

**Customer Satisfaction and Loyalty Intention of Customers  
of Financial Institutions in North Cyprus**

**Assietou Thiam**

Submitted to the  
Institute of Graduate Studies and Research  
in partial fulfillment of the requirements for the Degree of

Master of Arts  
In  
Marketing Management

Eastern Mediterranean University  
January 2013  
Gazimagusa, North Cyprus

Approval of the Institute of Graduate Studies and research

---

Prof. Dr. Elvan Yılmaz  
Director

I certify that this thesis satisfies the requirements as a thesis for the degree of Master of Arts in Marketing Management

---

Assoc. Prof. Dr. Mustafa Tumer  
Chair, Department of Business Administration

We certify that we have read this thesis and that in our opinion it is fully adequate in scope and quality as a thesis for the degree of Master of Arts in Marketing Management.

---

Assoc. Prof. Dr. Mustafa Tümer  
Supervisor

Examining Committee

1. Assoc. Prof. Dr. Dr. Mustafa Tümer

---

2. Asst. Prof. Dr. Ilhan Dalcı

---

3. Asst. Prof. Dr. Mehmet İslamoğlu

---

## **ABSTRACT**

The aim of this study is to examine what influence customer satisfaction has in the service industry and how much important it is to make interpersonal bonds between customers and front line employees. We will also examine the dimensions of interpersonal bonds and their direct influence on customer satisfaction and indirect influence on loyalty intention to service. 215 questionnaires have been distributed to financial service institutes' customers in North Cyprus. The questionnaires contained 43 questions about the customers' perception of care, familiarity, friendship, rapport, trust regarding employee, the level of their satisfaction and then their loyalty intention.

This study concentrates on the influence of the 5 dimensions of interpersonal bond between customers and service providers on customer satisfaction and the influence of satisfaction on loyalty intention. The findings of this study show that these dimensions have direct and indirect influences on each other and they positively influence the perception of customer satisfaction and in turn, service loyalty.

**Keywords:** Customer Satisfaction, Financial Institutes, Loyalty Intention, North Cyprus

## ÖZ

Çalışmanın temel amacı hizmet sektöründe müşteri tatmini etkileyebilecek etkenleri saptamak ve hizmet veren ile hizmeti alan arasındaki bireysel bağların ne kadar önemli olduğunu saptamaktır. Çalışma ayrıca bireyler arası bağları etkileyebilecek boyutların dolaylı veya dolaysız müşteri tatmini ve sadakat üzerine etkisini de incelemektedir. Anketimiz, Kuzey Kıbrıs Türk Cumhuriyeti’nde bulunan tüm finansal kurumların müşterilerine yüz yüze anket şeklinde gerçekleştirilmiştir. Ankette müşterilerin “aşinalık”, “umursamazlık”, “arkadaşlık”, “yakınlık”, “güven” ve “sadakat” algılarını ölçmeyi hedefleyen 43 soru bulunmaktadır.

Bu çalışma hizmeti sunan ile hizmeti alan arasında olan ve müşteri tatmini etkileyebilecek 5 boyutu incelemektedir. Çalışma sonucunda.

**Anahtar Kelimeler:** Müşteri tatmini, Finansl Kuruluş, Sadakat niyeti, Kuzey Kıbrıs

*Dedicated to:*

*My late Mother Mariama Kebe*

*My Father Elhadj Pathe Thiam who never give up supporting my academic career*

*My late Grand-mother Assietou Kebe, my namesake and a mother to me*

*My Uncle Aliou Kebe who brought me up*

*My Brothers who never stop supporting and giving me hope: Abdoulaye*

*Thiam, Babacar Thiam, Yague Thiam, El Hadj Mouhamed Thiam (Thiate sama kharite), Mouhamad Ndiakho Thiam, Mouhamad Diankha Thiam*

*My sisters I love so much: Fatou Thiam (my friend, my confident), Oumou Kalsoum Thiam, Late Awa Thiam, Rokhy Thiam, and “Dah Oumy Samba Ka”*

