On the other hand, service quality has a direct relation with loyalty, and nearly 45 percent of loyalty changes can be explained by service quality changes. Another point is that if the satisfaction variable enters the model, the resulted determination index will be higher in figure than other cases (0.803). This figure means that nearly 80 percent of loyalty changes can be explained by satisfaction and service quality,</p>
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					<p>although satisfaction plays a more important role in this relation.</p> <p>In addition, findings of this research show that there is a positive and meaningful relation among all fivefold dimensions of service quality with satisfaction and loyalty, which in both cases assurance and tangibles have the most and the least relation with satisfaction and loyalty. In other words, it sees that tangibles can be considered as health factors, and assurance as motivational factor. In addition, the fivefold dimensions of service quality can</p> <p>be observed from another point of view. In fact, these dimensions can be divided into two more general dimensions of resulted and processed. The resulted dimension includes reliability dimension, and the processed dimension includes other dimensions (tangibles, responsiveness, assurance, and empathy). Findings of this part too, show that both resulted and processed dimensions have a positive and meaningful relation with satisfaction and loyalty. But the important point is that there is significant relation between the processed dimensions and</p>
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						<p>satisfaction and loyalty. This point is important because although the final output may not satisfy customer's satisfaction, but it does not necessarily mean customer's dissatisfaction. In fact, service encounter plays an important role in customer's satisfaction and loyalty. Considering the above mentioned findings, the Bank's manager should try to gradually reduce the gaps in the first step, and should attempt to make this gap positive, and to surpass customers' expectations, in the next step.</p>
27	Lo Liang Kheng, Osman Mahamad, T. Ramayah, Rahim Mosahab	57-66/2010	The Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia	International Journal of Marketing Studies	238	<p>Regression Analysis shows that tangibles have no significant impact on customer loyalty. This result is contrary to the findings by Sureshchandar et al. (2003). It has been observed that there is a changing trend and respondents did not treat tangibles as an important measurement anymore due to availability of self-service terminals. Therefore, the bank must look into upgrading the proficiency of their self-service terminals rather than their interior. Also due to the emergence of IT, tangible has lost its importance as a measurement for customer</p>

					<p>loyalty. Internet banking has been very popular among the banks in Malaysia and is growing tremendously. As such, IT should be taken into consideration and used as a measurement for customer loyalty. This will give a more reflective result for the banking environment today. Tangibles were also found to be not significance on mediating variable (customer satisfaction). Banks customers do not view the tangibles as an important factor for them.</p> <p>Reliability is found to have positive relationship with customer loyalty. The finding is supported by the previous researchers including Nguyen &amp; Leblanc (2001) and Bellini et al. (2005). Reliability was found to be not significant to customer satisfaction. This is in the line with the finding that customers may stay with an organization even it predicts they are dissatisfied because they perceive they have no choice (Zeithaml et al., 1996).</p> <p>Findings indicate that the relationship between responsiveness and customer loyalty is insignificant. Surprisingly, these results are contrary to the prior findings in other studies (Jun &amp; Cai,</p>
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					<p>2001; Diaz &amp; Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006). Customer loyalty remains an important factor that bank has to ensure in order to make profit. Customers, who use a particular bank service, consider switching bank as a threat. Customer are</p> <p>more educated and knowledgeable, their demand is also on an increasing trend. In order to stay in the business, bank need to improvise their customer service campaign. Loyalty program can be used as one of the tools to retain customer. With the emergence of foreign bank, local bank need to improve their service quality byproviding more experienced employees to serve the customer in the operations. Results from hypotheses testing</p> <p>also show that responsiveness found to have positive relationship with customer satisfaction this is in line with Glaveli et al. (2006) who highlighted the speed of service delivery enhanced perception of service quality while Joseph et al. (2005) indicated that “no waiting time” raised customers’ satisfaction level</p> <p>Empathy has significant positive relationship with customer loyalty. This evidence is supported by the</p>
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						<p>findings by Butcher (2001), Ndubisi (2006) and Ehigie (2006). As suggested by Butcher (2001), friendship between customers and particular service employees has a major influence on the development of customer loyalty. According to Ndubisi (2006), customer satisfaction can be achieved by offering personalized, flexible and adjustable services to suit the needs of customers. This is in line with the findings of this research that empathy has positive impact on customer satisfaction.</p> <p>This study shows a significant relationship between assurance and customer loyalty and is consistent with previous studies including Lympelopoulos et al. (2006) and Ndubisi (2006). In this study, assurance was found to be a significant prediction of customer satisfaction and this is in line with Ndubisi (2006) arguing the communication is clearly a strong indicator of overall satisfaction and important source of customer satisfaction in the Malaysia banking sector.</p>
28	MOHAMMAD MAJID MEHMOOD BAGRAM,	2012/1-8	Attaining Customer Loyalty! The	internati onal review	104	The main aim of this research was to find the role of consumer behavior and consumer attitude towards

