

# **Customer Satisfaction in Banking Sector: The Case of North Cyprus**

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## ABSTRACT

Modern business world is very much competitive and the success in the competition completed mainly through giving satisfaction to the eventual customer. In service concerned industry, it is not easy to set a standard rule to satisfy consumer. Customer satisfaction offers for organizations to improve relationships with their customers so allowing the companies to achieve their objectives for long term success. To achieve a customer satisfaction, company should have better service quality, because service quality and customer satisfaction have positive relations. Also there is another relationship between satisfied customer and customer loyalty.

This study considers the current pattern of customer satisfaction in the North Cyprus banking industry. A questionnaire survey was administered to 255 bank customers in North Cyprus. Software SPSS 22.0 was used to analyze the data gathered from the survey. The results demonstrate that the most important factor for customer satisfaction is the wide availability of bank branches, and the factor most associated with customer dissatisfaction is the high prices of products and services.

The study further gives suggestions for policymaking and possible areas for future research.

**Keywords:** Customer satisfaction, service quality, customer's loyalty, dissatisfaction, banking industry.

## ÖZ

Modern iş dünyası çok rekabetçi bir yapıya sahiptir ve rekabette başarı, eninde sonunda müşteriye tatmin vermek yoluyla tamamlanmıştır. Hizmet endüstrisinde, tüketiciyi tatmin edecek standart bir kural koymak kolay değildir. Müşteri memnuniyeti, kuruluşlarla müşterilerin arasındaki ilişkileri iyileştirerek şirketlerin uzun vadeli başarı hedeflerine ulaşmalarını sağlar. Müşteri memnuniyetini sağlamak için şirketin hizmet kalitesinin daha iyi olması gerekir, çünkü hizmet kalitesi ve müşteri memnuniyeti olumlu ilişkilere sahiptir. Aynı zaman da memnun müşteri ve müşteri sadakati arasında bir başka ilişki var.

Bu çalışma, Kuzey Kıbrıs bankacılık sektöründe müşteri memnuniyetinin mevcut örneğini ele almaktadır. Kuzey Kıbrıs'ta 255 banka müşterisine anket uygulanmıştır. Anketten elde edilen verileri analiz etmek için yazılım SPSS 22.0 kullanılmıştır. Sonuçlar, müşteri memnuniyeti için en önemli faktörün banka şubelerinin geniş mevcudiyeti ve müşteri memnuniyetsizliği ile en fazla bağlantılı faktörün ürün ve hizmetlerin yüksek fiyatlardan oluştuğunu göstermektedir.

Çalışma ayrıca, politika oluşturma ve gelecek araştırmalar için olası alanlar için öneriler sunmaktadır.

**Anahtar Kelimeler:** Müşteri memnuniyeti, hizmet kalitesi, müşteri sadakati, memnuniyetsizlik, bankacılık sektörü.

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# Chapter 1

## INTRODUCTION

### 1.1 Background of the Study

For customers and organizations, satisfaction is an important issue, however, satisfaction is according to Thijs and Staes (2008), a subjective concept and is consequently difficult to determine. Satisfaction is dependent on a wide range of factors which vary per person as well as product to product. Some main concepts of satisfaction include quality and value. Quality according to Parasuraman, Berry and Zeithaml (1991) can be referred to as meeting the needs as well as expectation of customers while value, on the other hand, according to Zeithaml (1988) is the importance ascribed to service based on the amount paid and usage. Satisfaction, according to Fečiková (2004); ISO (2015); Oliva, Oliver and MacMillan (1992) is meeting the needs or wants of the customers. From the aforementioned, it can be clearly seen that these concepts are similar and can be used interchangeably.

The survival and competitive power of any bank lies in its degree of satisfying the customers (Titko & Lace, 2010). It is therefore expedient that banks pay peculiar attention to customer satisfaction (Khattak, 2010). It is facts that banks products are undifferentiated, in order to survive in the competitive market, the only effective tool to thrive is quality of service (Royne Stafford, 1996). Banks that offer high quality services according to Bowen and Hedges (1993), will have competitive advantage because improved service quality have benefits such as increased profit, increased

customer retention and large market shares. Additionally, Zeithaml, Berry and Parasuraman (1996) claimed that there is increase in financial performance as well as capturing of new customers when the banks' reputation are enhanced. On the other hand, Yeung, Ging and Ennew (2002) posited that new customers are brought to the banks by old ones via word-of-mouth which reduce marketing cost. Sureshchandar, Rajendran and Anantharaman (2003) believed otherwise, stating that satisfaction and quality of service are the key factors for bolstering the relationship between customers and organization.

Furthermore, receptive attitude is key to give customers positive image about the bank and services they provide because Owusu-Frimpong (1999) was of the opinion that attitude of service organization help customers in evaluating the quality of service offered to them. In regards to the physical environment, the general atmosphere, design and infrastructures are taken into consideration by the customers. Likewise, service delivery duration can either give positive or negative consciousness to the customers about the bank. Short waiting time gives good impression of high quality service while long waiting time give the opposite. Several factors determine customers' perception and Achrol and Kotler (1999) opined that personal characteristics such as occupation, age, lifestyle, personality, among others, influence individual's consumption behavior. Kangis and Voukelatos (1997) discussed that factors such as image and price, evidence of service and service encounters form customers' perception of value, satisfaction and service quality. Abdullah and Rozario (2009) also claimed that varying internal and external factors influence customer satisfaction level.

The banks' role in the economic development cannot be overstated. Banks accept deposits from both organization and individual customers and lend them to other customers (Heffernan, 1996). It is alleged that customers who choose not to spend their money lodge them in the bank for safe keep and interest. In addition deposit, lending and interest services provided by banks, they also offer investment advice to customers, process payment and engage in foreign exchange. It therefore behooves banks to provide safe, confident and pleasant atmosphere for customers while offering reliable services.

## **1.2 Problem Statement and Motivation**

In recent years, customers have become better at processing information, choosing products/services as well as asking for high value for the products or services purchased (Navaratnaseelan & Elangkumaran, 2014). According to Levitt (1960), consumers are generally short-sighted, unpredictable, troublesome, dynamic and highly varied, as such, it is important that banks understand the prevailing situation to address customers' interests and satisfaction by providing quality services and conducive environment because if these issues are not addressed, it can lead to customers leaving the bank to their competitors. In order for banks to have loyalty from their customers, it is important for the banks to understand what needs are peculiar to their customers.

Previous researches in literature, several researchers (Anjalika & Priyanath, 2018; El Saghier & Nathan, 2013; Felix, 2017; Khan & Fasih, 2014; Kheng, Mahamad, Ramayah, & Mosahab, 2010; Tufail, Hmayon, Javed, Shabbir, & Shahid, 2016) have examined the influence of bank service quality on the satisfaction of customers but most of these researched have been carried out without taking systematic and proper

steps to identify the different needs of customers based on their demographics in the banking sector. This research attempts to bridge the gap in how customer satisfaction should be patterned to suit customers and using a step-by step method (Aiken, West, & Reno, 1991) to understand customer satisfaction from different demographics factors.

### **1.3 The Banks in North Cyprus**

Bank is a financial institution that accepts deposits from the public and creates credit. It is an important factor in a country's economy. A bank with better profit can be of higher benefit to the economy.

North Cyprus is a small island state that is recognized only by Turkey, the economic growth is slow and it is focused on agriculture, tourism and higher education. Currently there are efforts to shift economic base from agriculture and small manufacturing firms to the service sector (Arasli, Mehtap-Smadi, & Turan Katircioglu, 2005). A second estimate of Cyprus' GDP growth confirmed that the economy expanded 2.9% annually in the third quarter of 2016. According to the economist, the economy of Northern Cyprus will close 2016 in good shape. The Turkish Lira is the official currency of North Cyprus. Monetary policy of North Cyprus led by Turkey and her economy hence is highly sensitive to any change in the Turkish economy.

According the North Cyprus Central Bank 2017, there is one (1) state-owned, fifteen (15) privately owned and six (6) branch banks and one (1) development and investment bank in Cyprus. As at the end of September of the 2016, the North

Cyprus banking sector's financial debt ratio was higher than last year, and within the last quarter, branch numbers increased by two.

According to the Central Bank of North Cyprus 2015 yearly report, statistical improvements were recorded between the previous and the current year such as the Balance Sheet Asset side, the total asset increased by 30.79% reaching TL 5.025,4 million. Also from the Asset side, the important part is the Cash. The year 2015 was the 33.88% increase as the compare 2014. It increases from 3,357 million TL to 4,494 million TL. From the Liability and Equity sight Liability increased 30.79% and reached 5,025 million TL. The Liability sight important part is the Banks Deposits and it increase 3.61% from 2014 to 2015 and reached 1,519 million TL. Other Deposits also increase 38.14% at the end of 2015 and reached 1,089 TL. There was increase also the Funds, such as they increased 36.07% from 462, 4 million TL to 629, 2 million TL at the end of 2015. The general profit increased by 66.15% and reached 110, 5 million TL. Total income increased by 38.97% and total expenditure increased by 21.63%.

I will try to analyze the problems of the customer side. It is known that one of such problems experienced by the customers is the rigidity of the banking hours (open hours).

Consequently, I will analyze and discuss the satisfaction level among customers of various banks. This will be obtained through survey. The surveys are distributed to approximately 350 customers in order to find out the main problem in customer satisfaction.

## **1.4 The Concept of Satisfaction**

The short form of satisfaction is something that is the need of the customer and after getting their satisfaction level. Satisfaction is related to many factors and it is different from one person to another. Customer satisfaction and profitability have positive relations (Bolton, 1998). If the company can make their customer happy and satisfy them, it becomes more profitable. If companies don't know their customers' need and they offer services which customer will not use this time they will fail. Or in other words, if the services and goods will be higher than what the customer expect this time they will be satisfied, if it will be less than their expectation this time customer will be dissatisfied. Just providing high quality service is no enough to make customers' satisfied and the organization need to understand customer feeling. Only if they understand what their customer needs, then they can satisfied them.

## **1.5 Framework of the Study**

The thesis is organized as follows: Chapter 1 is the introduction part, it presents the background of the Study and then the information about the banks in North Cyprus, explaining the concept of satisfaction. Chapter two is the literature review which provides as information North Cyprus banking sector. Chapter three focus on the customer satisfaction in the banking industry and the relationship between employee and customer satisfaction. Chapter four is about the service quality and customer loyalty. Chapter five is the development of the hypothesis, the methodology and data collection. And last chapter 6 includes the conclusion and provides the policy implications and recommendation.