*My Dearest Aunty Fatou Mbow with all my love*

*My Mother's Brothers: Demba Kebe, Moussa Kebe, Thierno Kebe,*

*Mouhamadou Abib Kebe, Omar Kebe*

*My uncle Mr. Moustapha Niasse*

*My brother in law Tidiane Thiam*

*My sister's Kids and my brother's Kids*

*All my cousins*

*My Friends*

## **ACKNOWLEDGMENTS**

I want to give a very sincere and profound acknowledgement to Dr. Mustafa Tümer for his caring, helpful, and patient supervision throughout this study. He has been always available and ready to help with a lot of encouragements and support.

I am very grateful to my entire family for their unconditional love and the precious support and helpful encouragement during this study.

# TABLE OF CONTENTS

ABSTRACT.....	iii
ÖZ.....	iv
DEDICATION.....	v
ACKNOWLEDGMENTS.....	vi
TABLE OF CONTENTS.....	vii
LIST OF TABLES.....	ix
LIST OF FIGURES.....	x
INTRODUCTION.....	1
LITERATURE REVIEW.....	3
2.1 Customer Expectations of service.....	3
2.1.1 Using Customer Research to Understand Customer expectations.....	5
2.2 Customer Satisfaction.....	6
2.3 Relationship Marketing: Customer Relationships.....	11
2.4 Customer Relationships Evolution and Dimensions.....	13
2.4.1 Familiarity.....	15
2.4.2 Care.....	16
2.4.3 Trust.....	17
2.4.4 Friendship.....	17
2.4.5 Rapport.....	19
2.5 Service Loyalty.....	20
2.6 Positive Word of Mouth and the five Dimensions.....	22
METHODOLOGY.....	25
3.1 Participants.....	25
3.2 Instruments.....	26
3.3 Structural Model.....	28

3.4 Questions with references .....	33
ANALYSIS .....	39
4.1 Demographic profile of respondents.....	39
4.2 Descriptive Statistics.....	40
CONCLUSION AND IMPLICATIONS .....	53
5.1 Major conclusions.....	53
5.2 Managerial and Theoretical Involvements.....	54
5.3 Future Research .....	57
REFERENCE.....	58
APPENDIX.....	68
APPENDIX (A) .....	69



## **LIST OF TABLES**

Table 1: Demographic Breakdown of Respondents.....	40
Table 2: Convergent and Discrimination Validity of the Model.....	42
Table 3: Independent Samples Test for Sex.....	46
Table 4: Independent samples Test for Nationality.....	49

## LIST OF FIGURES

Figure 1: Model.....	28
Figure 2: Questions.....	33

# Chapter 1

## INTRODUCTION

The marketing system in the service industry has been focused in a new system called relationship marketing. In this system, companies tend to focus more on acquiring, satisfying, retaining and then enhancing customers than spending a lot on advertisement. This type of marketing system has brought out some components that can positively influence customer loyalty intention in the service industry. Many scholars have been researching about how can organizations gain customer loyalty which is crucial for the long-term profitability. Reichheld and Teal (1996) believe that there are myriads of advantages for an organization when customer loyalty is gained such as increase in profit, minimizing advertising expenses, increasing revenue per customer, minimizing management expenses, rise up in benchmark, and loyal customers will not switch to competitors for promotional price. Yi, Y. and La, S. (2004) defended that most researchers measure loyalty with a huge bulk of choosing the same brand name, a high level of positive word-of-mouth intention, and a huge level of intention of doing business with the same company in the future to determine loyal customers' characteristics.

Important to realize, most scholars have been focused on the dimensions of customers' loyalty in the service industry. The new system of marketing called relationship marketing has all to deal with building long lasting relationships with

customers in the service industry. Expressively, with the characteristics of services such as simultaneous and heterogeneous, the number of interactions between employees and the consumers or purchasers is very high. In detail Gremler, D. and Gwinner, K. (2000) has defended that familiarity; friendship, care, trust, and rapport positively influence customer loyalty. As shown in our model below, there are some dimensions that influence each other and also have a positive influence on loyalty.