	SHAHZAD KHAN		Role of Consumer Attitude and Consumer Behavior	of management and business research	<p>customer loyalty. From the above results, following findings and conclusion is drawn. It is concluded that Perceived Value, Perceived Quality and Product Attribute are the key factors for contributing towards customer loyalty. Keeping the findings of this research it is very obvious that the companies should always continue to emphasize on Perceived Value, Perceived Quality and Product Attribute in order to make customer loyal towards their products. Secondly it is also clear from the result of the study that Customer satisfaction has more contribution for customer loyalty in comparison of customer retention. As the theoretical framework of the study shows that customer satisfaction is based on customer perceived value and customer perceived quality. So hence it is concluded that university students of Peshawar Pakistan become loyal for mobile handsets because of customer satisfaction as company provide them better customer value and quality. Hence it is concluded that firms should emphasize on customer value (The cost benefit side) and customer perceived Quality because these two dimensions has</p>
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						greater influence on customer loyalty. Greater the customer satisfaction greater the students will be loyal towards mobile handsets and vice versa.
29	Md.Hussain Kabir and Therese Carlsson	2010/1-51	Service Quality - Expectations, perceptions and satisfaction about Service Quality at Destination Gotland - A case study	Masters Program in International Management 15 ECTS Gotland University		The figure gives an over all answer to all three research questions. The result shows that the average score of total expectations are 3, 99(±0, 26) and the overall perception score is 3, 60(±0, 17). The score shows a -0, 39 difference. That means that the expectations are higher than the perceived service quality. The customers have the highest expectations about the knowledge and behavior of the personnel (assurances) at an average point of 4.16 (assurances are followed by the ability to provide good service at the time it is promised (reliability) 4, 11, the willingness to help and giving good information (responsiveness) 3, 95, physical aspects (tangibles) 3, 94 and at last individual attention (empathy) 3, 44). Assurance is therefore considered the most important dimension of service quality and tangibles and empathy are considered the least important dimensions. According to Parasurman et al (1990) reliability is an important dimension and that is to some extent confirmed by this study. Reliability is

						<p>the second most important dimension according to the result of this study with an average score of 4, 11. When it comes to perceptions we can see that also here the tangible dimension has the highest score with an average of 3,76. Assurances has the second highest score with an average of 3, 69. They are followed by responsiveness 3, 68, reliability 3, 57 and the dimension that has the lowest perceptions is empathy with an average score of 3, 32. The big difference that can be seen is that tangibles do not have big importance when it comes to expectations but tangibles is the dimension that received the highest perceived service quality.</p>
30	R.A.J. van Es	2012/185	<p>The Relationship between Service Quality and Customer Loyalty, and its Influence on Business Model Design A study in the Dutch Automotive</p>	mailto:R.A.J.van es@student.utwente.nl	439	<p>these dimensions of service quality are the most important variables of service quality to determine customer loyalty. Responsiveness (<math>r = 0.894</math>) and reliability (<math>r = 0.903</math>) have very high correlation coefficients with customer loyalty. About 80% of the variance in customer loyalty is explained by these constructs. Koskamp will have to pay a great deal of attention to these dimensions. Responsiveness refers to the willingness to provide a quick service. Reliability refers to the ability to perform the promised service</p>

			Industry			<p>accurately. Both types of garages can capture value from a service which is delivered quickly and is of a reliable level. It becomes clearer when we move into the thoughts of a garage. The core business of a garage exists of repairing cars from their own customers. When a garage can complete this task quickly and accurately, supported by Koskamp, they garage can reach competitive advantage above their competitors. When there is no quick delivery of the products, there is slow response to complaints or placing an order takes too much time, garages will be less loyal to Koskamp.</p> <p>The current value proposition of Koskamp shows the willingness to provide a quick service and the ability to perform the promised service. With more than 8 distribution centers, 178 full-time employees, a 24 hours a day online order system, 72 hours a week available call center and about 1.100.000 products Koskamp is reliable to deliver a wide range of products within two (or one) hour(s) to each single customer. Koskamp should continue with this value proposition focus. Eventually they will become an important business partner for each garage. This is a fundamental point for</p>
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					<p>developing loyal relationships.</p> <p><b>Tangibles</b></p> <p>Tangible refers to the appearance of the physical facilities, equipment, personnel and communication material. Of the five service quality dimensions, tangibles have the lowest correlation coefficient with customer loyalty (<math>r = 0.736</math>). Garages can not directly capture value from tangibles and therefore it does not determine customer loyalty. So, tangibles of the service should be of a sufficient level, but they are more a basic requirement that is supposed to be present. Koskamp does already have a neat appearance of their equipment, personnel and communication material. Regarding to the current situation, there is no need to change.</p> <p><b>Empathy and Assurance</b></p> <p>Empathy refers to caring and individual attention of the service provider towards its customers. Together with responsiveness and reliability is empathy highly positively related to customer loyalty (<math>r = 0.882</math>).</p> <p>Assurance refers the trust in the knowledge of, and the proficiency in, the service provider. It is also positively related to customers loyalty, but the correlation is less strong (<math>r = 0.799</math>)</p>
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31	Pin Luarn, Hsin-Hui Lin	2003/156 -167	A customer loyalty model for e-service context	Journal of Electronic Commerce Research	180	This study investigated the direct effects of customer satisfaction, trust, perceived value, and commitment on loyalty perceived value ( $\beta=0.230$ , $t\text{-value}=4.237$ , $p<0.001$ ) and commitment ( $\beta=0.392$ , $t\text{-value}=6.755$ , $p<0.001$ ) had a significant positive effect on the loyalty.
32	Muchtar Rizka, Astuti Widji	2013/419 -501	Customer Loyalty the Effects of Service Quality and The Mediating Role of Customer Relationship Marketing TelKom Speedy in Jember Area	Society of Interdisciplinary Business Research	220	The results confirm the research model, service quality is found to act on service loyalty via customer relationship marketing Service quality direct effect on customer loyalty as strong as 0.485 and CR = 4.340 on P value = 0.00.
33	SALMI BINTI MOHD ISA	<b>2005</b>	Service quality and its relationship with customer satisfaction towards customer loyalty: perceptions of public listed	NO	115	The SERVQUAL gap has been measured and four major hypotheses were developed in order to meet the research objectives. Each of every research questions asked will be answered and reported accordingly based on the insightful findings results. Respondents were asked to rank their expectation of service quality dimensions and as per expected the Reliability dimension was ranked as

			companies			number one. The results also show there were negative gap for Reliability, Responsiveness, Assurance and Empathy dimension and a positive gap for Tangibles dimension. Meaning to say that audit clients were dissatisfied with those four dimensions except for Tangibles dimension. The relationship between customer satisfaction and customer loyalty showed a very low significant value due to the industry characteristic and background. Reliability dimension was also reported to have a full mediating effect to customer loyalty. This finding will enable audit firms to give more attention on this service dimension in order to ensure their audit clients are being loyal to them.
34	Neringa Ivanauskienė, Justina Volungėnaitė	2014/111 3-120	Relations between Service Quality and Customer Loyalty: An Empirical Investigation of Retail Chain Stores in Emerging Markets dimention of service quality	<i>American International Journal of Social Science</i>	370	This study investigated the dimensions of retail service quality and the relationship between service quality dimensions and customer loyalty across three emerging markets. The research data disclosed that the retail service quality dimensions extracted by this study in Lithuania, Latvia and Estonia household retail market are not the same as those proposed in original RSQS instrument. The Principal Component Analysis revealed that five retail