## **Chapter 2**

### **LITERATURE REVIEW**

The Banking institutions have an important role in the growth of every economy. This is responsible for the competition and saturation existing in the banking industries, making it needful that the banks be more customer focused. Banks have created different services in order to reach customer satisfaction and to be highly competitive. For example, a bank can offer internet banking service to its customers, due to the fact that it has positive effect on the bank performance. Ciciretti, Hasan and Zazzara (2009); Singh and Ranchhod (2004) was found that there are some important factors that influence customer choice, factors like the location of the bank, working hours, availability of ATM and relatives. Another important feature taken into consideration in the process of choosing a bank is the convenience of the bank. We also know that in today's highly competitive business world the important aspect to choose for goods and services is prestige and fame. As such, the reputation held by the bank is definitely another main condition for customers. Also, have had a bad experience. According to Lenka, Suar and Mohapatra (2009), another important factor for the selection of bank is the technology, such as the e-banking services made available, convenient ATM location, availability of ATMs in different location and 24 hours availability of ATMs. Because in the modern era, it is the desire of every customer to get connected to the world easily during periods of emergency, that they have a functional ATM machine nearby. In another study conducted by Katircioglu, Tumer and Kiliç (2011), analysis about the bank

selection aspects of undergraduate students who are the potential customer of the banks. It was observed that the students focused on the availability and the convenience of the location of ATM services. Speed and quality of services are the most important elements for choosing a bank amongst both the Turkish and non-Turkish undergraduate students.

So we can tell that for choosing a bank there are some basic aspects that affect the customers, such as the location of the bank, availability of fast 24 hours ATM services, flexibility of bank working hours, enthusiasm and friendliness of bank personell and so on. Knowing this, customer satisfaction becomes the priority. From previous times till now, many researches have conducted research about the topic; “What is the customer satisfaction?, how can we satisfy customers?”. Generally when we consider customer satisfaction, it is needful to evaluate the relationship between service quality, customer satisfaction and loyalty. From the marketing point of view, we know that the measure of the quality of service is obtained through the SERVPERF model which is a 5 dimensional model which includes reliability, assurance, tangibility, empathy and resposiveness. Service quality is the main object of the banking industry as it is responsible for the increase in the level of customer satisfaction, and as such, becoming a key to competitive advantage (Almossawi, 2001).

From the research of Abbam, Dadson and Say (2015) which is called “An empirical analysis of customer’s choice of Banks in Ghana” tried to learn important factors for the customer satisfaction in the Ghanaian banking sector. 6 banks and 509 bank customers were chosen as samples for the purpose of this study. After the research, six factors were identified as determinants of the bank selection namely; the



locations of banks, extensions of working hours (weekends), and security provided at the banks, ATM facility, internet banking and efficient services

From many years, service quality has been described using many different methods by researchers. Parasuraman, Zeithaml and Berry (1988) argued that actual service consist of customer expectation and customer perceptions with the difference between them being service quality. An increase in the quality of service directly increases the customer expectation for the bank and profitability. Shanka (2012, p. 1) quoted that Kasper et al. (1999) define the service quality as ‘the degree to which the service provided can satisfy the expectations of the users’. From this definition, we can see that the customers are the sole judges of service quality. The studies of Buttle (1996); Gilbert and Veloutsou (2006); Lee, Lee and Yoo (2000) proposed that service quality leads to customer satisfaction. Most researchers argue that to reach high level of customer satisfaction, there should be a corresponding high level of service quality. If the service quality increases, customer satisfaction will also increase. Quality was the major dimension upon which satisfaction was based. Service quality is the major aspect to measure the satisfaction of a customer (Kadir, Rahmani, & Masinaei, 2011). According to Jamal and Anastasiadou (2009), reliability, tangibility and empathy have the positive relationship between customer satisfactions. Al-Hawary, Alhamali and Alghanim (2011) found that reliability, tangibility, responsiveness and assurance have important and positive relationship between customer satisfactions. Krishnamurthy, SivaKumar and Sellamuthu (2010) indicate responsiveness as the only major dimensions of the service quality which positively affects customer satisfaction. If the bank has fast and efficient service, speedy transaction, friendly personnel and comfortable bank location, also, customers can be satisfied with the bank. There are a lot of researches about service

quality and customers' role in financial world. One of the research findings help in the formulation of marketing strategies and proved customer satisfaction as a mediator in relationship between retail banking and financial performance (Al-Hawari & Ward, 2006).

Another research done by the Gunasekara and Dharmadasa (2016) argued that in Sri Lanka banking sector increased, so competition also increased between the banks. To win the competition service quality is the important factor. The aim of her work was to understand how human factors affected the service quality from the banking customers' perspective. She used the BANKSERV model, which is the qualitative analysis completed the group interviews. Authors found that for the better relations with customer 4 factors are significant. They are care, commitment, courtesy, competence. First of all care, which is the customer concern, thought, sympathy and patience. Customers are waiting for the service personnel to pay attention despite the fact that they are not offered by the bank. Then commitment is clearly a commitment to the work of employees, such as the pride and satisfaction, care and diligence they see in their work. Customers expect a fast and complete service that meets all their needs. Courtesy is polite respect and convenience way providing the service. And finally competence is defined as the skill, expertise and professionalism in which the service is being carried out

Generally the main goal of the firms is to make high profit. To reach their goal, the firms should know its customers' needs and expectation as well as the increase number of satisfied customers as if the satisfaction is high and the profit will be high. Generally, customers are only interested in physical aspect of a product; they are some who are also interested non-physical aspect. It can be explained, to improve

customer satisfaction that needs to increase service quality (Saglik, Gulluce, Kaya, & Ozhan, 2014).

Also Kaura, Prasad and Sharma (2014) tried to understand how service quality, perceived price fairness and service convenience effected customer satisfaction in retail banking sector. The result's of article shows that human behavior has positive effect on the customer satisfaction. If employees welcome their customers with smiling face, to know their name and help them by willingness this time they can make their customer satisfied. Another result of the article that the technology has positive effect on satisfaction of customers because technological innovations help peoples life to become easy. ATM helps customers to withdraw money without going to bank. Earlier researcher mainly focused on SERVQUAL dimensions to measure service quality, this study focuses on human behavior, tangibility and technology dimensions on the service quality.

According to Lee, Jeong and Choi (2014), they discovered that there is a relationship between service quality, customer satisfaction and customer loyalty and it results in customer retention and profitability. For customers satisfaction the need to make their expectation real, but the terms of expectation is not stable. It changes by elements such as time, interaction with particular level of service and competitive environment (Seth, Deshmukh, & Vrat, 2005).

There are two kind of the concept of satisfaction, one of them is transaction-specific satisfaction another one is cumulative satisfaction (Boshoff & Gray, 2004; Cronin Jr & Taylor, 1992). Transaction- specific satisfaction is defined to evaluate the customer's own characteristic and reaction to a particular product transaction,

episode or service encounter. Customer Cumulative satisfaction is defined as a customers' overall evaluation of a good or service (Johnson, Anderson, & Fornell, 1995; Johnson & Fornell, 1991).

From the research of Shanka (2012), also known as “Bank Service Quality, Customer Satisfaction and Loyalty in Ethiopian Banking Sector” the author tried to understand the relationship between service quality, customer satisfaction and loyalty. In this study, Shanka (2012) used both primary and secondary sources of data to collect the needed information. Questionnaires were used as the primary source of data, 260 questionnaires were distributed and 245 responses received as total sample. The questionnaire had 2 parts; the first part was used to obtain general information of the respondents while the other part was responsible for obtaining the service quality as modeled by the SERVPREF method. The highest mean score was for ‘tangibility’ and least mean score was for ‘empathy’. If the tangibility is high, it means that private banks are performing at a satisfactory level in the aspect of equipment quality, appeal of visual materials and neatness of their employees. The second dimension was the customer assurance which means that customer perceived bank performing better in having knowledgeable and courteous employees and by providing trustworthy and secure services. The least was the responsiveness and empathy which show that they have some weakness in helping customers, responding to inquiries of customer and understanding the needs of the customers.

Consequent to this, Shanka (2012) established the correlation between the five dimensions of service quality and customer satisfaction, the highest correlation was between empathy and customer satisfaction. Generally, the correlation was positive due to the fact that service quality and customer satisfaction are positively related.

Also, we can see that main service quality which affected customer satisfaction more is the empathy. Because if the empathy which is of the service quality dimension is high, the bank will understand what their customers' need, their problems and how they can help them; ensuring customers' satisfaction which in turn affects the bank positively as the success of the bank is entirely dependent on the customer. Another hypothesis of this research is the relationship between customer satisfaction and customer loyalty. Customer loyalty is measured by how frequently the customer makes repeated purchase and engages in relationship activities. So to test the relationship, linear regression model was applied, and it is found that customer satisfaction is related with their loyalty. The result of this study shows that all service quality dimensions positively correlated with customer satisfaction and that from the correlation result, empathy and responsiveness are the major determinants of the customer satisfaction. Also there is a strong relationship between customer satisfaction and customer loyalty. Thus, the satisfaction of a customer is important in developing customer loyalty.

There is another theoretical foundation which shows that there is a strong relationship between customer satisfaction and customer loyalty. According to (Horstmann, 1998) there is positive relationship between customer satisfaction and loyalty. If the customer is satisfied to repurchase a product, there is a high tendency that such a customer will share his experience with seven or eight people (Gronroos, 1990; Zairi, 2000) however an unsatisfied customer can banish more business from the organization than ten highly satisfied customer do (Mohsan, Nawaz, Khan, Shaukat, & Aslam, 2011). Other several studies have found that satisfaction is a leading factor in determining loyalty (Amoah-Mensah, 2010; He & Song, 2009).

They argued that there is relationship between loyalty and satisfaction. If the satisfaction is high, high level of the loyalty follows, causing more profitability.

There is another article by Martín-Consuegra, Molina and Esteban (2007) states that the important element of the increase of the financial businesses are the relations marketing, service quality and consumer satisfaction. They tried to understand the effect of the relation benefit on customer satisfaction in retail banking. Authors make the empirical study by using sample of 204 bank customers and found that confidence benefits a direct positive impact on customer satisfaction, but special treatment benefits have not any important effect on the satisfaction. So the authors stated that customer satisfaction depends on the accessibility, on the service policy satisfaction and on the frontline employee satisfaction in financial businesses.

There are some analyses about service quality in Cyprus commercial banks. From these analyses, it was found that customer expectations are not met because there is gap in empathy part of the SERVQUAL model (Arasli et al., 2005).

One of the research done by Şen (2013) which was the aim to find out how the customers are satisfied or not in North Cyprus banking sector. According to Şen (2013) people depend on the branches, as they find it more convenient and more secure. North Cyprus is a small island so there is no traffic jam or any hustle and everywhere is close to each other. In a small island good reputation is so important. The words can be spread mouth to mouth easily all around the island. If the bank can achieve the need of the customers' and satisfy them.

Another study done by Bağkur (2014) which was a comparison customer satisfaction in North Cyprus branch banking and domestic banks. He chose Koop bank as domestic and İŞ bank as branch bank. Both bank customer are satisfied with their environment, however İŞ bank's customer more satisfied than Koop bank's customer due to modern equipment, physical features and personal cloths. In regard to his study, we can see that people prefer to go the branches than using internet services, because this island is small and there is no traffic problem. And generally he concludes that according his research İŞ bank customers more satisfied than Koop bank customer.