In our study we will concentrate on the customer satisfaction and the loyalty intention of customers in financial institutions especially in North Cyprus. We have studied how the management system of financial institutions (banks) in North Cyprus can make customers satisfied with services and at the same time be loyal. A number of 214 questionnaires were distributed to randomly selected bank customers from different nationalities and different demographic background in North Cyprus. We used one model (as shown below) to emphasize the positive influence of the five dimensions of interpersonal bonds between service provider and customer which have a direct effect on satisfaction and then in turn on loyalty.

Data analysis is done with the partial least squares (PLS) software and SPSS software.

## **Chapter 2**

### **LITERATURE REVIEW**

The success of service organizations depends on the well understanding of the relevance of exactly supervising and handling customer satisfaction. For service organizations to succeed in supervising and controlling customer satisfaction, the service encounters must play a very important role. As Mosahab et.al (2010) Juwaheer (2004) says accordingly, prosperous organizations are those ones that work on understanding customers' expectations and try to deliver service according to those expectations. It is very important to know that satisfaction may lead to loyalty intention of customers in the service industry. According to Nagel and Cilliers (1990) customers evaluate service performance according to their level of satisfaction with the service provided. Different authors have discussed the customer satisfaction and loyalty intention and the main factors that help service organizations gain them. Alongside this literature review we are going to classify the different findings and try to point out the differences and the similarities between works of different authors. We will also evaluate different findings and try to link the gaps in between them.

#### **2.1 Customer Expectations of service**

Since cultivating customer loyalty is very important and it is the biggest challenge facing most businesses, service quality today has become not only the discussion

of service organizations, but also occupies remarkable position in every dialogue. Several researchers have argued that there is no service organization that can survive without forging a strong customer satisfaction and brand loyalty. Equally important, no organization can build a healthy life without fully meeting the needs of its customers. Early work by Oliver, Taylor, Parasuraman, Berry, Zeithaml et.al (1997) have suggested that, customers determine service quality by the difference between their expectations, their perception, and experiences of service. They have also set up a service quality model that divides service quality into five extend as followed:

**Reliability** - capability to deliver service at the promised time and manners

**Assurance** - acquaintance and friendliness of employees and their competence to animate trust and confidence.

**Tangibles** - buildings, furniture, materials, machinery and exhibition of the staff.

**Empathy** - the consideration and personal diligence that the firm accommodates to its customers

**Responsiveness** - readiness to help customers and accommodate efficient service.

The most important thing to consider about meeting the customer needs is the expectation of service. Zeithaml A., Binter J., and Gremler D. (2012) has defined the customer expectations of service as the consideration about the way service is delivered that work as basic associative points to evaluate performance. Understanding and responding to customer expectations of service is very helpful for the management system in a given Bank to enhance customer perception of service.

It is crucial for organizations to succeed these given five aspects to deliver service quality for their long term and short term profitable lives. Oliver (1997) has defined service value as a two-way variable using the term tradeoff as compared to the offset or the balance between what is called benefits and sacrifices. He said that value should be equal to the ratio or tradeoff between quality and price. In the same way, Zeithaml (1988) defends that as “a global evaluation” that the customer promotes regarding the benefit of a product or a service established on the judgment of what he or she has received in contrast to what he or she has given”. Therefore, he says that value is “a comparative situation of what is gained and an adverse situation of what is endured”.