			مختلفة)			<p>service quality dimensions namely, personal interaction, physical aspects, reliability, policy and product quality, can be identified in the researched market. Product quality is the new dimension that has emerged from items previously used in policy and reliability dimensions. The findings suggest that retail service quality has a positive effect on customer loyalty. Results of the Linear Regression Analysis shows that of the five distinguished dimensions only three dimensions, namely personal interaction, policy and product quality, were significant to customer loyalty.</p> <p>As to the personal interaction it can be stated that for the household retail sector customers rate the behaviour of employees and individual attention as very important. Therefore retail market managers should place special efforts on those particular aspects of retail service quality.</p> <p>The policy aspects also are important to retail customers in household sector. That lets us to recommend retailers to keep convenience (convenient operating hours, convenient parking, possibility to pay with credit cards) as one of priority in improving overall service</p>
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						<p>quality. While explaining the reasons of positive effect of product quality dimension on customer loyalty it can be stated that high quality merchandize and availability of assortment give customers a good impression. It is especially important in household sector – as customers are buying products that are of high price they expect to get the product on time and with high value.</p>
35	Cemal Zehira□, Yasin Sehitoglub, Elif Narcikaraa, Songül Zehirc	2014 ) 1071 – 1079	E-S-Quality, Perceived Value and Loyalty Intentions Relationships in Internet Retailers	Social and Behavioral Sciences	645	<p>By using E_S_QUAL scale, it is observed that the relationship of E-service Quality, with Perceived Values and Loyalty Intentions is positive H1: There is a positive significant relationship between Perceived Value and sub dimensions of E-service Quality which are Efficiency, System Availability, Fulfilment and Privacy (R2: 0, 53***, t: 2,874). Thus H1 hypothesis is accepted. H2: There is a positive significant relationship between Loyalty Intentions and subdimensions of E-service Quality - Efficiency, Fulfilment and Privacy. Thus H2 is also accepted (R2 : 0,336***, t: 4,651). Nevertheless, a significant relationship could not be found between System Availability and</p>

						<p>Loyalty Intentions</p> <p>H3: There is a positive significant relationship between Perceived Value and Loyalty Intentions. (R2: 0,406***, t: 12,969). Thus H3 is accepted.</p> <p>H4: Between Service Quality and Loyalty Intentions, Perceived Value act as a mediator. When this hypothesis is investigated it is observed that Perceived Value is accepted as a mediator and no relationship can be found between system availability and Loyalty Intentions. Moreover, explanation rate has fallen in the relationship between dimensions of Effectiveness, Privacy and dependent variable of Loyalty Intentions, but Model's overall explanation rate has increased. According to these scores there is a partial mediating effect of Perceived Value between Service Quality dimensions and Loyalty Intentions.</p>
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36	Arne Floh a,□, Alexander Zauner b,c,1, Monika Koller c,2, Thomas Ruschd,	2014/974 -982	Customer segmentation using unobserved heterogeneity in the perceived- value–loyalty– intentions link	Journal of Business Researc h	1094	A thorough and comprehensive identification and analysis of what customers actually value is of utmost importance but falls short if the identification does not account for market heterogeneity. When considering loyalty intentions, consumers attribute different weights to the four value dimensions (Functional Value, Economical Value, Emotional Value, Social Value) (. The results of this paper strongly support the argument that perceived value influences behavioral intentions, but also that the effects differ in magnitude depending on the consumer segment. Hence, the basic model, assuming a homogeneous sample, provides a misleading view of consumer evaluations, with regression coefficients reflecting merely the ‘midpoints’ of given perceptions
37	Paul G. Patterson, Richard A. Spreng	1997, /414-434	Modelling the relationship between perceived value, satisfaction and repurchase intentions in a business-to	Internati onal Journal of Service Industry Manage ment,	439	Our research is the first empirical effort to examine the impact of perceived value in concert with satisfaction and repeat purchase intentions in a business-to-business services context. Hence the results represent an important step forward in unravelling the intricate relationship between these three key

			business, services context: an empirical examination			constructs. Unlike studies that have found perceived value to influence intentions directly (usually in a pre-purchase situation, and thus neglecting satisfaction), the findings clearly show value (as well as each performance dimension) is completely mediated through satisfaction in influencing repeat purchase behaviour. This supports earlier conceptual work of Liljander and Strandvik (1995) and Spreng <i>et al.</i> (1993).
38	Boris Snoj Aleksandra Pisnik Korda and Damijan Mumel	· 2004 · pp. 156-167	The relationships among perceived quality, perceived risk and perceived product value	Journal of Product & Brand Management	more than 200	the structural path b1, or the relationship between perceived quality and perceived value will be positive
39	Sadia Jahanzeb, Tasneem Fatima, Muhammad Mohsisn Butt	2013/ 126-141	How service quality influences brand equity The dual mediating role of perceived value and corporate	International Journal of Bank Marketing	302	The primary objective of this study was to test a holistic model that investigates the direct effect of service quality on building brand equity, along with the mediating role of corporate credibility and perceived value. Similarly, service quality was able to influence customer perceive value of a



