# Bank Hospitality and Servicescape Evaluation by Bank Customers and Their Effects on Satisfaction

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# ABSTRACT

This research thesis investigates the effects of hospitality behavior of bank personnel on customer satisfaction in the case of banks operating in Turkey. The moderating role of servicescape on the effects of bank hospitality on customer satisfaction is also investigated. A total of 150 bank customers from different cities of Turkey were surveyed through a semi-structured questionnaire instrument with this respect. Results reveal that Turkish citizens are moderately satisfied with the hospitality behaviour of bank personnel and servicescape environment in the banks of Turkey. Regression analyses confirm the hypothesis that bank hospitality exerts positively have significant effect on customer satisfaction; however, the hypothesis "servicescape in the banks moderates interaction between bank hospitality and customer satisfaction" cannot be confirmed. Therefore, this study suggests that banks in Turkey need to rely on the training programs to improve their hospitality behaviour at further levels and invest more on servicescape in their banks.

**Keywords**: Hospitality; Servicescape; Customer Satisfaction; Moderating Role; Turkey.

# ÖZ

Bu araştırma tezi Türkiye'de faaliyet gösteren bankalardaki müşteri memnuniyetinde banka personelinin misafirperver tutumunun etkilerini incelemektedir. Müşteri memnuniyetinde banka misafirperverliğinin etkisindeki hizmet ortamının ılımlı rolü de incelenmiştir.Bu bağlamda Türkiye'nin farklı şehirlerinden toplam 150 banka müşterisi yarı yapılı anket vasıtasıyla araştırmaya dahil edilmiştir.Sonuçlar açıklamaktadır ki, Türkiye'deki banka müşterileri banka çalışanlarının misafirperver tutumundan ve hizmet ortamı çerçevesindeki banka ortamından orta derecede memnun olmaktadır. Regresyon analizi de banka misafirperverliğinin müşteri memnuniyetine ciddi bir pozitif etki yaratmaktadır, ancak "hizmet ortamının banka misafirperverliği ve müşteri memnuniyeti arasındaki ilişkiyi hafiflettiği" hipotezini doğrulamaktadır. Bu yüzden Türkiye'deki bankalar müşteri memnuniyetini yukarı seviyelere çıkaracak eğitimlere eğilmeli ve bankalarındaki hizmet ortamı anlayışına daha çok yatırım yapmalıdırlar.

**Anahtar Kelime**: Misafirperverlik; Hizmet Ortamı; Müşteri Memnuniyeti; Ilımlı rol; Türkiye

To My Beloved FAMILY....

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PEI                  Physical Environment's Innovativeness

SERVQUAL             Service Quality Instruments

# Chapter 1

# INTRODUCTION

## 1.1 Hospitality

Hospitality is the quality or disposition of receiving and treating guests in a warm, friendly and generous way (Brotherton & Wood, 2008). Ariffin et al (2013) defined hospitality behavior as a supplementary service that improves the value of the core service. Hospitality is a relationship between the host and guest that has a good effect on society.

Hospitality has an important role in business life in terms of companies having an advantage in the competition. Hospitality is used by sectors which directly communicate with customers, such as hotels, banks, restaurants, hospitals, tourism agencies, airline companies and insurance agencies. In adittion, the significance and contribution of hospitality can be understood with hospitality evaluation which is applied to customers. Ariffin & Maghzi (2012) defined the five structures of hospitality as; (a) a warm welcome, (b) special relationship, (c) sincerity and (d) comfort. The bank's staff's respect, attention and the ambient's comfortableness have an important role in customer's preferences.

## 1.2 Customer Satisfaction

Customer satisfaction is to be responded to customer's demands fully and customers' demands are fulfilled adequately. According to Ariffin & Maghzi (2012), the customer satisfaction is important for the business organizations because it helps to strengthen a positive behavior towards a brand resulting in a higher probability

which the same brand will be purchased in the future. If customers are satisfied, customers prefer the brand and the business again. This situation provides the business' being successful and persistent. Bircan et al. (2014) defined this as the customers are satisfied by the services offered, they be happy. Moreover, if the service is over the customers' expectations, than the customer satisfaction is high.

Sectors which are intervened with their customers appear in at the beginning of sectors in which customer satisfaction is important are mainly hotels, travel agencies, automotive dealers, telecommunication companies, airline companies and restaurants. Companies in these sectors have started to give education to the staff on the subjects of customer relations as they know the importance of customer satisfaction very well because staff's behaviors are in the first place in customer satisfaction. Bircan et al (2014) stated that customer satisfaction plays an important role in terms of companies' economic performance. Also, customer satisfaction can reduce the expenditures related to guarantees, complaints and defective goods. Therefore, companies evaluate the customers' views with the surveys via telephone, internet and face to face interviews in order to measure the customer satisfaction. This evaluation provides a positive feedback to businesses.

## 1.3 Servicescape

Bitner (1992) defined the servicescape as the ability of the physical environment to influence behaviors and to create an image that is particularly manifested for service business such as restaurants, hotels, banks, professional officers, retail stores and hospitals. The customer must be satisfied with the service as much as the ambient. Some customers prefer the business by being influenced by only these factors such as decor and ambiance. Furthermore, the customer who is satisfied with the ambient

sometimes even ignore the staff's negative behavior. In addition, if the staff are respectful and concerned towards customers, and the ambient affects the customers positively, the customer prefers this bank presumably.