### **2.1.1 Using Customer Research to Understand Customer expectations**

It is very difficult to understand what exactly the customer’s expectations are in the Banking system because of the characteristics of service. In that case the customer research will be very helpful for managers to discover customer requirements or expectations for service. Zeithaml A., Binter J., and Gremler D. (2012) has defended that making research on customers’ expectation is a crucial activity on delivering service quality because it is the only way to understand customers’ expectations and their perceptions of services. It is impossible for a service firm to understand customers’ expectations without carrying any customer research. This is to say, no organization cannot understand customer expectations of the service, unless the management does the customer research about it. Not only doing the customer research is important but focusing on the customer expectations will help understand what is required to be in harmony with the

change of customers' needs. In the same way Yi Y. and La S. (2004) argue that anticipating expectations are affiliated to the "adequate service" concept, and wanted expectations are compared to "desired service". "Desired service" is related to what customers think they deserve according to the price and other things taken into consideration. In other words, customer research about customer expectations will help understand the idea of adequate service, and finding out the desired expectations will help understand the desired service for customers.

According to Mosahab et.al, Douglas and Connor (2003) argue that instead, if what the customer was expecting and his or her evaluation of the service experienced is the same, the benefit will be customer's intention of repeating purchase, recommendation to others on doing business with the same firm which will have an influence on high profits and a positive image of the firm. This would result in the advance of adequate managerial quality theory, which definitely rise up customer satisfaction. As long as the organization try to eliminate the gap between employees and customers, a good image may be created for the organization and profit will be higher. Then, customer satisfaction will lead to customer retention. .

## **2.2 Customer Satisfaction**

Must be remembered, a service organization's sustainable profitability depends on customer satisfaction that can help gain customer loyalty. Oliver (1997) argued that satisfaction is similar to a single consumption experience. In the same way, Oliver (1981) believes, satisfaction is connected to a personal consumption judgment.



It is important to know that there are two types of customers to be satisfied for the organization to gain positive image: internal customers and external customers. The internal customers of an organization are employees who deliver service to external customers who purchase service and must be satisfied. For the external customers to get their satisfaction, the internal customers should be satisfied so that they can provide quality service. Albrecht (1990), Berry (1991), Parasuraman (1985), Gronroos (1985), and Gummesson (1987) argued that in the modern literature the notion of internal customers (employees) in the service industry has been brought out and argued in the marketing literature. The satisfaction of employees may result in an enjoyable relationship between them and external customers.

During the interaction within a service organization, the internal customer, the service provider plays a very important role on the external customer's satisfaction. Heskett J. et al (1994) state that employee satisfaction about their job can be evaluated by the way they are treated by the managers and their colleagues, the working environment, the salary, and how much they enjoy their job within the organization. Not only that providing the service is enough, but the way the interaction is happening between these two different customers is crucial. By the same token, there are some internal factors that play a very important role and one is the employees' satisfaction in the service organization. Customers' satisfaction can be verified during the service encounter. Gremler, Binter, and Evans (1993) has discussed that the service encounter is divided in two different

types: the internal service encounter and the external service encounter. Bitner *et al* (1990), Carlzon (1987), Czepiel *et al.* (1985), Lewis and Entwistle (1990) wrote service encounters, commonly defined as the interaction between front line employees and consumers, have been repeatedly the debate of the marketing literature. Gremler, Binter, and Evans (1993) argued that nobody has argued about the important influence of service encounters on the consumer's overall satisfaction and also on the organization's success and well-being.

The customers' satisfaction during the internal service encounter within an organization may help in succeeding the external service encounter. Correspondingly, Lewis and Entwistle (1990) stated that plus the encounters that happen between customers and employees, there are diverse encounters that occur inside the organization which are crucial in evaluating the service quality that is going to deliver to the customer. According to Andreassen and Lindestad (1998), satisfaction can be characterized by numerous elements such as satisfaction with the staff, the main service provided or the organization as a whole. It may also be considered as the accumulated experience of a customer's purchase and consumption experiences.