## **Chapter 3**

### **CUSTOMER SATISFACTION**

Performance criteria that show that a firm works well and the grade of importance modified day by day. To measure of the customer satisfaction is little hard, however, Türkyılmaz and Özkan (2007) developed an advanced index model of customer satisfaction. It is fact that customers are important for the sustainability of any business, in today's world; this strategy has a crucial one. To measure customer satisfaction, it is important to know that who is the customer and what satisfaction means to them (Beard, 2014). It is significant to reference that there are different customers in any organization which consist of internal and external customers but the external customers are more important and same time the quality demands of the customers is different (Kondo, 2001).

Customer is a perception that who directly or indirectly affected, from an organization or organization suggest products and services. Customer's focus is on the principle of the products of institutions and organizations and the value of services, the features they pre-set instead of evaluating how customers take delivery of these products and services they need to take into account what they have seen and valued (Hong & Goo, 2004). So the quality of products and services suggested by institutions and organizations should be the quantity and via the evaluations through customer satisfaction surveys (Gow, 2002).



A customer is a buyer of a product or service. Although customers are not shown on the balance sheet, they are the peak valued assets (Berry, 1991). Customer is the cause for a business. In a new marketing model, customers are the focused of the business tasks (Taşkın, 2000). Customer concept is not only related with whom that buys the products, it also consist of everyone who affects by the goods and services created by the business. Study of Berry (1991) that shows that the cost of acquiring a customer is four to five times the cost of holding a customer.

Customer satisfaction absolutely is one of the most essential strategies for businesses. Since the 1980s till now, it is the major issue discussed by companies of developed countries. The most important factor in effectiveness of companies, market shares and growth rates is the customer satisfaction, which caused by in firm loyalty. Customer satisfaction or dissatisfaction used to be was calculated by the difference between customer's expectation and the actual situation. A customer who buys a product has some prospect about it and satisfied customers direct their following purchase action to the same brand.

In relation to the public for marketing, post-purchase provides satisfaction. In a concentrated competition and active market environment, contemporary marketing know the obligation for customer satisfaction and put the concentration on the marketing activities. If you have an idea about customer behavior, so it is easy to decide and issue in the direction of a customer satisfaction and applying them is possible. Now, it is appropriate that the businesses know their customers and take decision accordingly to their requests and also continuously observer customer information as well as evaluate this information. In fact, generally businesses take the survey to measure how satisfied their customers. In this case, the success of the business depends on if the customer is satisfied or not and this has made customer

satisfaction to become one of the key presentation evaluation criteria of any businesses.

### **3.1 Customer Satisfaction in Banking Sector**

In the service industry, due to the activities and benefits, it can be rapid as the developed sector. According to the customer-oriented marketing approach, the quality of service is obvious by the customers; which means service quality begins with customers. The location of the quality is in the behavior of the customers. Therefore, they have to establish a strong sense of quality in the minds of customers. Today, the development of banking services spreads the base of banks not only as financial institutions but also as service sector organizations.

Consistent with the service sector, customer acquisitions for the banking sector lie in the implementation of these strategies, depending on the right strategy, competitiveness and sustainability to maintain and increase the number of loyal customers. There is no doubt that in the above mentioned strategies, priority is given to the determination of customer requests and expectations through market demand (Hepkul & Kağnicioğlu, 1992).

Banks, by their very nature, are financial intermediaries within the service sector. In the banking sector, the concept of customer satisfaction is often focused on a customer-focused approach, in other words, in the context of customer relationships. In this situation, customer satisfaction is focused as the only factor for best service (Tolon, 2004). Customer satisfaction is of course very important in terms of the banking sector; because the current customer delivers the profits to the bank by the banks and help to preserve the intent of the bank while the new customer acquisition

becomes a reference (Özdemir Güngör & Gözlü, 2012). Banks should be differentiated from their competitors in a competitive environment; they have to look for different opportunities to get new opportunities. Based on these tasks, it is important to see customer loyalty, customer retention, customer profitability, new customer acquisition and lasting relationships with existing customers (Odabaşı, 2000). The main purpose of establishing relationships with customers as a result of service marketing is to use information to create value, create customer loyalty and satisfaction in service delivery, to generate and develop solution strategies, and to use existing associations to make more sales (Kalakota & Robinson, 2003). Factors affecting customer satisfaction in banking service marketing can be listed as follows (Özgüven, 2011) :

- a) Quality case: When costs, customer attitudes and behavioral changes are taken into consideration, increasing competition brings quality to many businesses. In this competitive environment, the definition, measurement and evaluation of service quality have gained great importance..
- b) Product: Products or services that meet human needs; the needs are met.
- c) Price Case: The price issue in service marketing requires administrative skills and creativity. Short-term creation of services, non-stored features and fluctuating demand are important results in terms of pricing.
- d) Service: The service is easy for the customer to use and is available for the use of the product or services operator.
- e) Speed: Very convenient service delivery rate to customers. Confidence: The service provider must take the necessary precautions in administrative matters. If they do not, they will be deceived by customers, which weaken their confidence in the business.

Businesses that take these factors into account for customer satisfaction are satisfied with the services they offer customers in the long run. However, if businesses give this satisfaction to their customers, their sustainability will also depend on long-term relationships with customers.

### **3.2 The Relationship between Employee and Customer Satisfaction**

We know that customer satisfaction is the heart of the success of any business. In an article by Beaujean, Davidson and Madge (2006), it has been proven that the cost of retaining customers is less than the cost of acquiring new customers and if customers are to be satisfied, they must be knowledgeable about the behavior of their employees. According to Herrington and Lomax (1999), there is a relationship between employee satisfaction and customer satisfaction. A lot of studies proposed that there is a positive relationship between employee satisfaction and customer satisfaction (Hallowell, 1996; Harter, Schmidt, & Hayes, 2002; Khamalah & Lingaraj, 2007; Wangenheim, Evanschitzky, & Wunderlich, 2007; Zeithaml, 2000). If employees provide good services to customers, they will recognize and appreciate the exclusive service provided to them. In time, they will exhibit loyalty behaviors such as purchasing and ongoing development. Therefore, due to these loyalty behaviors, due to the theory that satisfied employees will catch customer satisfaction and loyal customers, it will create both market share and profitability for the service company and this will result in high sales and high financial gains. Service companies must allocate significant resources for employee and customer satisfaction.

From the literature it is shown that employees' retention and customer retention are closely related. If employees are happy and satisfied with their working environment, they will be more likely to stay in the company and reduce their turnover and

improve their financial performance; because such an organization will reduce the cost of attracting and training new employees. Also studies recommended that satisfied employees will offer better services, which is outcome of the satisfactory service their customers experience which will have important effect on reprise of the business and customer retention. Also, further studies suggest that customer retention also increase company's profitability, because retaining existing customer cost is less than attracting new customers.

Most researchers argued that job satisfaction is a widespread concept and depends on some factors. According to Smith and Kendall (1969), job satisfaction is affected by five factors, such as the; salary, promotions, coworkers, supervision and work. For this reason, if the company wants high profits, its employees need to be satisfied. If their employees are satisfied, they will cooperate with the customers and try to be the goals and needs of the customers. Another reason is that if employees are satisfied, they will have high energy and willingness to serve their customers well. Satisfied employees are motivated employees, so they need to have motivation to ensure proper effort and care In conclusion we can say that customer satisfaction is an important factor for the company. If company wants to increase their financial profitability, they should make their customers satisfied. There are several ways and one of the most important is satisfying their own employees because as stated earlier, if their employees are satisfied, they will be motivated to deliver good services their customer and they can understand their needs and goals.

## **Chapter 4**

### **SERVICE QUALITY**

A successful trading organization must acquire new customers and continue to consume existing customers' products and services. Organizations are increasingly customer focused and customer requirements are set. According to Oliver (2009), he argued that both service quality and customer satisfaction are two different however, related concepts. Generally it is fact that if the services of the company will increase, it will reason of increase in customer satisfaction which results in maximum profit. Service quality is the key and important key factor for organizational success and it differentiated company from competitors. Service quality is the concept that always stimulates considerable interest and debate in research because it is difficult to define and measure it. Service quality can be defined as the difference between customers' expectations for the service and actual service (Anantharanthan Parasuraman, Zeithaml, & Berry, 1985). If customers' hope is greater than organizations' performance, the quality is less than satisfactory and it will cause customers dissatisfaction.

Customers are purchasing certain periods that are necessary for the services provided to them. For this reason, in measuring the quality of service, it is appropriate to include the customer's need and perceived service account. One of measuring service quality is a model named SERVQUAL and was developed by (Parasuraman, 1986; Parasuraman, Zeithaml, & Berry, 1994; Parasuraman et al., 1991, 1985, 1988;

Parasuraman, Berry, & Zeithaml, 1993; Zeithaml, Parasuraman, & Berry, 1990). This model measures service by perceiving pre-service customer expectations and delivered service. The banking sector has five factors that can be relevant. They are tangibility, reliability, assurance, responsiveness and empathy which developed for the service sector (van Iwaarden, van der Wiele, Ball, & Millen, 2003). Tangibility factor is related the physical facilities, equipment and appearance of personnel. There is enough staff to provide comfortable shop design, modern equipment and service for the customer in relation to the banking sector. This is an important factor for retail banks because there is a face-to-face interaction between the customer and an employee. As a result, professional and casual store environments can enhance customer satisfaction. Another dimension of this model is the responsiveness, which symbolizes the willingness of the customer to help and provide fast service. The third factor is reliability, which means the ability to reliably and fully fulfill the service promised. The main reason for the customer' selection of banks for mutual funds stems from the reliability and reputation of the banks. The Bank always promises high level security through transactions to its customers. Employees can increase the trust and confidence of their customers if each customer can provide appropriate services. Another dimension is the assurance which is the knowledge and politeness of employee and their ability to stimulate trust and confidence. The final dimension is empathy, which represents the special attention that firms offer to their customers. This is a major success factor for the service sector if employees understand that they need it and can solve their problems. The purpose of this factor is to keep customers using banking services (Koys, 2003).

## **4.1 Service Quality Effect**

To take goods and services, customers spend their money and resources on time, energy and effort. Customer satisfaction, as well as the quality of the service and the goods, is the main direction of organizational presence and success in today's competitive market. Organizations should try to understand not only those who contribute to customer satisfaction, but also competitive advantage. If service quality increases, the likelihood of customer satisfaction will also increase. Quality is the basis for satisfaction. Service quality is a main tool to measure customer satisfaction (Kadir et al., 2011). Service quality is generally considered the same as the general attitude of the client. The word "attitude" includes the quality of the outcome and process quality. The researchers described the quality of the outcome as the customer actually received it, and the quality of the process shows how this service was delivered. Customer satisfaction generally has a positive effect on each company's profit. If the customer perceives good services, each customer will tell nine to ten people. Customer dissatisfaction has more influence on the business. Naik, Gantasala and Prabhakar (2010) states that customers who receive poor services will be dissatisfied them and typically their dissatisfaction will be related to between fifteen and twenty others. The major element determining customer satisfaction is the customer's perception service quality. Earlier studies also support the relationship between customer satisfaction and service quality (Yee, Yeung, & Cheng, 2011). Also, there are some discussions about the causal relationship between service quality and customer satisfaction. Especially there are three main positions about the relationship service quality and customer satisfaction in the literature (Brady, Cronin, & Brand, 2002). The first view specified that service quality is an antecedents to customer satisfaction (Olorunniwo, Hsu, & Udo, 2006). Second debate is that some



researchers offers service quality reason of customer satisfaction (Bitner, 1990) while the last argued that there is a service quality-satisfaction relationship and neither satisfaction no service quality may be antecedent to the other (McAlexander, Kaldenburg, & Koenig, 1994).