Bitner (1992) stated that physical or atmospheric design and decor elements effect the consumers and workers are noticed by managers and mentioned in virtually all marketing, retailing and organizational behavior texts. According to Ariffin & Aziz (2012), as it is seen in the study which is related to the hotels, wall decoration, painting, colours, furniture lighting, background music, temperature, air aroma, hotel layout and overall layout are significant. Otherwise, as internet and technology are very essential for the companies, website design should be qualified and understandable.

## 1.4 Theoretical Links among Hospitality, Customer Satisfaction, and Servicescape

### 1.4.1 Hospitableness of Hosting Behavior and Customer Satisfaction

The positive effect between hospitableness of hosting behavior and customer satisfaction is expected. Ariffin et al (2013) stated that previous studies showed that hospitality hosting behavior has a positive effect on customer satisfaction. The impact of staff's positive behaviors gains profitability and good reputation in the long term. The quality of the service, the behavior of staff and the access of the service rapidly and in an uneventful manner to the customer are the necessary factors for the customer satisfaction. Ariffin et al. (2013) studied about the customer satisfaction that is effected by the quality of the staff performance and an emotional experience that is not tangible elements of the service.

The customer expects the staff to treat hospitably while taking service, and various group of customers may prefer the banks again as they are pleased just with the hospitableness. Therefore, the bank's existing customers' loyalty increases. Ariffin et al. (2013) described that hospitality is conceived as the hosting treatment stressing the hospitality of the host-guest relationship in order to create a remarkable service experience.

### 1.4.2 Servicescape & Hospitableness of Hosting Behavior

Factors such as the bank's ambient's decor, ambiance, lightning, and comfortableness influence the customer, the staff's loyalty to the bank and his performance positively. In addition, the communication between staff members are very influential in the staff's hospitableness of hosting behavior. Avcı & Sayılır (2006) pointed out that one of the important factors in customers' perception of service quality is the staff's behavior. The customer should be impressed with both hospitableness and ambient positively, thus the customer wants to take the service again. Namely, the hospitableness behavior of the staff and the positive effect of the ambient play a maximum role in the customer's preferences. Ariffin et al (2013) identified hospitality and stated that it is all about the style in which the service is brought but servicescape is about the style of the physical surrounding within which the task is carried out.

### 1.4.3 Servicescape & Bank Customer Satisfaction

According to Hacıefendioglu and Koç (2009), satisfaction is the customer's comparison of the benefit which the customer gain from the service when customer is serviced with his expectations. The benefit that customer provides may not always be financial. Sometimes, the ambient of work place wellness, decoration and harmony relieve the customer psychologically. Customer wants to take the service in

a peaceful place which makes the customer be pleased. Hacıefendioğlu and Koç (2009) studied about the concept of quality in service that is enhanced with the differentiation of the service provided. The more qualified the service which is offered is the more pleased the customer is. That is to say, customers' preferences which are based on their satisfaction make the companies advantageous in the competition.

### 1.4.4 Servicescape and Hospitableness of Hosting Behavior and Bank Customer Satisfaction

Ariffin et al. (2013) showed that hospitality and servicescape have important role on guest satisfaction. If the servicescape in which the customer takes service is unfavorable, the customer doesn't prefer the bank even if the staff has hospitableness of hosting behavior. Namely, the bank staff's hospitableness of hosting behavior and the positive effect of servicescape provide the customer satisfaction considerably in banks focusing on customers.

Since the customers' demands are fullfilled fast and reliably, hospitableness of hosting behavior appeal the customers. Gümüş and Korkmaz (2014) studied about the banks that were at the beginning of the institutions in which communicated with customers face to face and so the differentiations were revealed in hospitability and the quality of servicescape individually. Reliability is the most important factor for the bank customers, and then the monitoring of personal information and the compaigns suitable for customers' income level and that the transactions are achieved in a short time are also very important. The banks' goods are the services they offer and this service provides the maximum customer satisfaction with the help of qualified servicescape of banking sector and the hospitableness of hosting behavior

as this service is offered communicatively. According to Gümüş and Korkmaz (2014), the banks' services are focused on customers and has become more important with the developing technology in order to compete against the others and survive recently. Hence, banks should make innovations to provide the customer satisfaction and servicescape in hospitableness of the hosting behavior.

## 1.5 The Aim and the Importance of the Study

The purpose of this thesis is to investigate the relationship among the bank staff hospitableness and hosting behavior, servicescape and customer satisfaction in the light of the discussion documented above. This research study investigated the effects of hospitableness and servicescape on bank customers in the case of Turkey. This research study also investigated and examined the moderating effect of servicescape on the predicted relationship between hospitality and customer satisfaction.

The study related to such model has not been done in the literature concerning the banks yet; therefore, it is important to mention that such instrument introduced in this thesis will be the first of its kind in the case of banks and even in Turkey. The results of this study will not only contribute to the banking authorities in Turkey, but also to international banking authorities as well as the literature.

There are 51 banks as government, private, participation, foreign, investment banks, and commercial banks in Turkey. Nine of them are government banks, sixteen of them are private banks, twenty-two of them are foreign banks and four of them are participation banks (BDDK, 2015). According to the report published by Turkish Banks Corporation in September, 2014; forty-six of the banks which are active has

11.189 branches and totally 199.099 staff members are working (TBB, 2015). According to the data, approximately 83 percent of them are the graduates of college.

This thesis is structured as follows: Chapter 2 presents Literature Review in the field; Chapter 3 describes Data and Methodology; Chapter 4 presents results and Chapter 5 concludes the research study.