			credibility			<p>service brand. This result is also in line with the previous findings that suggest a strong and positive relationship between a firm's service quality and value perceived by its customers (He and Li, 2011; Yang and Peterson, 2004). It implies that those customers who perceive that a service brand deliver quality services, considered it as a value creating entity. Similarly, perceived value has a positive and significant direct impact on brand equity (b<sup>1</sup>/<sub>4</sub>0.54). Furthermore, results of this study suggest that alongside perceived value, corporate credibility also fully mediates the relationship between the service quality and brand equity of a service firm.</p>
40	Manoj Edward, Sunil Sahadev	2011 pp. 327-345	Role of switching costs in the service quality, perceived value, customer satisfaction and customer retention	Asia Pacific Journal of Marketing and Logistics	220	<p>Our study provides insights into the interrelationships between switching cost, CS, perceived quality, PV and CR constructs. In contrast to previous studies in which relationships linking SC to CS, customer value and SQ are separately analyzed (Aydin and Ozer, 2005; Jones et al., 2002), this study examines their</p>

			linkage			<p>combined impact on SC and the mediating effect of SC on CR in single model. The results reveal that switching cost can have an independent effect as well as a mediating effect on CR through CS. The indirect direct effect of CS on CR through SC may be more due to calculative commitment, whereas the direct effect of CS on CR may be more from affective commitment (Bansal et al., 2004). This finding extends previous studies on SC treating it as a factor aiding CR independent of CS (Heide and Weiss, 1995; Bansal and Taylor, 1999). Contrary to expectation, the direct relationships of SQ and PV to SC were not found significant, possibly because the link between these variables and SC are completely mediated through CS. This may be also because of the particular context in which these relationships are tested- mobile cellular service industry. In such low contact mass service setting CS is the strongest driver of CR (Ranaweera and Prabhu, 2003).</p>
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						However, both SQ and PV has indirect effect on switching cost perception through CS
41	Ahmad Jamal a,□, Juwaidah Sharifuddin	2015/933 -941	Perceived value and perceived usefulness of halal labeling: The role of religion and culture	Journal of Business Research	303	The study finds a significant link between PV and IP( Intention to purchase ) but a non significant link between PV and IB(Intention to buy)). The anomaly in results could be due to consumers' tendency to consider value several times, such as when making a purchase and when considering where to shop (e.g., Woodruff, 1997). Thoughts about specific product attributes may play a significant role in purchase decisions, whereas consequences (e.g., non-availability of halal) may be more salient in decisions about shopping at retail stores. Perhaps the presence of other factors, such as cultural orientation and religiosity, renders the direct path between PV and IB insignificant. Nonetheless, a halal label seems to be relevant to the participantswhen decidingwhere to shop and this is a significant finding for the retailers aiming to target British Muslims.
42	Hsin Hsin Chang and Hsin-Wei Wang	2011 pp. 333-359	The moderating effect of customer perceived	Online Information Review	350	E-service quality influence accounted for 54.3 per cent of the variance in customer perceived value. Together, the predictors such as e-service quality and

			value on online shopping behaviour			customer perceived value explained 81 per cent of the variance in customersatisfaction. E-service quality, customer perceived value and customer satisfaction influence collectively accounted for 78 per cent of the variance in customer loyalty.The results show a strong moderating effect of perceived value in the relationship between satisfaction and loyalty.
43	Juan Carlos Fandos Roig, Javier Sanchez Garcia	2006 pp. 266-283	Customer perceived value in banking services	International Journal of Bank Marketing	200	The highest correlation is between the functional value of the service (quality) and the emotional value (0.89); and the lowest correlation is between the functional value of the contact personnel and the functional value price (0.41). The existence of discriminant validity is thus confirmed (Anderson and Gerbing, 1988). With the results obtained we can ratify the working hypothesis that the perceived value of the purchase has a multidimensional character, formed by the functional value of the establishment, the functional value of the personnel, the functional value of the service, the functional value price, the emotional value and

					<p>the social value. The hypothesis put forward as to the multidimensionality of perceived value is therefore accepted, differentiating functional and affective dimensions, and a scale of measurement of the perceived value by the customer in the banking sector, which incorporates not only functional or utilitarian characteristics, but also affective aspects represented by the emotional and social dimension, is also validated. This study has been based on the multidimensional approach to perceived value, which in turn is based on the conception of perceived value as a complex formative construct that includes a functional dimension (rational economic valuations), and also incorporates an affective dimension (feelings). This affective dimension is divided into an emotional dimension (relating to feelings or internal emotions) and a social dimension (relating to the social impact of the purchase made). Thus, basing ourselves on the study by Sa´nchez et al. (2006)</p>
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						<p>we have obtained the result that the value perceived by the customer in the banking sector is composed of six dimensions:</p> <p>functional value of the establishment, functional value of the personnel, functional value of the service, functional value price, emotional value and social value.</p>
44	Ting Chi	2013 pp. 249-262	The effects of contingency factors on perceived values of casual sportswear An empirical study of US consumers	Asia Pacific Journal of Marketing and Logistics	4,949	<p>In contrast, gender, income level, and retailer type significantly affected perceived price and emotional values, while perceived quality value was significantly affected by all contingency factors except race and perceived social value was only significantly affected by age and income level.</p> <p>H1 gender significantly affected price, quality, and emotional values of casual sportswear perceived by US consumers.</p> <p>H2 is supported since age significantly affected consumer perception of casual sportswear in quality and social values.</p> <p>H3 is not supported since race did not significantly affect any CPVs of casual sportswear.</p> <p>H4 is supported</p>