## **4.2 Customer Loyalty**

Customer loyalty is an asset because consumers are willing to pay more for a brand. Commitment refers to a consumer who is good at comparing with their competitors or who is choosing services. Customer satisfaction is positively related to the company's loyalty and customer loyalty. A loyal customer does not mean a satisfied customer. Consumer is not a loyal customer because he thinks it is not a viable alternative that continues to buy from a company. This customer may switch to another service provider if a suitable alternative exists, especially if he is not satisfied with the existing service provider. Ngo and Nguyen (2016) argued that there are many studies (Flint, Blocker, & Boutin, 2011; Mittal & Kamakura, 2001; Tsai, Tsai, & Chang, 2010) on the relationship in marketing literature that approves that customer satisfaction is the main determination of customer loyalty. Although customer satisfaction and customer loyalty are dissimilar concept, they are highly correlated (Gelade & Young, 2005; Silvestro & Cross, 2000). Customer loyalty is defined as the final result of customers' general and cumulative experience with the firm (Brunner, Stöcklin, & Opwis, 2008).

Essentially, customer satisfaction has been proposed to be an antecedent of loyalty in service context in previous studies (Belás & Gabcova, 2016; Coelho & Henseler, 2012; Lam, Shankar, Erramilli, & Murthy, 2004; Mittal & Kamakura, 2001). The main conclusion is that to achieve customer loyalty, the important part is the

satisfaction. In this stream of research, many of the studies approve that there is positive relationship between service quality and customer loyalty and usually customer satisfaction is the mediator between them (Chodzaza & Gombachika, 2013; Chu, Lee, & Chao, 2012). There are some factors that influence customer loyalty and they include intrinsic value, customer experience, and customer satisfaction. The factor not only depends from the company, it is also affected from its competitors, customers and environment. So we can divide these factors in three categories. One of them is brand awareness which represents characteristic of the product and commitment of the originality. Brand can make selling easier. Deng (2015) argued that familiar brand has large attention from the customers, because well-known brand products or service will become first choice for the customers. So corporate brand is influence customer loyalty. Second factor is the service quality which directly affects consumer loyalty. It is the significant element which directly influences customer's behavior and consequently, increasing service quality can increase customer loyalty (Deng 2015). The third and last is the customer satisfaction. If the customer satisfied with the services or goods, next time they will use same company and will result in loyalty. If the satisfaction is increased, loyalty also will increase.

## Chapter 5

### METHODOLOGY AND ANALYSES

#### 5.1 Hypotheses, Data and Questionnaire

Today's consumer is increasingly demanding. They do not want just high-quality products, but they also want high-quality customer service. If the products do not have good quality service this time it is really difficult to sustain competitive market. SERVQUAL is the model which tried to identify the gap between customer expectation and which services provided them of service delivery. And this model tried to close this gap and increase the service of customer. This model improved by Parasuraman et al. in 1985. According them there is five different gaps. One of them is the customer gap. It is the difference between customer what want and what see as the action. Customer expectation can be determined from cultural experience, family lifestyle, personality and experience. Understanding customer needs and knowing what their customer wants will be good way to decrease this gap. Another gap is the knowledge gap and it is the difference between what customer wanted and company's delivery of the service (Dobie, 2004). In here managers is not obtainable or not have properly information about customer expectations and maybe they can meet none existing or not correct customer needs. To decrease or to close this gap need to complete market research. Third gap is the policy gap. According to Kasper et al, this gap happens because of management's incorrect translation of the service policy into the rules and strategies for employees. Fourth gap is the delivery gap. The reason of this gap is the weakness from employee performance. Last gap is the

communication gap. Occasionally the organization with advertising promised something and this one growth the customer expectations. When the promising work does not complement with the actual service delivery this time communication gap happens. Consumer becomes dissatisfied so they tried to find another product sources.

The Likert Scale is a rating scale that's often used when surveying your customers regarding their experiences with your brand – from the service they were provided to the overall effectiveness of your product. It's one of the most popular question types used by customers of Fieldboom (our survey software) when collecting audience feedback. The Likert scale is a series of questions or items that ask your customers to select a rating on a scale that ranges from one extreme to another, such as “strongly agree” to “strongly disagree.” Unlike binary “yes or no” questions, the Likert scale gives you deeper insight into what your customers are thinking and how they feel.

The Likert Scale is best used to measure and evaluate customer sentiment on a specific product, service or experience. Likert items that center around the same topic should be grouped together in your survey, creating what's called a “single-topic” Likert scale. The scale itself, regardless of whether it uses numeric or text labels, should be consistent on each item; this prevents confusion for your customers and simplifies the analysis of their answers for you.

There are five dimension of the Servqual model which mention before. In survey I tried to use this five dimensions because of get the correct result.

First dimension is the Tangibles which are the physical facilities, equipment and personal appearance. On survey question number 33, 40 and 41 are belong this

dimension. 'Branch is clean and tidy', 'the branch is crowded or not' and 'personal clothes tidiness'.

Second dimension is the reliability. It is cover to apply what they promised services. The questions numbers 57, and 58 and ' to keep promise which time they stated, 'if staff so busy later she will be interested with me or not'' belonged this dimension.

Another dimension responsiveness which is wiliness to help customers and provide quick service. Questions numbers of 25, 35, 45, 46 covered this dimension. They are 'Branch personnel is friendly, courteous and helpful', 'Teller doing all transactions fast', 'to give alternative and practical solution for me 'and 'my transaction correct and faster'.

Fourth dimension is the assurance provided the knowledge and kindness of the employee and the transform it trust and confidence. This assumption takes attention from survey the questions number of 34, 36, 38 and 48. 'Personal is serving with smile or not,' Bank worker are patient, polite or not', 'Bank worker has sufficient product knowledge'', and 'Inform me with my product regularly and detailed'.

Last dimension of the SERVQUAL is the empathy which is the care and special attention from workers to customers. This aspect take attention the questions number of 27, 32, 51 and 54. 'Because of the relation established with personal in the years', 'They Show me special attention', 'To understand which product I need'; 'Ask me do I want drink or not''.

Data collection and sample of questionnaire collected from retail bank customers of North Cyprus. These customers have to use at least one service from the any bank of North Cyprus. Totally this survey distributed 313 customers in Cyprus. Only from 270 customers answered and 15 responded were eliminated because they didn't complete their answers. So from 255 customers I can successfully collect the survey. First part of survey consist general information like their gender, marital status, education level, age, nationality, monthly salary. Then second part how many banks they are used, which bank channel and how often they used. Third part is related why they choose this bank channel. Fourth part related why they choose this bank, what the main factors is. Fifth part is about what is the important thing for them at the bank branch, the bank how should be. And last part is related bank workers. The aim is to find the expectation of the customers from the bank personnel.

The main demographic results are described as followed. There are 131 customers are males (51.40%) and 124 are female (48.60%). 171 customer are educated with university degree (67.1%), 64 customer with master/doctorate (25.1%), 17 customer with high school diploma (6.7%) and 3 customer with junior school education (1.2%) educated. The third part of survey is related with marital status of customers. There are 124 customer married (48.60%) and 131 customer are single (51.40%). Customers of the majority age between 25 to 35 105 people (41.2%) and aged between 35 to 44 are 103 people (40.40%). The nationality of the 184 people is Cypriots (72.2%), 49 are Turkish (19.20%) and rest are 22 customers (8.6%) with other nationalities. The average income per month of respondents varied widely from 1300 TL to more than 10.000 TL. Almost half of the customers have the average income per month around 2500 TL to 3500 TL (36.5%), only small portion of respondents have average income per month from 5000 TL to more than 10.000

TL (6.7%). Generally 116 people (45.4%) are the customer of two banks and 82 respondents (32.2%) are the customer of three banks. The majority 130 respondent used Internet banking (51%) and 100 people used ATM (39.2%). The 101 respondent used this bank channels few times in a week (39.60%) and other majority 74 person (29%) used few times in a month. It was the last section about general information.

In thesis I tried to find about customer satisfaction in banking sector in North Cyprus. From results it can be observed that the number of men and women in survey nearly same. Generally my responded are university graduated people. Aged level between 25 and 35 had a larger percentage from the sample. From the nationality side, Cypriots had the highest percentage of the survey which was 184. Other respondent are the Turkish and other countries citizens.

Table 1: The result of the using bank channel

	$\bar{x}$	S	Min	Max
<b>What is the reason using of this banking channel?</b>				
Fast, Practical and Easy	5.41	1.69	1.00	7.00
Usage of 7/24	5.50	1.61	1.00	7.00
Close like the Phone Call	4.76	1.81	1.00	7.00
Easy and understanding menu	5.06	1.53	1.00	7.00
Close to my home or my way	5.49	1.33	1.00	7.00
No need to wait in line at branch	5.38	1.54	1.00	7.00
More secure	5.16	1.62	1.00	7.00
Family habit	3.59	2.18	1.00	7.00
Recommendation from environment	3.56	2.05	1.00	7.00

The table 1 is related why the customers using this bank channel, what their reasons are. This part customers should gave the point each of these sentences between 1 and 7. One is at the least importance for them, and Seven is the at most importance for them. So minimum is one and maximum is seven. And in the table the x is shows the average of between minimum and maximum, and generally it shows average percentage of the importance of this items. The table s is shows the standard deviation of the answers.

From the result we can see that majority of them use these branches because it is fast and easy, it can be used any time when you want without matter it is night or early morning. Also easy and not complicated services provided are another important factor, because nearly most of the people use bank branch for this reason. Another important reason is that they do not waste their time at the branch waiting on the line. They can easily do their transaction from the internet and with this they can save their time. Family habit and recommendation from the environment according to findings from the survey is not very important factor according to survey; however it was only important to very few people.



Table 2: Result of the customers preferring their actual bank

	$\bar{x}$	S	Min	Max
<b>What is the reason of preferring this bank?</b>				
Internet banking is advanced	5.32	1.72	1.00	7.00
It has many ATMs and easy menu	5.85	1.14	1.00	7.00
It has a lot of branches	5.68	1.43	1.00	7.00
I can do all my transactions by telephone banking	5.02	1.76	1.00	7.00
Generally pleasure from the bank services	5.12	1.44	1.00	7.00
Branch personal is friendly	5.29	1.45	1.00	7.00
Branch personnel is conscious, courteous and helpful	5.13	1.56	1.00	7.00
I don't wait too much in line in the branch	4.98	1.71	1.00	7.00
Because of the relation established with personnel in year	4.43	2.02	1.00	7.00
Because of my family and my friends uses this bank	4.07	1.95	1.00	7.00
Although I don't like the bank, I cannot leave because of the established yearly relationship	3.91	1.96	1.00	7.00
They give discount to me and my demands are quickly done	4.07	2.04	1.00	7.00
I see adds in the press very often	3.85	1.99	1.00	7.00
They show me personal attention	4.46	1.92	1.00	7.00

Note:  $\bar{x}$  shows the mean and S shows the standard deviation.