# Chapter 2

# LITERATURE REVIEW

There are very limited literature studies searching the empirical link among hospitable behavior of employees, servicescape, and customer satisfaction in the literature no matter which service industry they are. This section will briefly summarize and discuss the results of these studies made till the moment.

Ariffin et al. (2013) studied the relationships among hospitality, servicescape, and customer satisfaction in the selected hotels of Malaysia. Their findings showed statistical support for the positive effect of hotel hospitality on guest satisfaction as well as a positive moderating effect of servicescape on the effect of hotel hospitality on customer satisfaction.

Duman and Matilla (2005) studied the role of customer satisfaction in the affective behaviors and values. Their findings showed that affective factors are crucial in determining the factors of the perceived value of cruise services.

Wu and Liang (2009) studied the relationship between restaurant consumer behavior and service encounters. The empirical results showed that restaurant environmental factors and communication between service employees and other consumers affected the consumer experimental value in a positive manner.

Countryman and Jang (2006) studied the hotel lobbies and atmospheric elements such as colour, lighting layout, style and furnishings. Results of their study showed that atmospheric elements have positive effect on customer impression.

Dong and Siu (2012) performed a study to examine the connection between service environment, customer tendency and service experience assessment. According to the findings, a visitor's tendency to participate affected the skill of servicescape elements to shape a positive service experience.

Ariffin and Aziz (2012) studied the moderating effect of physical environment's innovativeness on the connection between hosting quality and satisfaction in the hotel services. Results for favorable influence of the hotel hosting quality on guest satisfaction and favorable moderating effect of physical environment's innovativeness (PEI) were found appreciation to hierarchical moderated regression analysis.

Simpeh et al. (2011) studied the connection between the multidimensionary of servicescape and customer patronage of three star hotels in the selected six hotels in Ghana's metropolitan city of Acra. Favorable relationship between the ambiance of the hotels and patronage by customers was found. They also found positive relationship by emphasizing the potential of the physical setting as valuable and suitable strategy in arousing customers' interest in the hotel industry.

Ariffin et al. (2013) conducted studies to compare the degrees of expectations on hotel hospitality between local and foreign guests. According to their studies, three aspects of hotel hospitality have been investigated which, are personalization, ease

and friendly greeting. Their findings showed that local guests have somewhat higher expectation on hotel hospitality relative to foreign guests. Hospitality is hence not only about the host providing food and accommodation to the guests but also about amusing the guests.

Vaccaro et al. (2008) searched the connection between consumer perceptions of music retail consistency and lighting with the consumer responses of product involvement and store image. Notable results were found between music mood-retail consistency and the atmospheric elements of lighting with consumer responses.

Wardono et al. (2013) studied about servicescape on how color lighting and decor influence customers' perceived sociability, emotion and behavioral intention on social dining occasions. According to the results, a statistically notable difference was yielded in the entire dependent variables with almost any other conditions on romantic dining by the restaurant with monochromantic colors, dim lighting and plain decors, in contrast to the case of casual dining.

Ariffin and Maghzi (2012) searched the effect of personal and hotel factors on the expectation level of hotel hospitality and suggested a scale to measure the commercial hospitality for hotel services. The expectations of hotel hospitality were revealed to be influenced by personal factors such as gender, aim of stay, nationality, and private domain of hospitality. The only hotel factor which may have strong connection with hotel hospitality is the hotel's star rating according to the results of Ariffin and Maghzi (2012).

Lin and Worthly (2012) extended the servicescape literature and study on servicescape as a moderating variable on a comprehensive model of individual personality features, feelings, pleasure, and approach - avoidance attitudes. The link between arousal-seeking tendency and feelings was moderated gratitude to Gestalt versus Non-Gestalt servicescape situations, which was indicated by their results. It was found that enjoyment improves satisfaction and satisfaction improves approach - avoidance behavior.

Mari and Poggesi (2011) aimed at filling the gap with a methodical literature review being founded on strict criteria. Their research findings help to understand the relationship between customer attitudes and new methods of explaining specific features of the servicescape. It is believed that these effects are useful for not only the managers but also for the scholars.

Finally, Han and Ryu (2009) studied the connection among three components of the physical environment, price perception, customer satisfaction, and customer loyalty in the restaurant industry. Potential methods for restaurateurs to enhance customer loyalty were provided by the paper by increasing their understanding of the roles of physical environment, price perception and customer satisfaction.

# Chapter 3

# DATA AND METHODOLOGY

## 3.1 Questionnaire Construction

The questions taking part in the survey of this thesis are from different studies but instrument is mainly revised from Ariffin et al. (2013) and adapted to the banking industry benefiting also from TBB (2014). The SERVQUAL instrument of Parasuraman et al. (1988) has been also taken into consideration while revising the question set of "bank hospitality" and "customer satisfaction". At the end, there are three major dimensions in the instrument: (1) Bank Hospitality (containing 19 items), (2) Bank Servicescape (containing 8 items), and (3) Customer Satisfaction (containing 4 items). Additionally, questions regarding personal profile have also been included in Part A of the questionnaire which includes 9 questions. In order to enable respondents to respond to the survey, five-point likert scale has been adapted to the instrument that ranges from 1 (Strongly Disagree) to 5 (Strongly Agree). A clean copy of questionnaire has been provided in Appendix of this thesis.