						because income level significantly affected all types of values perceived by consumers toward casual sportswear. H5 is supported because consumer perceived price, quality and emotional values are significantly affected by where they usually purchase casual sportswear.
45	Miguel A. Moliner	2009 pp. 76-97	Loyalty, perceived value and relationship quality in healthcare services	Journal of Service Management	341	Regarding the influence of perceived value on relationship quality, the first thing that stands out is that satisfaction is influenced by all the indicators of perceived functional value, with practically equal values (0.14). Perceived quality acquires importance in the formation of honesty (0.45) and of benevolence (0.32), so we can conclude that it is the most important antecedent of trust. Monetary costs also exercise a direct influence on both honesty (0.21) and benevolence (0.14). Finally, non-monetary costs directly influence benevolence (0.14).
46	Lijia (Karen) Xie and Chih-Chien Chen	2014 pp. 107-129	Hotel loyalty programs: how Valuable is	International Journal	15,000	the results substantiate the impact of perceived program value, particularly the psychological value, on

			valuable enough?	of Contemporary Hospitality Management		active loyalty. This finding echoes the results of prior studies (Bojanic, 1996; Chen and Tsai, 2007; Petrick and Bachman, 2002a, b) by validating the important role of psychological value in promoting continued consumer loyalty. In addition, the research identifies significant differences in perceived financial value and externality value of the loyalty programs among eleven major hotel loyalty programs: Best Western Rewards, Choice Privilege, La Quinta Returns, Marriott Rewards, Hilton Honors, InterContinental Priority Club, Radisson GoldPoints Plus, Red Roof Inn RediCard, Hyatt Gold Passport, Starwood Preferred Guest, and Wyndham Rewards
47	Boris Snoj Aleksandra Pisnik Korda and Damijan Mumel	2004 · pp. 156- 167	The relationships among perceived quality, perceived risk and perceived product value	Journal of Product & Brand Management	200	the structural path b1, or the relationship between perceived quality and perceived value will be positive. (the perceived quality of amobile phone has a positive impact on the perceived value). Positive effect was also confirmed in the research with



						small household appliances by Sweeney et al. (1999) and in research with calculators by Teas and Agarwal (2000).
48	Paul G. Patterson, Richard A. Spreng	1997, pp. 414-434.	Modelling the relationship between perceived value, satisfaction and repurchase intentions in a business-tobusiness, services context: an empirical examination	International Journal of Service Industry Management,	128	Our research is the first empirical effort to examine the impact of perceived value in concert with satisfaction and repeat purchase intentions in a business-to-business services context. Hence the results represent an important step forward in unravelling the intricate relationship between these three key constructs. Based on our conceptual model of the linkages between the constructs, our results support the model and generally confirm the seven hypotheses. Unlike studies that have found perceived value to influence intentions directly (usually in a pre-purchase situation, and thus neglecting satisfaction), the findings clearly show value (as well as each performance dimension) is completely mediated through satisfaction in influencing repeat purchase behaviour. This supports earlier conceptual work of Liljander and Strandvik (1995) and Spreng <i>et al.</i> (1993). To

						date, models of satisfaction and repeat purchase behaviour have focused on the benefits of using a product or service.
49	Philipp E. Boksberger, Lisa Melsen	2011 · 229–240	Perceived value: a critical examination of definitions, concepts and measures for the service industry	Journal of Services Marketing	General review	perceived value is neither a simple trade-off between quality and price nor merely an outcome of any other single factor. It can be stated that the perceived value of services is a combined assessment of consumers' perception of benefits and sacrifices, including quality and price, for a variety of perceived value dimensions with original behavioural intentions and customer satisfaction playing a role in overall evaluation.
50	Gordon H.G. McDougall, Terrence Levesque	2000, pp. 392-410	Customer satisfaction with services: putting perceived value into the equation	JOURNAL OF SERVICES MARKETING,	587	The impacts of core quality, relational quality, and perceived value on satisfaction are all hypothesized to be direct (H1, H2, and H3) and are measured by the coefficients 11, 12, and 13 respectively. The structural relationship connecting switching intentions to satisfaction is measured by $\beta_{21}$ ; H4 implies $\beta_{21}$ is negative. The structural relationship connecting loyalty intentions to satisfaction is measured by $\beta_{31}$ ; H5 implies $\beta_{31}$ is positive. The $\beta$ coefficients are indicators of the extent

						to which the latent variables are represented by observed variables, that is how well the former are measured by the latter.
51	Andrea Eggert, Wolfgang Ulaga	2002/ 107-118	Customer perceived value a substitute for satisfaction in business markets.	Journal of business and industrial marketing	301	The substantive relationship between customer perceived value , customer satisfaction and behavioral outcomes were tested using the AMOS . The mediated model customer perceived value is estimated to have a strongly positive and highly significant impact on satisfaction .satisfaction it self has a strongly positive and highly significant impact on repurchase and word –of mouth intetion . Direct relationships between cpv and behavioral outcomes did not improve the fit significantly .satisfaction is better predictor for behavioral outcomes than CPV .
52	Vladimir Seni´, Veljko Marinkovi´c	2014 pp. 134-142	Examining the effect of different components of customer value on attitudinal loyalty and behavioral intentions	Internati onal Journal of Quality and Service Sciences	246	By applying structural equation modeling, the significance of the influence of emotional and social values on attitudinal loyalty, as well as the significant effects of functional and monetary value on behavioral intentions, was confirmed. Furthermore, the strong influence of attitudinal loyalty on behavioral intentions was also identified. The results clearly reveal