At the time the service encounter is happening, the employees' facial expression and behavior is quiet meaningful to the customer. The employee actions or behavior can make a customer appreciate or not appreciate the service that is provided. DeWitt and Liu (2002) wrote: in this manner, an employee positive facial expression will have a direct influence on customer positive emotional state

during the service encounter. This is to say that, during the external service encounter the employee's facial expression could have a positive or a negative influence on the perceived service quality. However, Berry and Parasuraman, A. (1991) believe that, if managers want their employees to deliver service on the promised manner and time to customers, they should train and motivate employees so that customers will be satisfied.

Not only employees have their own part of responsibility on the customer satisfaction during the service encounter but also managers have their own part of responsibility. Steers (1990) claims that it is obvious to recognize frontline employees as the analytical channel in providing service quality with customer satisfaction. However, managers do not really focus on researching and meeting employees' needs which will which are a demanding device in managing customer satisfaction. It enables managers to exercise "internal marketing" – meeting the needs of the employees so they can meet the needs of the customers. She defends that the management system should focus on researching its employees' perspective in order to successfully gain customer satisfaction. Together with, Lewis B and Entwistle T (1990) believe that the poor service is likely to be the fault at the level of the management system but not the service employee who might be trying to do his or her own best during the service encounter. This happens because the management motivates employees to become more service-oriented while by the same token supporting a service system conception that works against service, and which will run to setback with respect

to real performance standards and consumer satisfaction. They are saying that most of the time managers fail to know exactly what they should do to better motivate employees to focus on quality service. The management system wants employees to become more service-oriented but they will not encourage a system design that work with service quality. Gronroos (1981), George (1977), and Berry (1981) argued that for the organization to be reliable, deliver services at the right time and the right way, employees must be trained with the tools and the motivation to deliver on the promises made (as cited in Binter J. 1995). In addition to the idea of the employees becoming more service oriented. Lewis B and Entwist T (1990) also argue that service receivers usually enter service encounters with a definite task focus or goals, and most of the time under time imposition with a serious need to be familiar with the environment, the facilities, systems, and to spare environmental obstacles. For example, long waiting, standing when they could be sitting meanwhile, and looking for people or facilities and disorientation. Whenever the environment is complex, frustrating or stressful, the customers may prefer going to other competing organization if there is any other choices. Binter J. (1990) et al Believed that at the moment the service is being delivered that customers perceive an image of the service quality, and every single encounter has its own part of the customer satisfaction and future purchase intention of the organization's services.

Beside the direct service encounter among service provider and the consumer there is another way of increasing satisfaction according to some authors.

However, Levis B. et al (1990) argue that one aspect of organizational system design concerns the extent to which instant encounters between customers and service staff should be maximized or minimized. They say that minimizing customer contact may, in some circumstances, increase customer efficiency and customer satisfaction e.g. the use of bank ATM in remote locations such as shopping centers, with access to cash. In this case, the author is suggesting that sometimes the direct encounter between customers and employees should be minimized to increase service quality and customer satisfaction.

### **2.3 Relationship Marketing: Customer Relationships**

After assuring service quality and customer service, a financial institution can make sure the management can succeed on customer relationships. The organization can succeed in retaining current and prospective customers through relationship marketing. Many researchers have developed that the traditional marketing is very expensive with the fact of focusing on hiring new customers through advertisement instead of retaining the current ones. Ndubisi (2003) mentioned that the only real maintainable business profitable strategy can happen through interpersonal relationship with customers. The interpersonal relationship is the only thing that requires special attention when we talk about people.

Parvatiyar and Sheth (2001), believe that customer relationship management is a meaningful approach and system of gaining, keeping, and cooperating with particular consumers to construct exceptional value for the firm and the customers. In other words, the customer relation management has a goal to

acquire, retain and collaborate with selective customers for the benefit of the company and the organization. Equally, Zeithaml A., Binter J., and Gremler D. (2012) have defined the relationship marketing or the relationship management as a managerial strategy, that concentrate on retaining and ameliorating connections between existing customers and staffs rather than on attracting new customers. This strategy defends that is less expensive to retain an existing customer than to get a new one. Also, Gonroos (1994) say that relationship marketing is involved in building, keeping and ameliorating relationships with consumers in order to bear and ameliorate an organization's relationship with its customers and profitability. In the same manner, Czepiel (1990) has defined relationship marketing as the fact that transactions compile over time, and favorable circumstances are available to convert personal and separate bargain into relational affiliations.