Table 2 is the summary of why people use their bank that is what the reason for using their banks is. From the answer of the customers it can be seen that ATM and easy menu are the reasons. The banks have lots of branches and customers can reach their bank easily. Another group of respondents mentioned that the banks have advanced phone banking system and they can do their transaction via telephone without going to branches and wasting their time. Although few of the customers responded

mentioned that the reason to use a particular bank is because they prefer the banks due to reason that their friends and family prefer the bank as well.

Table 3: Result of the what the customer pay attention at the bank

	$\bar{x}$	S	Min	Max
<b>What do you pay attention at most in bank?</b>				
Branch is very clean, tidy or not	5.68	1.37	1.00	7.00
Personal is serving with smile or not	5.81	1.43	1.00	7.00
Teller doing transactions fast or not	6.04	1.26	1.00	7.00
Tellers are patient, polite or not	6.11	1.22	1.00	7.00
To hear the words of good morning, welcome and goodbye	5.59	1.47	1.00	7.00
Teller, customer representative has sufficient knowledge or not	5.82	1.22	1.00	7.00
How security personal welcome me	5.27	1.56	1.00	7.00
The branch is crowded or not	5.53	1.41	1.00	7.00
Personal clothes are tidy, clean or not	5.47	1.42	1.00	7.00
They are talk with me formal or not	5.74	1.36	1.00	7.00
They remember my name after going one time	5.12	1.85	1.00	7.00
Are the branch personal polite with each other or not	5.89	1.27	1.00	7.00

Note:  $\bar{x}$  shows the mean and S shows the standard deviation.

Table 3 shows that generally the customers pay attention to the bank in regard to teller; that is if the teller is patient, polite or not. Generally customers want polite and friendly personnel as well as knowledgeable personnel because their transactions can be carried out faster and correctly. Other group people pay attention to whether the branch is crowded or not, how security personal welcomes them and the personnel' appearance as in if their clothes clean tidy or not.

Table 4: Result of the customer expectations from bank staff

	$\bar{x}$	S	Min	Max
<b>What are your most important expectations from bank staff?</b>				
My transaction fast and correctly	6.50	1.07	1.00	7.00
Give alternative and practical solution for me	6.42	.99	1.00	7.00
Always they are reachable	6.12	1.19	1.00	7.00
Inform me with my product regularly and detailed	6.01	1.36	1.00	7.00
Recognize me and called.me with my name	5.57	1.69	1.00	7.00
Not be glum	6.16	1.09	1.00	7.00
To understand which product I need	5.87	1.38	1.00	7.00
Not to sell which product I don't need	5.57	1.79	1.00	7.00
To ask me how am I and interested with me	4.88	2.02	1.00	7.00
To ask me what I want to drink	4.06	1.98	1.00	7.00
In front of me don't do any things or any voice that she is bored	5.93	1.62	1.00	7.00
When she is talking with me to look at my eyes	6.10	1.39	1.00	7.00
If staff so busy later she will be interested with me or not	6.05	1.38	1.00	7.00
Keep his promise which time he specified	6.12	1.19	1.00	7.00
Not speak with angry or high volume	6.41	1.09	1.00	7.00

Note:  $\bar{x}$  shows the mean and S shows the standard deviation.

The last part of the survey is about expectations of the customers which is a very important aspect of the bank because if you know your customer expectations and their needs, you can give them high quality services. In this section, completing the transaction fast and correctly is the most important because it had 6.50 out of 7 which revealed that all customers want fast and accurate services. Following is that customers expects the bank personnel to provide alternative and practical solution to

them. So most of the respondents expected their bank specifically have. Bank personal that understands customer's need, to be able to ask how their customer feel or suggest what they want to drink were found to be other important factors for the customers. Also it was discovered that promise is important in a type of job like this because customers expects their bank personnel to keep their promise as specified.

Table 5: Comparison of genders according to the reason they use their actual bank

	Male		Female				p		
	$\bar{x}$	s	Min	Max	$\bar{x}$	S		Min	Max
Fast, Practical and Easy	5.4	1.4	1.0	7.0	5.3	1.9	1.0	7.0	0.02*
Usage of 7/24	5.4	1.5	1.0	7.0	5.5	1.6	1.0	7.0	0.07*
Close like the Phone Call	4.8	1.7	1.0	7.0	4.7	1.8	1.0	7.0	0.13
Easy and understanding menu	5.0	1.5	1.0	7.0	5.0	1.5	1.0	7.0	0.70
Close to my home or my way	5.5	1.3	1.0	7.0	5.4	1.3	1.0	7.0	0.08*
No need to wait in line at branch	5.3	1.4	1.0	7.0	5.4	1.6	1.0	7.0	0.10
More secure	5.2	1.6	1.0	7.0	5.0	1.5	1.0	7.0	0.34
Family habit	3.6	2.2	1.0	7.0	3.5	2.1	1.0	7.0	0.17
Recommendation from	3.4	2.0	1.0	7.0	3.6	2.0	1.0	7.0	0.06*

Note: The \* shows that the results is significant.

Other part of thesis is related with comparing male and female respondents. There were 131 male and 124 female respondents. The remaining four section of the survey will comprise this comparison. Firstly will compare the difference between male and female in terms of the reason why they use bank branch. Secondly, compare male and female in terms of why they prefer their bank and as the third and fourth parts compare what they pay attention to and their expectation from bank staff. Table 5 provides information on the comparison of male and female customer preference of using bank branches. The result showed that there is no huge difference between male and female however, in terms of fast and easy choices, male customers are more than female in numbers. Using 7/24, recommendations from environment are

important factors for female than male; also female want easy and clear services compare to male.

Table 6: Comparison of gender according to the reason for choosing the bank

	Male				Female				P
	$\bar{x}$	s	Min	Max	$\bar{x}$	S	Min	Max	
Internet banking is advanced	5.30	1.70	1.00	7.00	5.34	1.75	1.000	7.00	0.0*
It has many ATMs and easy menu	5.76	1.21	1.00	7.00	5.95	1.05	1.000	7.00	0.0*
It has a lot of branches	5.62	1.33	1.00	7.00	5.75	1.53	1.00	7.00	0.13
I can do all my transactions by telephone banking	5.13	1.54	1.00	7.00	4.91	1.97	1.00	7.00	0.0*
Generally pleasure from the bank services	5.21	1.43	1.00	7.00	5.03	1.45	1.00	7.00	.08*
Branch personal is friendly	5.32	1.45	1.00	7.00	5.25	1.45	1.00	7.00	0.0*
Branch personnel is conscious, courteous and helpful	5.21	1.58	1.00	7.00	5.05	1.53	1.00	7.00	0.0*
I don't wait too much in line in the branch	5.03	1.80	1.00	7.00	4.91	1.62	1.00	7.00	0.0*
Because of the relation established with personnel in year	4.64	1.98	1.00	7.00	4.20	2.05	1.00	7.00	0.0*
Because of my family and my friends uses this bank	3.92	2.01	1.00	7.00	4.23	1.87	1.00	7.00	0.0*
Although I don't like the bank, I cannot leave because of the established yearly relationship	3.84	2.01	1.00	7.00	3.98	1.91	1.00	7.00	0.0*
They give discount to me and my demands are quickly done	4.27	2.06	1.00	7.00	3.86	2.01	1.00	7.00	0.0*
I see ads in the press very often	3.97	2.03	1.00	7.00	3.72	1.94	1.00	7.00	0.0*
They show me personal attention	4.611	1.923	1.00	7.00	4.299	1.929	1.00	7.00	0.0*

Note: The \*shows that the results is significant

Table 6 shows the reason for choosing the banks between female and male. The availability of many ATM, easy menu, lots of branches, family and friend using bank were important factors for female than male. Internet banking, friendly and helpful bank personnel, the ads and personnel manners were more important for male respondents than their female counterparts.

Table 7 is related to specific factors customers pay attention to. Generally clean and tidy branch, service with smiling personnel, quick and correct transaction, welcoming and goodbye words and formal conversation were found to be more important the males than for female.

Table 7: Comparison of genders according to the paying attention at bank

	Male				Female				P
	$\bar{x}$	S	Min	Ma	$\bar{x}$	s	Min	Ma	
Branch is very clean and tidy	5.7	1.11	1.0	7.0	5.6	1.6	1.0	7.0	0.0*
Personnel is serving with smile or	5.9	1.09	1.0	7.0	5.6	1.7	1.0	7.0	0.0*
Teller doing all transactions fast or	6.0	1.06	1.0	7.0	6.0	1.4	1.0	7.0	0.0*
Teller are patient, polite or not	6.0	1.06	1.0	7.0	6.1	1.3	1.0	7.0	0.70
To hear the welcoming, goodbye	5.7	1.23	1.0	7.0	5.3	1.6	1.0	7.0	0.08
Staff has the sufficient knowledge	5.7	1.26	1.0	7.0	5.9	1.1	1.0	7.0	0.10
Security guards how welcome me	5.5	1.43	1.0	7.0	5.0	1.6	1.0	7.0	0.0*
The branch is crowded or not	5.6	1.27	1.0	7.0	5.4	1.5	1.0	7.0	0.0*
Personnel clothes is tidy, clean or	5.4	1.36	1.0	7.0	5.4	1.4	1.0	7.0	0.06
Are they talked with me formally	5.7		1.0	7.0	5.7	1.5	1.0	7.0	0.0*
They remember me after going	5.3	1.58	1.0	7.0	4.8	2.0	1.0	7.0	0.0*
Branch personnel polite each other	6.0	.91	1.0	7.0	5.7	1.5	1.0	7.0	0.0*

Note: \* shows the results are significant.

Table 8: Comparison of genders according to the expectation from bank staff

	Male				Female				P
	$\bar{x}$	s	Min	Max	$\bar{x}$	s	Min	Max	
My transaction fast and correct	6.53	.93	1.00	7.00	6.47	1.20	1.00	7.00	0.00*
To give alternative and practical solution	6.53	.78	1.00	7.00	6.30	1.16	1.00	7.00	0.00*
Always they are reachable	6.16	1.23	1.00	7.00	6.08	1.14	1.00	7.00	0.00*
Inform me with my product regularly and detailed	6.17	1.24	1.00	7.00	5.83	1.46	1.00	7.00	0.00*
Recognize me and called me with my name	5.82	1.63	1.00	7.00	5.31	1.71	1.00	7.00	0.00*
Not to be glum	6.29	.94	1.00	7.00	6.03	1.21	1.00	7.00	0.00*
To understand which product I need	6.24	.96	1.00	7.00	5.49	1.63	1.00	7.00	0.00*
Not to sell which product I don't need	5.87	1.55	1.00	7.00	5.26	1.98	1.00	7.00	0.00*
Ask to me how am I and interested with me	5.02	2.06	1.00	7.00	4.73	1.98	1.00	7.00	0.00*
Ask to me what I want to drink	4.23	1.94	1.00	7.00	3.87	2.01	1.00	7.00	0.00*
Don't do any act like she is bored	6.09	1.48	1.00	7.00	5.76	1.75	1.00	7.00	0.00*
When she is talking to look at my eyes	6.29	1.21	1.00	7.00	5.90	1.55	1.00	7.00	0.00*
If staff busy later will interested with me or not	6.16	1.28	1.00	7.00	5.95	1.46	1.00	7.00	0.00*
Keep his promise which time he specified	6.18	1.14	1.00	7.00	6.07	1.24	1.00	7.00	0.00*
Not speak angry or high volume	6.48	1.15	1.00	7.00	6.34	1.02	1.00	7.00	0.00*

Note: \* shows the results are significant.