						that in terms of the intensity of the effect, emotional value stands out as the strongest antecedent of attitudinal loyalty. Emotional value has a significant indirect effect on behavioral intentions through attitudinal loyalty.
53	Valentina Stan, Barbara Caemmerer, Roxane Cattan-Jallet	2013/1541-1554	Customer Loyalty Development: The Role Of Switching Costs	<i>The Journal of Applied Business Research</i>	881	Service quality has a positive effect on customer loyalty. and Switching costs have a positive effect on customer loyalty. ptheses H2 and H5 stated that service quality and corporate image would be positively related to customer satisfaction. Both hypotheses were supported nevertheless the effect of image on customer satisfaction is greater than the effect of service quality. unexpectedly, the moderating effect of switching costs on the relationship between service quality and customer loyalty is not significant (path coefficient = - 0.042; p-value= 0.840), and therefore H9 is not supported. The study conducted by Wang (2010) suggests the same result. Finally, H10 is also rejected (path coefficient = - 0.012; p-value= 0.958).
54	Mohd Shoki. Bin Md.Ariff*	2012/127-135	Relationship between customers' perceived	Society of Interdisciplinay	285	The findings revealed that customers' perceived high emotional value towards the mobile phone. Economic

			values, satisfaction and loyalty of mobile phone users	Business Research	<p>and social values were in the moderate level. The high and moderate positive correlations were found between customers' perceived emotional value and economic value with customer satisfaction. Customers' perceived emotional value of the mobile phone had the strongest impact on customer satisfaction. A high correlation existed between customer satisfaction of the mobile phone and their loyalty towards the mobile phone service provider. This research had validated the construct of economic, emotional and social values to measure customers' perceived values of mobile phone services. The findings provide usable model for mobile phone service providers to enhance customers' perceived values of their services that contribute to high customer satisfaction and loyalty.</p> <p>emotional value plays an important role in determining customer satisfaction. As discussed in the literature review, emotional value is generated from the feeling of using or purchasing a product or service. Thus, the mobile phone service provider should develop value-added services focusing on the emotional part of its subscribers. The social value appeared to be the least affective factor to</p>
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						<p>influence customer satisfaction towards the mobile phone services.</p> <p>The finding of this study also validated the formation of customers' perceived values, satisfaction and loyalty. In services marketing literature, it was found that customers' perceived values of a product or a service will influence their satisfaction. Customers, who are satisfied with a service, will continuously use the service and become loyal customers.</p>
55	Kurt Matzler, Andreas Strobl, Norbert Thurner and Johann Füller	2015 pp. 117-136	Switching experience, customer satisfaction, and switching costs in the ICT industry	Journal of Service Management	327	<p>The results show that switching experience negatively influences customer satisfaction and behavioral loyalty intention. Furthermore, the influence of customer satisfaction on behavioral loyalty intentions is partially mediated by financial and relational switching costs.</p> <p>As switching costs were measured along three dimensions (financial, brand, and procedural switching costs).</p> <p>H3 predicted a positive relationship between switching costs and behavioral loyalty intentions. Financial (<math>\beta=0.09</math>, <math>p&lt;0.050</math>) and relational (<math>\beta=0.19</math>, <math>p&lt;0.000</math>) switching costs positively influence behavioral loyalty intentions. For procedural switching costs, again no</p>

						<p>significant effect was found. Hence, H3 is also partially supported. We also observe a direct and negative impact of switching experience on behavioral loyalty intentions (<math>\beta = -0.18</math>, <math>p &lt; 0.000</math>). H4 predicted that the influence of customer satisfaction on loyalty would be mediated by switching costs. Analysis demonstrates that customer satisfaction is partially mediated by financial (<math>\beta = 0.02</math>, <math>p &lt; 0.1</math>) and relational (<math>\beta = 0.06</math>, <math>p &lt; 0.000</math>) switching costs, thus supporting H4a and H4b. The indirect effect via procedural switching costs is not significant. All in all, roughly a quarter of the total effect of customer satisfaction is mediated through financial and relational switching costs. We therefore find complementary mediations for customer satisfaction and the switching cost dimensions (Zhao et al., 2010).</p>
56	Rama Koteswara Rao Kondasani and Rajeev Kumar Panda	2015 pp. 452-467	Customer perceived service quality, satisfaction and loyalty in Indian private	International Journal of Health Care Quality Assuran	475	We briefly describe Indian private hospital patients' service quality perceptions from a loyalty perspective. A seven-dimension model (Physical Environment, Reliability, Customer Friendly Staff, Communication, Responsiveness, Privacy & Safety,) using regression analysis, was

			healthcare	ce		developed to analyse customer perceived service quality and loyalty in Indian private hospitals. The result indicates that two dimensions: reliability, and privacy and safety are not contributing significantly towards loyalty. This implies that service providers fail to provide these in healthcare services.
56	<b>Pooja Jain, Dr Anil Kumar K</b>	March, 2015/ 323-	Investigating The Moderating Role Of Switching Cost In The Relationship Of E-Service Quality, Perceived Customer Value, Satisfaction And Loyalty Towards Online Travel Agencies	Internati onal Journal in Manage ment and Social Science	123	independently switching cost is not significant, but e-service quality is significant on Loyalty and interaction between Switching cost and e-service quality are regressed on Loyalty, switching cost acted as moderating variable between e-service quality and Loyalty. effect of e-service quality on Loyalty is significant at the value of moderator in both case of Low and High switch cost. This interaction effect shows that switching cost acted as moderating variable between satisfaction and Loyalty. independently switching cost is not significant, but perceived customer value showed significant positive impact on Loyalty and interaction effect of switching cost and perceived customer value is not significant on Loyalty. This interaction effect shows that switching cost did not act as