Gremler D. and Gwinner K. (2000) said no business can survive without the establishment of solid customer relationship because relationships are crucial aspects of doing business. All these authors have a similar point of view that the relationship marketing concept has a main goal to make customers keep purchasing service in the organization. Other scholars believe that building and maintaining long lasting customer relationship is all about making, enabling, and keeping promises. Bitner M. (1995) wrote that for employees, this includes three main activities: making reasonable promises to customers (advertisement) and delivering service with the made promises. Every of these ways of building and

maintaining customer relationship has its place in the marketing activities which are: advertisement and promotion, interactive marketing and internal marketing. He also defended that all these of marketing movements are important for long lasting relationships between consumers and employees. Attractive promises through external marketing are not enough; they must be delivered on the right time service delivers.

## **2.4 Customer Relationships Evolution and Dimensions**

The new marketing concept is focusing more on the relationship between customers and employees or customers and the industry service. For this relationship to happen there are some antecedents that should be considered. The service relationship is all about making, enabling and keeping promises.

Making promises is part of the external marketing. In this type of marketing activity, according to customer expectations the organization communicates promises to its expected consumers. Bitner M. (1995) has argued that making all these external communications efforts or making promises have no profitable outcomes for the organization to build good customer relationships unless these promises are realistic. The traditional marketing can be used to communicate promises to customers, for instance advertisement, sales, pricing, and special promotions. However, this author believes that the service providers, the tangible facilities, and the processes in which service is delivered help to determine customer expectations.

Enabling promises can be classified as part of the internal marketing activities of a service organization. In this type of marketing activity, employees and the service delivery systems should be able to deliver promises in the favorable manners and time. In the same token, Bitner M. (1995) argued that for the organization to keep promises, service providers must be trained with sufficient and appropriate tools, motivated with necessary rewards to do better service quality. Training employees and motivating them to deliver the service in quality way will lead to keeping the made promises.

Finally, keeping promises is part of the interactive marketing activities within an organization. Bitner M. (1995) wrote that marketing also happens during the encounter. In the same way, the organization's reliability is evaluated during each encounter. In this marketing activity, promises must be kept in a way that customers' expectations will come true. It is in the employees' responsibility to deliver service in a way that customers will get what they were expecting from the organization so they will intent to repeat purchase. It is in this last dimension of the marketing activities that the moment of true of the service encounter between employees and customers will happen.

According to Gremler and Gwinner (2000) there are dimensions of customer relationships evolution such as familiarity, care, friendship, trust, and rapport which highly affect satisfaction and loyalty intention in the service industry. For



an organization to build long lasting customer relationships, the management system should definitely succeed these five dimensions.

#### **2.4.1 Familiarity**

Familiarity is the first dimension of the customer relationships evolution. Gremler et al (2001) have defined familiarity as the impression that the service provider expresses individual awareness about the consumer and knows all the necessary information about his or her desires in service. During the encounters, the employee can get information about customer's service needs from specific expressed information and the service provider's observation. According to Bornstein (1989) wrote that the adult would prefer the well-known to the unfamiliar, whereas there are more risks involved in attempt to the unknown.

Familiarity is directed by repetition and the extent of the communication. This familiarity can exist with the repeated service purchase by a customer in a given organization. Lundberg E. et al (2000) believe that it is possible that familiarity helps to create standards across which the customer evaluates future transactions.