The last part of the comparison related with the male and female expectation from the bank personnel. Table 8 is related this topic. Quick and correct transaction, alternative and practical solution, always reachable, not to be glum expectations are high for males more than females. Keeping promise is more important aspect that the both of them, but a little more for males than for females. Also both genders wanted bank personnel to be polite and friendly..

Table 9: Comparison between educational backgrounds according the reason of their using bank channel

	Junior		High sc.		University		MS/Doctora	
	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s
Fast, Practical and Easy	2.00	0.00	5.17	2.57	5.35	1.77	5.65	1.17
Usage of 7/24	2.00	0.00	5.47	2.21	5.53	1.68	5.43	1.27
Close like the Phone Call	2.00	0.00	4.05	2.43	4.70	1.87	5.07	1.43
Easy and understanding menu	2.00	0.00	5.11	1.72	5.01	1.65	5.18	1.13
Close to my home or my way	2.00	0.00	5.58	1.66	5.43	1.37	5.79	0.80
No need to wait in line at branch	2.00	0.00	5.52	2.09	5.25	1.56	5.84	1.04
More secure	2.00	0.00	5.00	1.83	5.16	1.61	5.35	1.48
Family habit	2.00	0.00	2.94	1.91	3.65	2.19	3.68	2.24
Recommendation from environment	3.84	2.10	3.52	1.62	3.50	2.06	1.74	0.00

Another comparison related about the customer's education level. Their level of education was categorized into four part: junior school, high school, university and postgraduate which were 3, 17, 171 and 64 respectively. The comparison between education levels about the reason of using this bank branch, the reason they prefer the bank, what they pay attention to and what their expectations are. Table 9 is the comparison that the reason of using this bank branch. Fast practical and easy, can be use 7/24, not waiting on the queue is more important for university and master graduates. Family habit is the least reason for all of them. But recommendation from environment is of more importance for respondent in junior school than others.



Table 10: Comparison of educational background for preferred reason of the bank

	Junior		High		University		Ms/Doctora	
	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s
Internet banking is advanced	5.00	1.60	6.23	1.48	5.02	1.85	5.81	1.16
It has many ATMs and easy menu	6.00	0.00	6.29	0.98	5.87	1.18	5.70	1.06
It has a lot of branches	5.00	0.00	6.23	1.25	5.65	1.50	5.65	1.31
I can do all my transactions by phone banking	5.00	0.00	5.23	1.85	4.94	1.76	5.20	1.80
Generally pleasure bank services	5.00	0.00	4.94	1.47	4.94	1.54	5.67	0.99
Branch personnel is friendly	5.00	0.00	4.70	1.26	5.23	1.50	5.60	1.32
Branch personnel is conscious and helpful	5.00	0.00	4.76	1.30	5.00	1.61	5.59	1.45
I don't wait too much in line in the bank	5.00	0.00	5.29	1.35	4.83	1.69	5.29	1.85
Because of the relation established with personal in a year	4.00	0.00	4.17	2.03	4.52	2.02	4.29	2.10
Because of my family and my friends uses this bank	3.00	0.00	3.64	1.49	4.43	1.94	3.28	1.88
I cannot leave the bank	3.00	0.00	4.17	2.00	4.04	1.99	3.54	1.87
They give discount to me and my demands are quickly done	2.00	0.00	3.76	2.30	4.09	2.07	4.18	1.90
I see adds in the press very often	2.00	0.00	3.88	1.69	3.94	2.07	3.68	1.88
They show me personal attention	2.00	0.00	3.82	1.50	4.60	1.93	4.37	1.97

Table 10 is related the reason of preferred the bank. Advance internet banking, many ATM and easy menu, to do all transaction from telephone banking, friendly and helpful staff, and personnel attention are the main important reasons of the university, master/doctorate graduate respondents. Many ATMs and easy menu is more important for respondents in junior school than others.

Table 11: Comparison of educational background for to pay attention at bank

	<b>Junior</b>		<b>High</b>		<b>University</b>		<b>Ms/Docto ra</b>	
	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s
	Branch is very clean, tidy or not	7.00	0.00	5.47	1.94	5.50	1.44	6.17
Personnel is serving with smile or not	7.00	0.00	5.41	1.76	5.71	1.57	6.14	0.75
Teller doing transactions fast or not	7.00	0.00	6.05	1.51	6.01	1.33	6.07	1.01
Tellers are patient, polite or not	7.00	0.00	6.05	1.63	6.04	1.30	6.28	0.82
To hear the words of good morning, welcome and goodbye	7.00	0.00	5.23	1.30	5.49	1.62	5.89	0.97
Teller, customer representative has sufficient knowledge or not	7.00	0.00	6.17	0.63	5.70	1.28	6.00	1.15
How security personnel welcome me	7.00	0.00	3.70	1.31	5.22	1.53	5.73	1.43
The branch is crowded or not	7.00	0.00	4.88	0.99	5.41	1.52	5.95	1.04
Personnel clothes are tidy, clean or not	7.00	0.00	5.52	1.06	5.33	1.54	5.78	1.11
They are talk with me formal or not	6.33	0.00	5.88	0.92	5.60	1.49	6.06	1.02
They remember my name after going one time	6.00	0.00	4.64	1.96	5.13	1.85	5.18	1.85
Are the branch personal polite with each other or not	6.00	0.00	6.17	1.01	5.88	1.39	5.84	0.99

Table 11 is about what the customers pay attention at the bank. Junior school respondents pay more attention to branch cleanness and tidiness, whether bank personnel are smiling while providing services or not and if they are giving welcoming and parting words or not, however, it was of equal importance among the postgraduates respondents.

Table 12: Comparison of the educational background according to their expectations

	Junior sc.		High sc.		University		Ms/Doctora	
	$\bar{x}$	s	$\bar{x}$	S	$\bar{x}$	s	$\bar{x}$	s
My transaction fast and correct	6.00	0.00	7.00	1.48	6.43	1.85	6.59	0.49
To give alternative and practical solution	6.33	0.57	6.00	0.98	6.40	1.18	6.59	0.49
Always they are reachable	6.00	0.00	5.41	1.25	6.08	1.50	6.45	0.64
Inform me with my product regularly and detailed	6.00	0.00	5.47	1.85	5.85	1.76	6.56	0.58
Recognize me and called me with my name	6.00	0.00	4.29	1.47	5.55	1.54	5.95	0.99
Not to be glum	6.00	0.00	5.17	1.26	6.30	1.50	6.04	0.88
To understand which product I need	6.00	0.00	4.64	1.30	5.91	1.61	6.09	0.88
Not to sell which product I don't need	6.00	0.00	4.94	1.35	5.64	1.69	5.54	1.75
Ask to me how am I and interested with me	6.00	0.00	3.82	2.03	5.08	2.02	4.56	2.11
Ask to me what I want to drink	5.00	1.73	3.58	1.50	4.19	1.94	3.78	1.89
Don't do any act like she is bored	6.00	0.00	5.11	1.72	5.98	1.99	6.00	1.27
When she is talking to look at my eyes	6.00	0.00	6.05	1.14	6.11	2.07	6.09	1.06
If staff busy later will interested with me or not	6.00	0.00	5.58	1.27	5.99	2.07	6.35	0.74
Keep his promise which time he specified	6.00	0.00	5.23	1.48	6.15	1.28	6.29	0.65
Not speak angry or high volume	6.00	0.00	6.05	1.19	6.43	1.19	6.48	0.75

Table 12 shows respondents' expectations from bank staff. Quick and correct transaction, alternative and practical solutions, always reachable, regular information about bank products, and keeping promises were of high importance to all of them but when compared, it was of more importance to university and master/doctorate respondents than others.

Table 13: Comparison of the ages according to the using bank channel

	18-24		25-35		36-44		45-54		55-64	
	$\bar{x}$	S	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	S
Fast, Practical and Easy	5.20	2.14	5.65	1.56	5.52	1.67	4.87	1.36	2.87	1.55
Usage of 7/24	5.66	1.75	5.60	1.64	5.67	1.51	5.12	1.15	2.75	1.03
Close like the Phone Call	4.66	2.63	4.99	1.68	4.69	1.78	5.12	1.15	1.62	0.51
Easy and understanding menu	5.86	1.06	4.87	1.67	5.19	1.40	5.58	0.82	2.75	1.03
Close to my home or my way	5.33	1.04	5.33	1.56	5.49	1.17	6.04	0.85	6.25	1.03
No need to wait in line at branch	5.93	1.09	5.41	1.54	5.39	1.46	5.79	1.21	2.37	0.91
More secure	6.13	1.12	4.91	1.64	5.06	1.67	5.79	1.21	6.00	1.41
Family habit	3.86	2.06	3.33	2.16	3.31	2.07	4.91	2.18	6.25	1.03
Recommendation from environment	3.60	2.29	3.61	2.23	3.29	1.64	3.70	2.42	5.87	1.55

Last part of the comparison will be between the ages. It is divided into group, 18-24, 25-35, 35-44, 45-54 and 55-64 which consist of 15, 105, 103, 24 and 8 respondents respectively. Firstly comparison is about why this customer used this bank branch. Table 13 shows that generally 25-35 age group show highest reason as the fast, practical and easy, can use 7/24, no need to wait in line at branch. The 55-64 age groups use this bank branch because of proximity to their home or way, they think it is more secure, recommendation from environment and family habit.