						moderating variable between perceived customer value and Loyalty. effect of perceived customer value on Loyalty is significant at the Low switching cost but not at high switching cost.
57	Serkan Akinci, Aslihan Kiymaliog̃ lu and Eda Atilgan Inana	2015, pp. 117-132,	How golf players' satisfaction from golf experience predicts their loyalty intentions? Mediating role of perceived value	INTERNATIONAL JOURNAL OF CULTURE, TOURISM AND HOSPITALITY RESEARCH	351	Results of the analysis confirmed the mediating role of all perceived value dimensions except social value in the relation between satisfaction and loyalty intention. (H3. Emotional value (H3a), social value (H3b), functional price value (H3c) and service quality value (H3d) have a positive influence on loyalty as a mediator.) The effect of perceived emotional value mediator (supporting H3a), perceived functionalprice value mediator (supporting H3c), perceived service quality mediator (supporting H3d) on loyalty were statistically significant when controlling satisfaction. perceived social value had no significant effect on loyalty as a mediator.
58	Jorge Luiz Henrique,CelsoAugusto de Matos	2015 pp. 571-587	The influence of personal values and	International Journal of Bank	891	Schwartz and Huismans (1995) found that people with lower income value more tradition, stimulation and compliance, while people with higher

			demographic variables on customer loyalty in the banking industry	Marketing	<p>income give more importance to hedonism. In the same way, studies suggest that income is related to customer loyalty (Evanschitzky and Wunderlich, 2006).</p> <p>regarding income, there was difference in the four proposed paths. Bank customers with higher income presented a negative effect of growth/achievement on the loyalty stages, meaning that the pursuit of growth/achievement reduces the loyalty for those individuals with higher income. Although higher income individuals tend to be more loyal, on average, as indicated by t-tests, the moderation shows that there is an influence of the search for growth/achievement on this relationship. A high-income customer who is pursuing growth/achievement will be less loyal. These results supported H6. (H6. There is a negative relationship between the personal values of growth/achievement and (a) cognitive, (b) affective, (c) conative, and (d) action loyalty. This effect will be moderated by income, in such a way that it will be stronger</p>
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						for high income individuals (vs. low income).)
58	<b>Haslinda Hasan, Teo Poh Kiong , Teo Poh Kiong</b>	<b>311-3170)</b> 2014	Effects of Perceived Value and Trust on Customer Loyalty towards Foreign Banks in Sabah, Malaysia(	<b>Global Journal of Emerging Trends in e-Business, Marketing and Consumer Psychology</b>	239	<i>The analyses showed that customer loyalty is relatively above average, at a mean of 4.86 (based on a seven-point Likert scale) and that both perceived value and trust showed positive and significant effects on customer loyalty. there is a positive relationship between perceived value and customer loyalty Results indicate that perceived value has a significant effect on customer loyalty. toward the products and services provided by the foreign banks. The higher the perceived value such as the perception of the quality of services, customer security and confidence will directly increase the level of customer loyalty towards the bank. This result is similar to previous studies carried out in the telecommunication (Bolton and Drew, 1991), banking (Roiget al., 2006), airline, tourism and retail services industries (Sirdeshmukhet al., 2002; Parasuraman and Grewal, 2000; Reichheld, 1996). (For future research, more variables should be incorporated into the model which should include both attitudinal and behavioural dimensions to represent the entire relationship of customer loyalty in the banking</i>

						industry)
60	Yanqun He, Shuk-Man Cheung and Siu-Keung Tse	2009 pp. 154- 164	The role of switching costs on service loyalty: a canonical correlation analysis	Journal of Chinese Entrepre neurship	200	<p>H2(a). Service quality has a stronger positive effect on repurchase preference when switching costs are high than when switching costs are low.</p> <p>H2(b). Service quality has a stronger positive effect on appreciating behavior when switching costs are high than when switching costs are low.</p> <p>H2(c). Service quality has a stronger negative effect on complaining behavior when switching costs are high than when switching costs are low.</p> <p>H3(b). Service value has a stronger positive effect on appreciating behavior when switching costs are high than when switching costs are low.</p> <p>In this study, the moderating effects of switching costs through direct influences of the three primary antecedents are investigated.</p> <p>, the moderating effects of switching costs on loyalty dimensions through service quality (H2) and service value (H3) are supported in general. satisfaction, service quality and service value simultaneously affect the loyalty dimensions and the impacts are</p>

						stronger in the situation of HSC than those in LSC
61	Hsin Hsin Chang and Hsin-Wei Wang	2011 pp. 333-359	The moderating effect of customer perceived value on online shopping behaviour	Online Information Review	330	H3E-service quality has a significant positive effect on customer loyalty in an online shopping environment H4. E-service quality has a significant positive effect on customer perceived value in an online shopping environment. H6. Customer perceived value has a significant positive effect on customer loyalty in an online shopping environment. The results indicated that service quality is related positively to perceived value, but e-service quality did not significantly affect customer loyalty, Therefore e-service quality influences customer loyalty through satisfaction. These results indicate that e-service quality does not directly affect online shopping customer loyalty, but it does so indirectly through the mediation of perceived value and customer satisfaction. customer perceived value has a significant impact on customer loyalty.
62	Manoj Edward, Sunil Sahadev	2011 pp. 327-345	Role of switching costs in the	Asia Pacific Journal	220	H2. PV has a positive effect on the perceived SC. H3. SQ has a positive effect on SC.