## 3.2 Data Collection

These surveys have been distributed to bank customers who have been stopped and asked if they were willing to answer the questions in different cities of Turkey which are mainly Istanbul, Isparta, Afyonkarahisar, and Burdur. Participants were selected randomly from different education level, gender, occupation, age and income level. Before asking survey questions, it is told that they will be used in master thesis and the results were very important. So, it was asked them kindly to answer the questions carefully reading and being honest in their answers. Surveys needed to be

representative enough; therefore, 200 people were targeted and surveyed from a wide diversity of regions in the above mentioned cities of Turkey. However, surveys of 50 people were useless and therefore eliminated from this research. At the end, 150 surveys where there was a logical harmony in the responses were included in this research study as a result of convenience sampling method.

## 3.3 The Hypothesis of the Study

The following hypotheses have been developed in this research thesis:

H1: Hospitableness of hosting behavior exerts positive effect on bank customers' satisfaction level

H2: Banks' servicescape strengthens the predicted relationship between hospitality and customer satisfaction

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                    ┌─────────────────────┐
                    │  Bank Servicescape  │
                    └─────────────────────┘
                                │
                               H2
                                ▼
┌─────────────────┐                        ┌─────────────────┐
│ Bank Hospitality│──────────────────────▶ │ Bank Customers' │
│    Behavior     │          H1            │   Satisfaction  │
└─────────────────┘                        └─────────────────┘
```
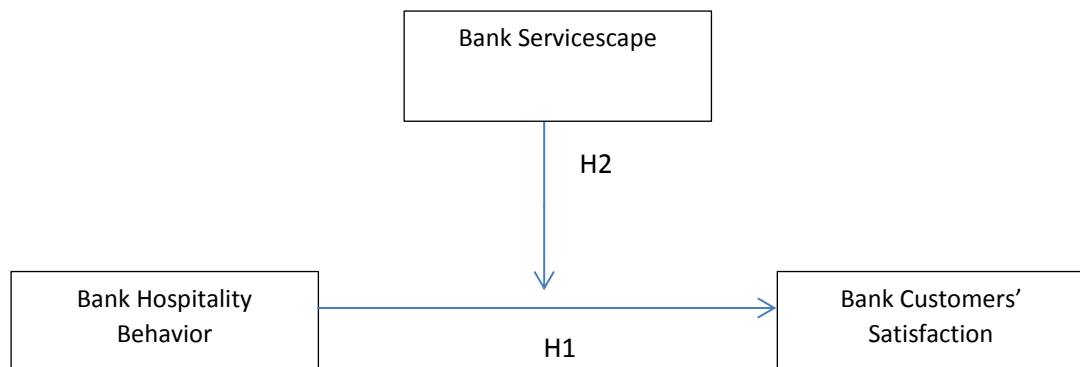
Figure 1. The Effects of Hospitableness and Servicescape on Bank Customers

## 3.4 The Empirical Methodology

Prior to testing those hypotheses mentioned above, descriptive statistics including frequency distribution tables for demographic profiles and meanscore analyses for Parts B, C, and D of the instrument have been computed in IBM Statistics (SPSS software). Thereafter, reliability and factor analyses have been implemented in order to obtain the validity of instrument to be used in regression analysis.

Items which were successfully validated by reliability and factor analyses have been added to further analyses of regression models in order to test the hypotheses proposed in the previous section.

In order to test the first hypothesis (H1), the following regression analysis has been estimated:

$$CS = \beta_0 + \beta_1(BHB) + \varepsilon_t \tag{1}$$

Where CS stands for customer satisfaction, BHB stands for bank hospitality behavior, and $\varepsilon_t$ is error disturbance (See Cohen & Cohen, 1983).

Finally, in order to test the second hypothesis (H2) of this research study, the following regression analysis with moderating effect which was originally proposed by Cohen and Cohen (1983) who introduced interaction variables was used:

$$CS = \beta_0 + \beta_1(BHB) + \beta_2(SS) + \beta_3(BHB \times SS) + \varepsilon_t$$

Where SS stands for Servicescape and (BHB × SS) stands for interaction variable in order to test for the moderating role of servicescape on the effect of bank hospitality behavior on customer satisfaction.

# Chapter 4

# RESULTS AND DISCUSSION

## 4.1 Frequency Distributions

The results of 150 distributed surveys have been discussed in this chapter. This thesis analyzes the results with respect to different gender classification as well. The number of male participants is 78, whereas it is 22 for females. Even though the population distribution between male and female is approximately equal in Turkey. However, it is important to mention that the male participants are more diligent to participate the surveys than females as experienced during survey distributions of this research study. The other distributions of personal profiles are provided in Table 1:

Table 1. Personal Profile of Respondents (n = 150).

Gender

|  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Male | 117 | 78,0 | 78,0 | 78,0 |
| Female | 33 | 22,0 | 22,0 | 100,0 |
| Total | 150 | 100,0 | 100,0 | |

Occupation

|  | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Student | 19 | 12,7 | 12,7 | 12,7 |
| Worker | 41 | 27,3 | 27,3 | 40,0 |
| Public Officer | 30 | 20,0 | 20,0 | 60,0 |
| Unemployed | 2 | 1,3 | 1,3 | 61,3 |
| Other | 58 | 38,7 | 38,7 | 100,0 |
| Total | 150 | 100,0 | 100,0 | |

Table 1. Personal Profile of Respondents (n = 150) (Continued)

Education Level

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Primary School | 12 | 8,0 | 8,0 | 8,0 |
| High School | 39 | 26,0 | 26,0 | 34,0 |
| University | 85 | 56,7 | 56,7 | 90,7 |
| Post Graduate | 12 | 8,0 | 8,0 | 98,7 |
| PhD | 2 | 1,3 | 1,3 | 100,0 |
| Total | 150 | 100,0 | 100,0 | |

Income level

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Very Low | 17 | 11,3 | 11,3 | 11,3 |
| Low | 29 | 19,3 | 19,3 | 30,7 |
| Middle | 84 | 56,0 | 56,0 | 86,7 |
| High | 19 | 12,7 | 12,7 | 99,3 |
| Very High | 1 | ,7 | ,7 | 100,0 |
| Total | 150 | 100,0 | 100,0 | |

Type of banks used - 1

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Public | 41 | 27,3 | 27,3 | 27,3 |
| Private | 55 | 36,7 | 36,7 | 64,0 |