Table 14: Comparison of the ages according to the preferring bank branch

	18-24		25-35		36-44		45-54		55-64	
	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s
Internet banking is advanced	5.46	1.80	5.57	1.79	5.43	1.63	4.54	1.17	2.87	0.64
It has many ATMs and easy menu	6.40	0.63	5.73	1.34	6.09	0.91	5.16	1.00	5.50	0.75
It has a lot of branches	5.80	1.08	5.20	1.67	6.14	0.90	5.70	1.62	5.75	1.83
I can do all my transactions by phone banking	5.20	2.00	4.77	1.89	5.19	1.70	5.75	0.98	3.75	1.03
Generally pleasure bank services	5.31	1.59	4.98	1.40	5.33	1.44	5.41	1.34	3.50	0.75
Branch personnel is friendly	4.80	2.30	5.40	1.32	5.08	1.51	5.62	0.92	6.25	1.03
Branch personnel is conscious and helpful	5.06	1.75	5.07	1.52	5.06	1.67	5.45	1.10	6.00	1.41
I don't wait too much in line in the bank	4.40	1.99	4.0	1.76	5.00	1.74	5.62	0.92	6.25	1.03
Because of the relation established with personal in a year	3.66	2.38	4.44	2.02	4.35	2.07	4.91	1.10	5.25	2.71
Because of my family and my friends uses this bank	4.80	1.97	3.95	1.86	3.81	2.15	4.95	1.26	5.00	0.00
I cannot leave the bank	3.53	2.23	3.54	1.88	4.11	2.08	4.62	1.58	4.75	0.46
They give discount to me and my demands are quickly done	3.93	2.84	3.74	2.11	4.17	1.98	4.87	1.45	5.00	0.00
I see adds in the press very often	3.93	2.08	3.62	2.01	3.89	2.10	4.25	1.56	5.00	0.00
They show me personal attention	4.80	1.89	4.41	2.04	4.33	1.93	4.62	1.63	5.62	0.51

Table 14 shows the reason of preferring why banks preferred according to age. Advanced internet banking was found to be highly important for young group. For respondents aged between 55 and 64, it was not important for them. But a bank having many ATMs and easy menu was important for age group of 55-64. 36-44 mentioned can do their transactions from telephone banking and it is one of the reasons, and when we check 56-64 age groups it is again not important reason for them. Generally, for these groups of respondents, important reasons are easy menu,

friendly and polite bank workers, to see their advertisement in the press and personnel attention.

Table 15: Comparison of the ages according to the pay attention to the bank

	<b>18-24</b>		<b>25-35</b>		<b>36-44</b>		<b>45-54</b>		<b>55-64</b>	
	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s
Branch is very clean, tidy or not	5.66	1.11	5.85	1.15	5.52	1.44	5.79	1.44	5.25	2.71
Personnel is serving with smile or not	6.13	0.99	5.89	1.21	5.66	1.49	6.04	1.70	5.50	2.77
Teller doing transactions fast or not	5.86	1.18	6.05	1.26	6.10	0.95	6.04	1.70	5.50	2.77
Tellers are patient, polite or not	6.00	1.25	6.17	1.22	6.10	0.87	6.20	1.69	5.50	2.77
To hear the words of good morning, welcome and goodbye	5.46	1.55	5.76	1.34	5.30	1.54	6.08	1.21	6.00	2.13
Teller, customer representative has sufficient knowledge or not	6.06	0.96	5.70	1.36	5.82	1.08	5.91	1.34	6.62	0.74
How security personnel welcome me	4.60	1.68	5.30	1.62	5.12	1.55	6.00	1.25	5.75	0.46
The branch is crowded or not	5.26	1.16	5.41	1.58	5.65	1.32	5.58	1.31	5.87	0.35
Personnel clothes are tidy, clean or not	5.33	1.29	5.54	1.45	5.41	1.52	5.66	1.20	5.12	0.35
They are talk with me formal or not	5.86	1.55	5.72	1.37	5.77	1.41	5.79	1.21	5.25	0.46
They remember my name after going one time	4.00	2.92	5.18	1.92	5.05	1.71	5.79	1.21	5.37	0.51
Are the branch personal polite with each other or not	6.46	0.51	5.92	1.24	5.82	1.41	5.83	1.16	5.62	0.90

Table 15 is related with customers generally pay attention at bank. The result shows that there are no big differences between age groups; they nearly pay attention to the same things. 18-24 age groups do not pay attention to the security and welcoming style, but for other age groups, it is important. Also to remember customers' name after going once is not important for 18-24 age group but important for other age groups.

Table 16: Comparison of the ages according to the expectation of the bank staff

	18-24		25-35		36-44		45-54		55-64	
	$\bar{x}$	S	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s	$\bar{x}$	s
My transaction fast and correct	6.80	0.41	6.43	1.22	6.60	0.73	6.29	1.36	6.25	2.12
To give alternative and practical solution	6.60	0.63	6.37	1.01	6.52	0.93	6.41	1.28	5.50	2.26
Always they are reachable	5.80	1.37	6.13	1.12	6.08	1.21	6.50	1.28	6.12	1.24
Inform me with my product regularly and detailed	6.20	0.77	6.16	1.16	5.76	1.58	6.29	1.36	6.00	1.41
Recognize me and called me with my name	4.33	2.25	5.65	1.59	5.47	1.74	6.25	1.15	6.12	1.24
Not to be glum	6.00	1.06	6.13	1.09	6.23	1.05	6.16	1.20	6.00	1.41
To understand which product I need	5.80	1.14	5.82	1.34	5.88	1.42	6.29	1.12	5.37	2.32
Not to sell which product I don't need	4.80	1.78	5.33	2.00	5.75	1.59	6.25	1.45	5.87	1.80
Ask to me how am I and interested with me	3.86	2.19	4.92	1.99	4.81	1.93	5.29	2.49	5.87	1.24
Ask to me what I want to drink	3.66	2.28	4.09	1.94	3.91	1.86	4.62	2.49	4.62	1.68
Don't do any act like she is bored	6.60	0.80	6.06	1.36	5.77	1.78	5.75	2.23	5.50	1.85
When she is talking to look at my eyes	6.60	0.82	6.17	1.24	6.05	1.37	5.87	2.02	5.50	2.13
If staff busy later will interested with me or not	5.93	1.33	6.19	1.16	5.97	1.53	6.04	1.51	5.75	1.75
Keep his promise which time he specified	5.86	1.24	6.16	1.08	6.19	1.11	6.16	1.16	5.25	2.71
Not speak angry or high volume	6.86	0.51	6.52	1.00	6.31	1.21	6.25	1.15	6.12	1.24

Table 16 represents what the respondents' expectation are of the bank personnel in terms of their age group. Again the expectation is nearly the same for all age groups, just a little difference is noticed. For respondents between the age group 18 and 24, personnel recognizing them, offering them drinks or asking them how they feel is not important but important for respondent between 45 and 54 age. Generally fast and correct transaction, giving alternative and practical solution, to understand what they need, keeping promises are important for all age groups. In order to ascertain the reliability of the results from SPSS, it is important to do a t-test which will show the

significance of the result. Result from t-test shows that all results are significant at 1% level.



## **Chapter 6**

### **CONCLUSION**

We are living in a modern world and competition is one of the biggest issues. Especially if there are lots of companies within the same sector, the competition will be higher in regard to the services, and quality of products. To win the competition, there is a need for an organization to distinguish themselves from others with one thing or another. In the business world, satisfying a customer is the main goal. Many researches have been done to understand the mind of customers, and some results have been obtained which are useful in improving the satisfaction of customers. In line with this, my research will focus on the quality of service and its effect on customer satisfaction in the Northern Cyprus banking sector. It is the fact that customer satisfaction is related with customer loyalty (Yi, 1991).

To achieve a high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider to the customer, as service quality is normally considered an antecedent of customer satisfaction, and as such it has been observed that whenever the service quality improves, the probability of customer satisfaction also increases. Quality was only one of many dimensions on which satisfaction was based; satisfaction was also one potential influence on future quality perceptions (Clemes, Gan, & Kao, 2008). Service quality is an important tool to measure customer satisfaction (Kadir et al., 2011). Empirical studies show that the quality of service offered is related to overall satisfaction of the

customer. According to Jamal and Anastasiadou (2009), reliability, tangibility and empathy are positively related to customer satisfaction. Meanwhile empathy was found to have a significant and negative effect on customer satisfaction. Moreover, the result of Krishnamurthy et al. (2010) indicates that responsiveness is the only significant dimension of service quality that affects the satisfaction of customers positively. And many banks tried to improve their services to ensure and improve customer loyalty.

From the result we can see that there are many factors is important for the customers and some factors is not. The family habit, the advertisement of the banks, to ask what they want drink is not important factor for their choices. For the internet banking they care especially easy and understanding menu and they do not want to wait in line at branch and make their transaction from the phone, so some people choose internet banking. But there are many people still in North Cyprus that prefer to go to the branches. From their answer the branch is safe and secure. North Cyprus is a small island and population is not high. As it is an island most branches are convenient and easy for the customers to go branches.

There are many other factors that it is important for their choices. One important factors are for are the bank personnel. Because the time is an important aspect for everyone. In order to save their time it is important. Another factor is the teller , if the he or she is patient friendly or not. The customers require the bank personnel to do their transaction correctly and if there is any problem he or she should suggest any solution. So in other words, the bank personnel should know their job very well. Another aspect is to reachable. Generally majority of the population is to complain about this problem that they can not reach their bank personal easily. From the

answer we can see that male use internet banking more than female. It can be the reason for male as they follow technology more, or they do not want to wait in branches. For a branch to be crowded is another important aspect for the customers. Especially older people do not want to wait and lose time. However is they believe branch is more secure than internet banking so they choose the branch and because of this bank is crowded or not is matter.

Bank personnel clothes, their knowledge about their work, it they can do their transaction fast and correct, smiley face, friendly worker and cleaning branch are the factors for the customers.

In conclusion it is shown that service quality and customer satisfaction have positive relationship. If service quality is high it automatically will be the reason of the satisfaction customer. If the workers of the company serve with smile face and the friendly, tried to solve the problem or to give alternative solution, to do customers transaction quickly and correctly it will make the customers satisfied. So the managers should regularly check the quality of service. It is also important to check the workers performance weekly or the monthly. Workers motivation should be main objective of the organization, because if the workers are motivated they can transfer it to the customers which are the result of their satisfaction.

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## **APPENDICES**

## **Appendix A: The Banks in Turkish Republic of North Cyprus**

<b>PUBLIC BANKS</b>	<b>PRIVATE BANKS</b>	<b>BRANCH BANKS</b>	<b>DEVELOPMENT AND INVESTMENT BANK</b>
Kıbrıs Vakıflar Bankası	KOOP Merkez Bankası Türk Bankası LTD. Limasol Türk Kooperatif Bankası ASBank LTD Kıbrıs İktisat Bankası  Nova Bank LTD CreditWest Bank LTD. Yakın Doğu Bank LTD. Şeker Bank Kıbrıs LTD. Ak Finans Bank LTD. Kıbrıs Kapital Bank LTD. Universal Bank LTD. Viya Bank LTD. ALBank LTD Kıbrıs Faisal İslam Bankası LTD.	T.C. Ziraat bankası A.Ş T. Halk Bankası A.Ş.  Türk Ekonomî bankası A.Ş. HSBC Bank A.Ş. T. Garanti Bankası A.Ş. Türkiye İş Bankası A.Ş.	KKTC Kalkınma Bankası

Source: <http://www.kktcmerkezbankasi.org/tr/bilgiler/bankalar>.