			<p>service quality, perceived value, customer satisfaction and customer retention linkage</p>	<p>of Marketing and Logistics</p>	<p>H4. SC has a positive effect on the CR.  H5. SC mediates partially the relationship between CS and CR in such a way that the greater the CS, the greater the SC and the greater the CR.  H6. SQ contributes positively to PV.  H7. SQ contributes positively to CS.  H8. SQ positively affects CR.  H9. PV has a positive effect on CS.  H10. PV has a positive effect on CR.  Among the paths to SC, it is found that CS has a positive effect on SC (H1) whereas the effect of SQ and PV on SC was not significant. However, both PV and SQ appears to have an indirect effect on SC through CS. SC in turn has a positive effect on affects CR (supports H4).  Similarly, CS and PV also have direct significant positive effect on CR (supports H10 and H11). The same direct effect was not seen in the case of SQ.  In accordance with many other studies, the results also indicate that SQ has a positive effect on PV and CS (supports H6 and H7), PV has a positive direct effect on CS (supports H9). SC and CS have a</p>
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						<p>positive direct effect on CR.  the relationship between CS and CR is partially mediated by SC, and therefore support H5.  PV and SQ have got a positive effect on CR in the absence of CS (Model 3).  . PV has a significant positive effect on CR (Model 1).  . Also, CS has a positive effect on CR (Model 1).  . The direct effect of PV on CR is reduced in the presence of CS (Model 1) as compared to its effect on CR in Model 3.</p>
63	Minna Pura	2005 pp. 509-538	Linking perceived value and loyalty in location-based mobile services	Managing Service Quality	279	<p>H1. Social value has a positive effect on commitment.  H2. Emotional value has a positive effect on commitment.  H3. Conditional value has a positive effect on commitment  H4. Conditional value has a positive effect on behavioral intentions.  H5. Monetary value has a positive effect on behavioral intentions  H6. Convenience value has a positive effect on behavioral intentions.  H7. Epistemic value has a negative effect on behavioral intentions  H8. Commitment has a positive effect on behavioral intentions  Commitment and three value dimensions: conditional, convenience</p>

						<p>and monetary value had a significant, positive relationship with behavioral intentions.</p> <p>conditional value had the strongest influence on behavioral intentions (0.44) followed closely by commitment (0.32). Furthermore, convenience value (0.17) and monetary value (0.12) had also an effect on behavioral intentions, In addition, the other value dimensions had an indirect effect via commitment. Thus, commitment was influenced strongly by emotional value (0.43), but almost as strongly also by conditional value (0.31). In contrast, the positive effect of social value on commitment and the negative effect of epistemic value on behavioral intentions were non-significant.</p>
64	Ko de Ruyter and Martin Wetzels, Joséé Bloemer	1998, pp. 436-453,	<b>On the relationship between perceived service quality, service loyalty and switching costs</b>	International Journal of Service Industry Management,	612	The results of our study suggest that there are three dimensions of service loyalty that can be identified: preference loyalty, price indifference loyalty and dissatisfaction response. Moreover, we found a positive relationship between perceived service quality and preference loyalty and price



					<p>indifference</p> <p>loyalty. No significant relationship between perceived service quality and dissatisfaction response was found. This might be explained by the fact that dissatisfaction response is related specifically to an incident or a specific attribute of service (e.g. a complaint handling procedure) instead of an overall evaluation of the quality of the core service.</p> <p>Second, we investigated the influence of industry type on the perceived service quality-service loyalty relationship. It was found that the influence of service quality on preference loyalty generally varies per industry and that findings from one industry cannot be generalised to other industries. In line with Fornell (1992) there seems to be what might be called a “loyalty-elasticity” across service industries. Furthermore, we established that in industries characterised by relatively low switching costs, customers will be less loyal both in the preference and price indifference sense as compared to service</p>
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						industries with relatively high switching costs.
	Tracey S. Dagger, Meredith E. David	2012 pp. 447- 468	Uncovering the real effect of switching costs on the satisfaction- loyalty association The critical role of involvement and relationship benefits	European Journal of Marketing	509	H4. The negative moderating effect of switching costs on the relationship between satisfaction and customer loyalty gets stronger as customers perceive greater benefit from being in the relationship H5. The negative moderating effect of switching costs on the relationship between satisfaction and customer loyalty gets weaker as the customer's level of involvement increases. While H2 and H3 are supported, H1 is only supported when a one-tailed test of significance is applied. H4 was supported. supporting H5.
	Luc Honore Petnji Yaya, Frederic Marimon, Marti Casadesus	2011 pp. 1194- 1213	Customer's loyalty and perception of ISO 9001 in online banking	Industrial Management & Data Systems	428	H1. Online service quality has a direct positive relationship with online loyalty. Four controlvariables were included in the analysis: gender, age, education, and annual income. H1 (Figure 1) had proposed that e-service quality has a direct positive effect on e-loyalty (independent of e-satisfaction). As shown in Table II, a large proportion of the variation in e-loyalty (43 per cent) was

						accounted for by service quality, which indicates that e-service quality was significantly related to e-loyalty. All three dimensions of e-service quality had positive and statistically significant direct effects on loyalty. The dimension of “efficiency” had the strongest effect (standard b $\frac{1}{4}$ 0.397, p , 0.001), followed by “privacy” (standard b $\frac{1}{4}$ 0.223, p , 0.001), and “system availability” (standard b $\frac{1}{4}$ 0.136, p , 0.05).
	Serkan Aydin and Go˘khan O˘zer, ˘mer Arasil	2005 pp. 89-103	Customer loyalty and the effect of switching costs as a moderator variable A case in the Turkish mobile phone market	Marketing Intelligence & Planning	1,662	H1. Customer loyalty in customers with high perceived switching cost is stronger than in customers with low perceived switching cost. H3. In customers with high perceived switching cost, there will be a weaker relationship between customer satisfaction and customer loyalty than in customers with low perceived switching cost. H5. In customers with high-perceived switching cost, there will be a weaker relationship between trust and customer loyalty than in customers with low-perceived switching cost. This paper has focused on two issues in order to explain customer loyalty. The first is whether or not perceived switching cost is a basic factor, along with

					<p>customer satisfaction and trust, in explaining customer loyalty. The findings supported the results in the existing literature. However, it was noted that perceived switching cost had a positive effect on customer loyalty</p> <p>The second issue was whether or not perceived switching cost had a moderator effect on the relationships between customer satisfaction and loyalty, and trust and loyalty. The results showed that it has a moderator effect on both links: the effect of customer satisfaction on loyalty in customers is less when switching cost is perceived to be high rather than low. In other words, perceived switching cost reduces customers' sensitivity to the level of customer satisfaction.</p>
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