| Both public and private | 54 | 36,0 | 36,0 | 100,0 |
| Total | 150 | 100,0 | 100,0 | |

Type of banks used - 2

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Domestic | 138 | 92,0 | 92,0 | 92,0 |
| Foreign | 12 | 8,0 | 8,0 | 100,0 |
| Total | 150 | 100,0 | 100,0 | |

## 4.2 Descriptive Statistics

Considering human relations, when people go to the banks, they expect favorable and hospitable behaviors from bank staff. According to the Table 2 for meanscores of bank hospitality scale, among all the given questions the most important factor for participants is "The bank staff directed me to the right department for my requirements." The bank customers would rather wait in the right department and complete their transactions quickly rather than waiting in the wrong section. Time is

very important for trades people and business people who work too much with banks. So, they don't want to waste time. The second highest score is "The bank staff give enough information about my transactions". The bank customers know everything about their transactions because money and account security is very important.

Table 2. Meanscores for Bank Hospitality Scale

| ID | | Mean |
|---|---|---|
| 1. | The bank staff ensured the security of my money/account. | 3.65 |
| 2. | The bank staff tried to be helpful in solving my problems. | 3.63 |
| 3. | The bank staff directed me to the right department for my | 3.83 |
| 4. | The bank staff smiles all the time. | 3.39 |
| 5. | The bank staff made me feel like an important person. | 3.21 |
| 6. | The bank staff made eye contact with me during conversations. | 2.98 |
| 7. | The bank staff direct me about financial transactions. | 3.03 |
| 8. | The bank staff build a good relationship in bank and phone banking. | 3.33 |
| 9. | The bank staff understand my requirements. | 3.59 |
| 10. | The bank staff treated me with full respect. | 3.67 |
| 11. | The bank staff give enough information about my transactions. | 3.75 |
| 12. | The bank staff follow the order when they made transactions. | 3.64 |
| 13. | The bank staff has adequate security. | 3.65 |
| 14. | The bank staff is enough in busy hours. | 2.96 |
| 15. | The bank staff worked fast and impeccably. | 3.28 |
| 16. | The bank staff give detailed information about fees to be paid and | 3,48 |
| 17. | The bank provided privileges to its customers. | 3.69 |
| 18. | The bank staff tried to be helpful disabled person | 3.57 |
| 19. | The bank staff give warm 'good bye' after transactions. | 3.26 |

Although the development in technology brings about favorable improvements, it presents weakness in safety. People save their money in banks because they believe their money is secured in banks. There are not auto-park and park area near the banks that is left for customers stranded. If banks have auto-park, people prefer this bank than others.

Therefore, the bank staff ensured the security of money/account is an important factor that needs to be questioned first before bank hospitality and servicescape evaluation by bank customers and their effects on satisfaction. The money and account security are the first place when people work with banks. People want to ensure from their account transactions. As a result, the bank staff that is provided to the customer both personal and institutional reliability has very important place in choosing a bank.

Table 3. Meanscores for Bank Servicescape

| ID | Measurement of servicescape | Mean |
|---|---|---|
| 1. | The temperature inside the bank is comfortable. | 3,87 |
| 2. | The colors of the bank create a warm atmosphere. | 3,83 |
| 3. | The lighting within the bank creates a comfortable atmosphere. | 3,85 |
| 4. | The paintings /pictures are visually attractive. | 3,26 |
| 5. | The bank has an autopark. | 2,17 |
| 6. | The bank has enough and comfortable furniture for waiting. | 2,99 |
| 7. | The overall layout of the bank makes it easy for me to find the right | 3,32 |
| 8. | department. | 2,89 |
| 9. | The bank entrance is convenient for disabled person. | 3,23 |
| 10. | I'm satisfied with my decision to get this bank's services. | 3,24 |
| 11. | My choice to use this bank's services was a wise one. | 3,35 |
| 12. | I think I did the right thing to use this bank's services. | 3,43 |
| | I think my experience in this bank has been successful. | |

As far as the instrument of "servicescape" is concerned, the lowest score has been obtained for the item of "The bank has an autopark", which sends message to bank authorities that banks need to improve and provide autopark facility to their customers. Meanscores of the other items are moderate enough as presented in Table 3.

On the other hand, the highest scores have been respectively obtained in the items of "The temperature inside the bank is comfortable", " The lighting within the bank creates a comfortable atmosphere" and "The colors of the bank create a warm

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atmosphere". These indicate that surveyed bank customers are satisfied with these servicescape features of banks in general.

Table 4. Meanscores for Customer Satisfaction

| ID | Measurement of Customer Satisfaction | Mean |
|----|--------------------------------------|------|
| 1. | I am satisfied with my decision to get this bank's services | 3,23 |
| 2. | My choice to use this bank's services was a wise one | 3,24 |
| 3. | I think I did the right thing to use this bank's services | 3,35 |