## Appendix B: Demographic Characteristic

	n	%
<b>Gender</b>		
Man	131	51.40
Woman	124	48.60
<b>Education</b>		
Junior school	3	1.2
High school	17	6.7
University	171	67.1
Master/Doctorate	64	25.1
<b>Status</b>		
Married	124	48.60
Single	131	51.40
<b>Age</b>		
18-24	15	5.9
25-35	105	41.20
35-44	103	40.40
45-54	24	9.40
55-64	8	3.1
<b>Citizenship</b>		
T.C	49	19.20
K.K.T.C.	184	72.20
Other	22	8.6
<b>Income (TL)</b>		
1300-1500	7	2.7
1500-2500	71	27.80
2500-3500	93	36.50
3500-5000	67	26.30
5000-10.000	17	6.70
<b>Bank number</b>		
1	33	12.90
2	116	45.50
3	82	32.20
4	17	6.70
5	7	2.70
<b>Which banking chanel used oftenly</b>		
Internet	130	51
ATM	100	39.20
Telephone banking	5	2.00
Branch	20	7.80
<b>How oftneily used banking chanel?</b>		
Once in a month	23	9.0
Few times in a month	76	29.80
Once in a week	44	17.30
Few times in a week	101	39.60
Everyday	11	4.3
<b>Toplam</b>	<b>255</b>	<b>100,00</b>

## Appendix C: One Sample T test of Customers using their Banking Channel

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	<b>One-Sample Test</b>		
	Test Value = 1		
	t	df	Sig. (2-tailed)
Fast, Practical and Easy	41.538	254	.000
Usage of 7/24	44.405	254	.000
Close like the Phone Call	33.055	254	.000
Easy and understanding menu	42.318	254	.000
Close to my home or my way	53.932	254	.000
No need to wait in line at branch	45.282	254	.000
More secure	41.038	254	.000
Family habit	18.952	254	.000
Recommendation from environment	19.929	254	.000

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## Appendix D: One sample T test of the Reason of the Preferring Bank Channel

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	T	Df	Sig. (2-tailed)
			<b>One-Sample Test</b> Test Value = 1
Internet banking is advanced	40.06	254	.000
It has many ATMs and easy menu	67.97	254	.000
It has a lot of branches	52.15	254	.000
I can do all my transactions by phone banking	36.40	254	.000
Generally pleasure bank services	45.60	254	.000
Branch personel is friendly	47.13	254	.000
Branch personel is conscios and helpfull	42.28	254	.000
I don't wait too much in line in the bank	37.01	254	.000
Because of the relation established with personal in a year	27.04	254	.000
Because of my family and my friends uses this bank	25.12	254	.000
I cannot leave the bank	23.68	254	.000
They give discount to me and my demands are quickly done	24.01	254	.000
I see adds in the press very often	22.84	254	.000
They show me personal attention	28.66	254	.000

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## Appendix E: One Sample T Test of Customers Pay Attention in a Bank

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	<b>One-Sample Test</b>		
	Test Value = 1		
	T	df	Sig. (2-tailed)
Branch is very clean, tidy or not	54.6	254	.000
Personel is serving with smile or not	53.5	254	.000
Teller doing transactions fast or not	63.7	254	.000
Tellers are patient, polite or not	66.7	254	.000
To hear the words of goodmorning, wellcome and goodbye	49.9	254	.000
Teller,customer representative has sufficient knowledge or not	62.8	254	.000
How security personel welcome me	43.4	254	.000
The branch is crowded or not	51.3	254	.000
Personel clothes are tidy, clean or not	50.0	254	.000
They are talk with me formal or not	55.5	254	.000
They remember my name after going one time	35.5	254	.000
Are the branch personal polite with each other or not	61.3	254	.000

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## Appendix F: One sample T test of Customers Expectation from Bank Staff

	<b>One-Sample Test</b>		
	Test Value = 1		
	t	df	Sig. (2-tailed)
My transaction fast and correct	82.038	254	.000
To give alternative and practical solution	87.252	254	.000
Always they are reachable	68.543	254	.000
Inform me with my product regularly and detailed	58.649	254	.000
Recognize me and called me with my name	43.219	254	.000
Not to be glum	75.501	254	.000
To understand which product I need	56.247	254	.000
Not to sell which product I don't need	40.618	254	.000
Ask to me how am I and interested with me	30.543	254	.000
Ask to me what I want to drink	24.612	254	.000
Don't do any act like she is bored	48.510	254	.000
When she is talking to look at my eyes	58.223	254	.000
If staff busy later will interested with me or not	58.514	254	.000
Keep his promise which time he specified	68.733	254	.000
Not speak angry or high volume	78.835	254	.000

## Appendix G: Ethics Committee Approval

 <p><b>Doğu Akdeniz Üniversitesi</b> "Uluslararası Kariyer İçin"</p>	<p><b>Eastern Mediterranean University</b> "For Your International Career"</p>	<p>P.K.: 99628 Gazimagusa, KUZEY KIBRIS / Famagusta, North Cyprus, via Mersin-10 TURKEY Tel: (+90) 392 630 1995 Faks/Fax: (+90) 392 630 2919 bayek@emu.edu.tr</p>
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Etik Kurulu / Ethics Committee

Sayı: ETK00-2017-0192

14.06.2017

Sayın Gonchakanım Huseynova  
Bankacılık ve Finans Bölümü  
Yüksek Lisans Öğrencisi

Doğu Akdeniz Üniversitesi Bilimsel Araştırma ve Yayın Etiği Kurulu'nun **12.06.2017** tarih ve **2017/45-07** sayılı kararı doğrultusunda, **KKTC'deki Bankalarda Müşteri Memnuniyeti** adlı tez çalışmanızı, Doç. Dr. Nesrin Özataç'ın danışmanlığında araştırmanız, Bilimsel ve Araştırma Etiği açısından uygun bulunmuştur.

Bilginize rica ederim.



ŞT/sky.

## Appendix H: Bank Customer Satisfaction Survey

### ***BANKA MÜŞTERİLERİ MEMNUNİYET ANKETİ***

1. **Cinsiyetiniz ?**  
 Bay  Bayan
  
2. **Medeni haliniz ?**  
 Evli  Bekar
  
3. **Öğrenim durumunuz ?**  
 İlkokul  
 Ortaokul  
 Lise  
 Üniversite  
 Yüksek Lisans / Doktora
  
4. **Yaşınız ?**  
 18-24  
 25-35  
 35-44  
 45-54  
 55-64  
 65-üstü
  
5. **Uyruğunuz ?**  
 T.C.  K.K.T.C.  Diğer
  
6. **Aylık gelir aralığınız ? ( Türk Lirası )**  
 1300-1.500  
 1.500-2.500  
 2.500-3.500  
 3.500-5.000  
 5.000-10.000  
 10.000 ve üstü

7. Çalıştığınız banka sayısı

0  1  2  3  4  5

8. En çok hangi bankacılık kanalını kullanıyorsunuz? (Birden fazla şık işaretleyebilirsiniz)

İnternet  ATM  Telefon bankacılığı  Şube

9. Kullandığınız bankacılık kanalını hangi sıklıkta kullanıyorsunuz?

Ayda bir defa  Haftada birkaç defa  
 Ay içinde birden fazla  Her gün  
 Haftada bir

10. Bu kanalı kullanmanızın sebepleri ? (Önem derecesine göre 1 en az - 7 en fazla )

	1	2	3	4	5	6	7
➤ Hızlı,pratik ve kullanımı kolay	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ 7/24 kullanım olanağı (şube dışı kanallar için)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Bir telefon kadar yakın (telefon bankacılığı için)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Menüsü (şube dışı kanallar için) kolay ve anlaşılabilir	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Bulduğum yere yakın veya yolumun üstü (ATM veya şube için )	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Şubede sıra beklememe gerek kalmıyor (şube dışı kanallar için)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Daha güvenilir olduğunu düşünüyorum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Aileden gelen bir alışkanlık	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Çevremden aldığım tavsiyeler sebebiyle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Çalıştığınız bankayı tercih etme sebebiniz nedir? (önem derecesine göre 1 en az- 7 en fazla )

	1	2	3	4	5	6	7
➤ İnternet bankacılığı çok gelişmiş,rahat ve güvenli kullanım sağlıyor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ ATM leri bir çok yerde mevcut, menüleri kolay anlaşılabilir	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Bir çok yerde şubesi mevcut	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Telefon bankacılığında kolaylıkla tüm işlemlerimi yaptırabiliyorum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Genel anlamda bankanın ürünlerinden memnunum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Şube personeli güler yüzlü ve samimi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Şube personeli bilinçli, nazik ve yardımsever	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Çok sıra beklemiyorum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Yıllar içinde personel ile kurduğum ahablıktan dolayı	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Ailemin veya çevremdekilerin kullandığı banka olmasından dolayı	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Her ne kadar artık bankayı sevmesemde yıllardır çalıştığım için ayrılamıyorum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Uzun yıllardır çalıştığım için bana indirim yapılıyor,taleplerim hızlı karşılanıyor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Basında sıklıkla reklamlarını gördüğüm için	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Bana kişisel ilgi gösteriliyor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Bir banka şubesinde en çok nelere dikkat edersiniz? (önem derecesine göre 1 en az- 7 en fazla )

	1	2	3	4	5	6	7
➤ Şubenin temizliği ve düzenine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Personelin güler yüzlü olup olmadığına	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Gişelerin hızlı işlem alıp almadığına	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Gişe personelinin nezaketli ve sabırlı olmasına	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Günaydın, hoşgeldiniz ve güle güle denilmesine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Gişe/müşteri temsilcisinin yeterli ürün bilgisine sahip olmasına	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Güvenlik görevlisinin karşılmasına ve karşılama şekline	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Şubenin kalabalık veya tenha oluşuna	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Personelin kıyafetlerinin düzgünlüğüne	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Size hitap ederken resmi olunmasına	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Birden fazla gittikten sonra isminizin hatırlanmasına	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Şube peronelinin birbirine hitap şekli ve tarzı	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. Bir şube personelinden en önemli beklentileriniz nelerdir? (önem derecesine göre 1 en az- 7 en fazla )

	1	2	3	4	5	6	7
➤ İşlemimi hızlı ve doğru yapması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Bana alternatifler ve pratik çözümler üretmesi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Her an ulaşılabilir olması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Mevcut ürünlerim hakkında beni detaylı ve düzenli bilgilendirmesi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Beni tanıyıp bana adımla hitap etmesi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Asık suratlı olmaması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Hangi ürüne ihtiyacım olduğunu anlaması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ İstemediğim bir ürünü bana satmaması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Halimi hatırımı sorması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ İçecek ikramında bulunması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Karşımda sıkıldığını belirten hareketler ve sesler çıkarmaması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Konuşurken yüzüme bakması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Meşgulse bile o an ilgilenemese de işlemim ile ilgili bana sonra geri dönmesi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Verdiği sözü belirttiği zamanda gerçekleştirmesi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
➤ Yüksek sesle ya da sinirli bir ifade ile konuşmaması	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Genel olarak bir bankadan ve personellerinden beklentileriniz ile ilgili eklemek istedikleriniz, ya da yaşadığınız veya gözlemlediğiniz bir olayı lütfen aşağıda belirtiniz:

.....

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