Some scholars have divided familiarity into two levels in terms of expectation, performance and satisfaction: the low familiarity and the high familiarity. Alba and Hutchinson (1987) wrote we assume that the high familiarity customer will be more critical about the service performance than the low familiarity customer. As familiarity expands, the customer's imaginary framework is expected to become more precise, fuller and more veridical. In contrast, the customer with the low

level familiarity is more likely to be impressed while the service provider's performance is considered as more novel, more exciting and more surprising to him or to her. Familiarity is one of the five components of the customer relationship evolution that can lead to care, friendship, trust, and mostly to rapport.

#### **2.4.2 Care**

Training for the service encounter is typically the key element in the customer care programs currently being developed and implemented by companies in many of the service industries. Lewis B. and Entwistle T. (1990) have defended that successful implementation of a customer care program involves such more than a service training drive to improve service level. That is to say the implementation of customer care to employees is more crucial than the service training to improve the service level. Gremler D. and Gwinner K. (2000) have defined care as the judgment that the service provider has absolute interest on the consumer's well-being. Miller and Berg (1984) Miller and Berg (1984) have proposed three different classifications of behavior that can help check out the encouragement leading to caring behavior during the service encounter. Among those classifications we have the obligatory behaviors which are standardized in description also thereby apprehended in some circumstances. For example, frontline employees are expected to be smooth. Other types of behavior that can motivate caring behavior in service encounter are instrumental behaviors which are stimulated by objective accomplishment. For example a caring behavior that is exhibited only to make a customer to repeat purchase. Lastly, hedonic behaviors

are encouraged by the service provider's devotion to make customers feel satisfying. Care has an absolute effect on trust and rapport during the service encounter between customer and employee.

### **2.4.3 Trust**

Morgan and Hunter (1994) wrote the one key dimension of the service provider and service receiver affiliation is the personal trust or certainty toward a service provider's dependability and honesty. They also argued that trust happens when the service receiver believes in the employee's dependability and candor. The customer has a strong belief and confidence that the service provider is likely to meet or go beyond his or her expectations of the service. In the same way Moorman et al. (1993) defended that trust is a readiness to depend on someone we believe in. The trust on the employee is the consequences of interpersonal bond that the customer and the employee are committed and also absolute care and interest for consumer's well-being.

The relationship between the employee and the service receiver (friendship) is more likely to happen if the service receiver has trust on his or her own satisfaction regarding the service that will be provided.

### **2.4.4 Friendship**

The familiarity between employee and the customer in the moment of one or some repeated purchases will allow them to get some personal connections. Duck (1976) defended that during the early encounters, the information mentioned happen to be used the two individuals to evaluate their level of likeliness between

their own personalities. Definitely, they will like to shape a bond if they have a huge level of similarity. In the same way, Giles (1973) wrote that apart from making assumptions about others, communication is also used as an instrument to determine one's approval or dislike regarding another by joining or diverging the other party's conversation manner. That is to say communication is the way through which the service provider and the customer can decide either they can have personal connection.

However, Gallois and Callan (1997) argued that language represents a means for transmitting expressed attitudes, involving the communication of message, concepts and assumptions, while non-expressed behavior is perfect for deliberating behaviors, feelings and character. Duck S. (1994) stated that personal bond can be defined as a vigorous impression of connection or bond established on some attachments. Affiliations are often established on having some familiar characters or concerns with someone else. Gremler D. and Gwinner K. (2000) defended that a customer's affiliation with a frontline employee plays an important role in her or his sense of character. They propose that friendship is crucial to the customer-employee relationship and it contributes to the consumer's satisfaction, augments the wish to keep the affiliation as well.

During encounters if service providers and service receivers get the chance to communicate and find out that they have some common attributes and interest, then personal connection can take place. It is crucial for a service provider to be

trained on making good communication with service customers during encounters. Once the personal connection exists between an employee and customer, it will be easy to gain the customer's trust and rapport will be created.