| 4. | I think my experience in this bank has been successful | 3,43 |

Table 4 presents the meanscore results of customer satisfaction instrument in four separate items. It is seen that out of five point Likert's scale, customers, on average, are just above three; thus it can be concluded that they are moderately satisfied with services of their banks in general. Here it is again an important message that should go to the bank managers in order to increase the customer satisfaction for their banks.

As a final point in meanscore analysis, all the items in four dimensions of the instrument have been averaged in this study in order to obtain clear-cut responses of bank customers under inspection towards bank hospitality, servicescape, and customer satisfaction. Therefore, Table 5 presents average response of bank customers for those three dimensions:

Table 5. Average Scores of Bank Hospitality, Servicescape and Customer Satisfaction

| ID | Dimensions | Meanscore |
|----|------------|-----------|
| 1. | Hospitality | 3,4535 |
| 2. | Servicescape | 3,2670 |
| 3. | Satisfaction | 3,3117 |

According to Table 5, although bank customers again moderately satisfied with hospitality behavior, servicescape, and satisfaction level in general, hospitality dimension has the highest mean value for bank hospitality (meanscore = 3.4535) and servicescape evaluation by bank customers come the third after satisfaction dimension. When it is looked to the general results, it may be seen that there no great amount of difference between the mean values of all dimensions given in the Table 5. As a result, the importance of all dimensions are somehow similar which is expected. Therefore, bank authorities need to show sincere effort in order to increase the satisfaction level of bank customers for their hospitability behavior and servicescape elements at further levels.

Table 6. Factor Analysis Results (Overall Cronbach Alpha = 0.946)

| ID | Bank Hospitality (Cronbach alpha = 0.927) | Factor Loadings |
|---|---|---|
| 1. | The bank staff ensured the security of my money/account. | ,611 |
| 2. | The bank staff tried to be helpful in solving my problems. | ,705 |
| 3. | The bank staff directed me to the right department for my requirements. | ,594 |
| 4. | The bank staff smiles all the time. | ,619 |
| 5. | The bank staffs made me feel like an important person. | ,718 |
| 6. | The bank staff made eye contact with me during conversations. | ,695 |
| 7. | The bank staffs direct me about y financial transactions. | ,604 |
| 8. | The bank staffs build a good relationship in bank and phome banking. | ,545 |
| 9. | The bank staffs understand my requirements. | ,641 |
| 10. | The bank staff treated me with full respect. | ,616 |
| 11. | The bank staff gives enough information about my transactions. | ,710 |
| 12. | The bank staff follows the order when they made transactions. | ,608 |

Table 6. Factor Analysis Results (Overall Cronbach Alpha = 0.946) (Continued)

| 13. | The bank staff has adequate security. | ,575 |
|---|---|---|
| 14. | The bank staff is enough in busy hours. | ,657 |
| 15. | The bank staff worked fast and impeccably. | ,588 |
| 16. | The bank staff gives detailed information about fees to be paid and other detailed information. | ,634 |
| 17. | The bank provided privileges to its customers. | ,578 |
| 18. | The bank staff tried to be helpful disabled person. | ,521 |
| 19. | The bank staff gives warm 'good bye' after transactions. | ,651 |
| ID | Servicescape (Cronbach alpha = 0.809) | Factor Loading |
| 1. | The temperature inside the bank is comfortable. | ,725 |
| 2. | The colors of the bank create a warm atmosphere. | ,711 |
| 3. | The lighting within the bank creates a comfortable atmosphere. | ,781 |
| 4. | The paintings /pictures are visually attractive. | ,629 |
| 5. | The bank has an auto-park. | ,587 |
| 6. | The bank has enough and comfortable furniture for waiting. | ,549 |
| 7. | The overall layout of the bank makes it easy for me to find the right department. | ,618 |
| 8. | The bank entrance is convenient for disabled person. | ,657 |
| ID | Customer Satisfaction (Cronbach alpha = 0.914) | Factor Loading |
| 1. | I am satisfied with my decision to get this bank's services | ,786 |
| 2. | My choice to use this bank's services was a wise one | ,715 |
| 3. | I think I did the right thing to use this bank's services | ,821 |
| 4. | I think my experience in this bank has been successful | ,787 |

## 4.3 Reliability and Factor Analyses

Prior to regression analysis for testing the hypotheses of this research study, reliability and factor analysis results will be presented in this section.

Cronbach alpha coefficient of the overall instrument is 0.946 which is well above proposed level of 0.70 in the relevant literature (Nunnally, 1978). Furthermore, alpha coefficient of bank hospitality instrument is 0.927 while it is 0.809 for servicescape and 0.914 for customer satisfaction instruments individually; therefore, it is seen that the instrument is suitable for factor analysis.

When factor loadings are evaluated, it is seen that they are all greater than 0.50; therefore, it is proposed that all the items in three dimensions will be retained for further analyses including regression models that will be presented in the next section.

## 4.4 Regression Models

In this section, two regression models will be presented in order to test for two hypotheses of this research study (H1 and H2). Table 7 presents regression results with this respect.

In the first section of Table 7, results of single regression model for testing H1 are provided. It is seen that F-statistic of the model (for the overall fit) is statistically significant; the coefficient of bank hospitality (BHB) is positively significant ($\beta = 0.625$, $p < 0.01$). The researcher argues that bank hospitality dimension exerts positively significant effect on bank customers' satisfaction levels. Therefore, it is

concluded that the first hypothesis (H1) is confirmed and validated in this research study.

Table 7. Regression Analyses with Single and Interaction Effects Dependent Variable: Customer Satisfaction

| Dimension | Coefficient | t-value | P-value | Coefficient | t-value | P-value |
|---|---|---|---|---|---|---|
| Intercept | 1.537 | 5.451 | 0.000 | 0.074 | 0.121 | 0.904 |
| BHB | 0.625 | 7.863 | 0.000 | 0.149 | 0.782 | 0.435 |
| SS | | | | 1.101 | 5.842 | 0.000 |
| BHB × SS | | | | -0.042 | -0.783 | 0.435 |
| $R^2$ | 0.295 | | | 0.758 | | |
| Adj. $R^2$ | 0.290 | | | 0.753 | | |
| F-value | 61.822 | | | 152.023 | | |
| F-prob | 0.000 | | | 0.000 | | |

Note: BHB is bank hospitality behavior, SS is servicescape, and BHB × SS is interaction variable.

In the second section of Table 7, the results of multiple regression model for testing H2 are provided. It is seen that F-statistic of the model (for the overall fit) is again statistically significant; however, the coefficient of bank hospitality (BHB) is not statistically significant ($\beta = 0.149$, p > 0.01, 0.05, and 0.10). Furthermore, the coefficient of interaction variable is not again statistically significant although it is negative ($\beta = -0.042$, p > 0.01, 0.05, and 0.10). Therefore, although the coefficient of service scape is positively significant ($\beta = 0.1.101$, p < 0.01), the second hypothesis (H2) cannot be confirmed and validated since the coefficient of interaction variable is not statistically significant. Thus, it is argued that servicescape in the banks of Turkey does not significantly moderate interaction between bank hospitality behavior and customer satisfaction.

Servicescape

H2   X

Hospitableness of
Hosting Behavior
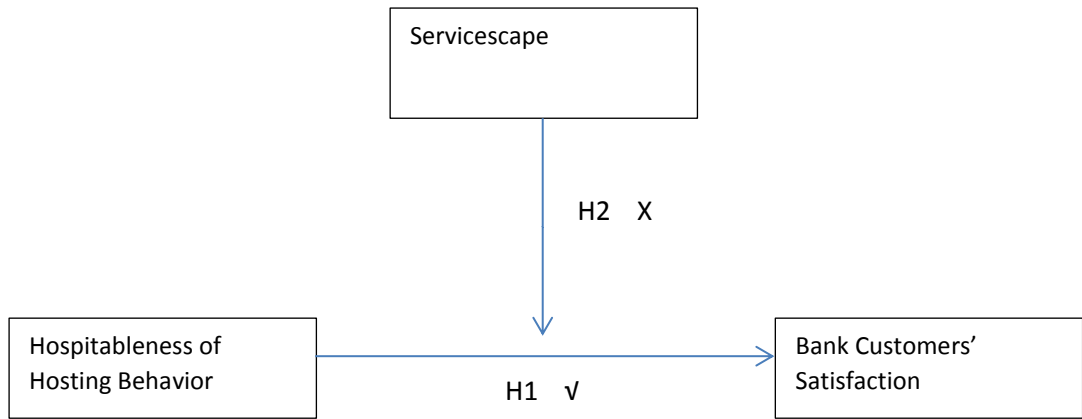
H1   √

Bank Customers'
Satisfaction

Figure 2. Results on the Effects of Hospitableness and Servicescape on Bank
Customers

This is to conclude that when bank hospitality behaviour affects the satisfaction level
of customers, this happening will not be affected from servicescape features of the
banks. With this respect, a very important message should again go to bank
authorities and managers in Turkey that they need to improve servicescape facilities
in their buildings in order to support their hospitality behavior towards customer
satisfaction. The results of this study suggest that hospitality behavior of bank
personnel is not enriched by servicescape facilities. Figure 2 summarizes the major
findings of this study where H1 is confirmed while H2 is rejected.

# Chapter 5

# CONCLUSION

## 5.1 Remarks on Conclusion

The purpose of this thesis is to reveal the relationship between the bank staff of hospitableness of hosting behavior, servicescape and customer satisfaction in the case of Turkey, which has developed and succeeded to promote its banking sector in the last two decades. Bank hospitality and servicescape evaluation by bank customers and their effects on satisfaction survey is made by 150 participants to evaluate their responses on several aspects, which have been distributed in cities to the randomly selected citizens of Turkey. A revised instrument of Ariffin et al. (2013) has been used with this respect. Two major hypotheses were proposed in this study. Regression results confirmed the first hypothesis that the hospitality behavior of bank personnel employed at Turkish Banks exerts positively significant effects on customer satisfaction; however, the second hypothesis that "servicescape positively moderates interaction between bank hospitality and customer satisfaction" is not confirmed or validated according to the results of this study.

On the other hand, descriptive analyses showed that the most important criteria out of participants for selecting the bank is "The bank staff directed me to the right department for my requirements". In contrast, the criteria with the lowest score is "The bank has an auto-park". Furthermore, concerning the instrument used in this study, even though the mean value of all the dimensions are approximately close to

each other. Items in the hospitality dimension had higher mean values when compared to items in both servicescape and customer satisfaction dimensions.

## 5.2 Implications

Results of this study reveal several implications to bank authorities in Turkey. It is concluded that bank customers are moderately satisfied with hospitality behavior and servicescape facilities provided by banks in Turkey. Therefore, banks need to consider to re-design servicescape places of their banks and do additional investments with this respect. It is important to mention that bank customers are not at high levels of satisfaction with the hospitality behavior of bank personnel; therefore, administrations should also consider training programs towards their personnel due to the fact that treatment by frontline employees are essential in customer satisfaction. The behavior of bank personnel should be also supported by servicescape or atmospheric conditions of the banks in Turkey according to the results of this study which did not confirm the moderating role of servicescape in the relationship of bank hospitality with customer satisfaction. Finally, the results of this study had two major implications for the banks in Turkey that (1) They need to invest and rely more on training programs for their personnel in order to increase the quality of interactions with their customers and (2) They need to invest or allocate more financial funds for improving servicescape facilities in their buildings so that customers will feel better when getting service from banks.

## 5.3 Future Works

Despite the fact that the results of this study have given reasonable results, the number of participants might be increased to have more experimental results as a further research. The survey could has been done in different citizens of Turkey. Additionally, along with gender of the participants, the occupation and income levels

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of the participants could have also been considered and compared with further and detailed analyses. There is also still a gap in this area that such study can be replicated in the other sectors of not only services industry but also manufacturing industry for comparison purposes.

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# APPENDIX

# Appendix A. Bank Hospitality and Servicescape Evaluation by Bank Customers and their Effects on Satisfaction

PART A. DEMOGRAPHIC PROFILE

1. Gender:        a. Male            b. Male

2. Age: ………………

3. Occupation

      a. Student

      b. Worker

c. Public Officer

d. Unemployed

e. Other: ………………..

4. Nationality: ………………

5. Education Level

a. Primary School        b. High School            c. University Graduate  d.      Post

Graduate        e. PhD

6. Your income level:

a. Very Low            b. Low c. Middle        d. High                    e. Very High

7. How many years have you been using banking services in overall? ………….

8. Type of Bank (s) Used:

a. Public                b. Private        c. Both Public and Private

9. Type of Bank(s) Used:

a. Domestic      b. Foreign

PART B. BANK HOSPITALITY SCALE

Strongly Disagree                                    Strongly Agree

                    1        2        3        4        5

| ID | BANK HOSPITALITY | LIKERT`S SCALE | | | | |
|----|------------------|---|---|---|---|---|
| 1. | The bank staff ensured the security of my money/account. | 1 | 2 | 3 | 4 | 5 |
| 2. | The bank staff tried to be helpful in solving my problems. | 1 | 2 | 3 | 4 | 5 |
| 3. | The bank staff directed me to the right department for my requirements. | 1 | 2 | 3 | 4 | 5 |
| 4. | The bank staff smiles all the time. | 1 | 2 | 3 | 4 | 5 |
| 5. | The bank staffs made me feel like an important person. | 1 | 2 | 3 | 4 | 5 |
| 6. | The bank staff made eye contact with me during conversations. | 1 | 2 | 3 | 4 | 5 |
| 7. | The bank staffs direct me about y financial transactions. | 1 | 2 | 3 | 4 | 5 |
| 8. | The bank staffs build a good relationship in bank and phome banking. | 1 | 2 | 3 | 4 | 5 |
| 9. | The bank staffs understand my requirements. | 1 | 2 | 3 | 4 | 5 |
| 10. | The bank staff treated me with full respect. | 1 | 2 | 3 | 4 | 5 |
| 11. | The bank staff gives enough information about my transactions. | 1 | 2 | 3 | 4 | 5 |
| 12. | The bank staff follows the order when they made transactions. | 1 | 2 | 3 | 4 | 5 |
| 13. | The bank staff has adequate security. | 1 | 2 | 3 | 4 | 5 |
| 14. | The bank staff is enough in busy hours. | 1 | 2 | 3 | 4 | 5 |
| 15. | The bank staff worked fast and impeccably. | 1 | 2 | 3 | 4 | 5 |
| 16. | The bank staff gives detailed information about fees to be paid and other detailed information. | 1 | 2 | 3 | 4 | 5 |
| 17. | The bank provided privileges to its customers. | 1 | 2 | 3 | 4 | 5 |
| 18. | The bank staff tried to be helpful disabled person. | 1 | 2 | 3 | 4 | 5 |

| 19. | The bank staff gives warm 'good bye' after transactions. | 1 | 2 | 3 | 4 | 5 |
|-----|----------------------------------------------------------|---|---|---|---|---|

## PART C. BANK SERVICESCAPE

| 1. | The temperature inside the bank is comfortable. | 1 | 2 | 3 | 4 | 5 |
|-----|----------------------------------------------------------|---|---|---|---|---|
| 2. | The colors of the bank create a warm atmosphere. | 1 | 2 | 3 | 4 | 5 |
| 3. | The lighting within the bank creates a comfortable atmosphere. | 1 | 2 | 3 | 4 | 5 |
| 4. | The paintings /pictures are visually attractive. | 1 | 2 | 3 | 4 | 5 |
| 5. | The bank has an auto-park. | 1 | 2 | 3 | 4 | 5 |
| 6. | The bank has enough and comfortable furniture for waiting. | 1 | 2 | 3 | 4 | 5 |
| 7. | The overall layout of the bank makes it easy for me to find the right department. | 1 | 2 | 3 | 4 | 5 |
| 8. | The bank entrance is convenient for disabled person. | 1 | 2 | 3 | 4 | 5 |

## PART D. CUSTOMER SATISFACTION SCALE

| 1. | I am satisfied with my decision to get this bank's services | 1 | 2 | 3 | 4 | 5 |
|-----|----------------------------------------------------------|---|---|---|---|---|
| 2. | My choice to use this bank's services was a wise one | 1 | 2 | 3 | 4 | 5 |
| 3. | I think I did the right thing to use this bank's services | 1 | 2 | 3 | 4 | 5 |
| 4. | I think my experience in this bank has been successful | 1 | 2 | 3 | 4 | 5 |