#### **2.4.5 Rapport**

Gremler and Gwinner (2000) have explained customer–employee rapport as when the consumer has a conception that there is a pleasant communication with a service provider, defined by an individual association between the two communicators. Carey et al. (1986) claimed that it a genius affiliation distinguished by competent communication and collective perception. In the same manner Dell S. (1991) believes that rapport is assessed as how comfortable consumers are practically during encounters. Gremler and Gwinner (2000) have defined rapport as a greater classification construct abiding of at least two affiliated elements: personal connection and enjoyable interactions. The personal connection element of rapport apprehends the connection between employee and customer, symbolizing a powerful sensation of partnership. The enjoyable interaction component is an emotional judgment of the real communication between the two people and acquires what has been defined as positivity. However, they believe that, the perception of rapport between consumers and service providers does not necessarily have a direct influence on friendship between them; rapport may influence customers spreading positive word-of-mouth about the company.

## **2.5 Service Loyalty**

Customer loyalty is the most important and significant goal of the relation marketing concept. The traditional marketing concept is more time consuming, more expensive and less profitable to the organization's well-being. Different scholars have defined customer loyalty in a way that all of them are sharing almost the same point of view about how this is happening and how important it is. According to Reichheld and Teal (1996), an everlasting increase in profit, decrease of marketing costs, increase revenue per-customer, decline in operating expenses, and growth in benchmark, rise up in price premium, and switching barriers to competitors among loyal customers are the main benefits or advantages of loyalty. This idea supports the concept of the relation marketing system. In the same manner Gremler D. and Brown S. (1998) wrote that loyalty can be assessed as the extent to which a consumer displays reproductive buying behavior from an employee, obtains a positive philosophical inclination regarding the provider, and envisages doing business only with this provider anytime a demand for this service appears. That is to say loyalty is measured by the repeat purchase from the same firm or employee anytime he or she has the need for service purchase.

Besides, Tellis (1988) also assessed loyalty as "reproduction of buying repetition" or "comparative quantity of identical brand purchasing. According to Oliver (1997), customer loyalty is "an engagement to repurchase a favorite product or service frequently in the future, regardless conditional influences and marketing efforts having the possibility to create switching behavior". Loyal customers will

always purchase service from the same service provider even when they have a choice, when they can gain better financial worth related to what they could get from other competing organizations. In the manner, Lewis B. and Soureli M. (2006) defined loyalty as a lasting deliberation of rebuying services, high extent of customer first choice, customers' positive word-of-mouth communication, low intend of switching and huge future enlargement volume of product use. These two authors have discussed that service loyalty has three dimensions.

Some researchers happen to measure loyalty exclusively on the attitudinal element such as reproduce buying conducted concerning a specific brand over time. Other scholars continue to measure loyalty on the attitudinal behavior such as customer preference or intention to repurchasing service from the same service provider over time. Lindgreen et.al (2000) argued that retaining customers has various advantages, for instance, it cost more to the company to acquire new customer than retaining the existing one. Some scholars have discussed about some antecedents of customers' service loyalty. First, customer satisfaction will play a very important role on the customer loyalty to a service. Oliver (1997) et al. wrote that in any context, the degree of satisfaction experienced by the customer has an influence loyalty. Second, the perceived quality can make customers have some loyalty intention toward a service provider or a given service in a financial institution. In the same way Drake et al. (1998) believe that regarding to loyalty, it has been proven that service connected aspects such as

momentum of delivery, competence, amiability, comfort of connection and repeated interaction can be competent methods for banks to shape loyalty.

Zins (2001) stated that corporate image pertains to customers' emotional assumptions regarding the employer, established by repetitive service experiences. The idea customers have about a bank can play a crucial role in keeping customers. The anticipated profit has a positive effect on loyalty. According to Zeithaml (1988) and McDougall and Levesque (2000) anticipated value can be compared to the consequences of the customer's compromise between anticipated values and anticipated sacrifices and play significant role regarding to loyalty development. Also, the switching cost can be another reason for a customer service to be loyal to a given organization's service. According to Ruyter (1998) et al. customer loyalty can be determined by expenses regarding switching to competitors, time and the psychological exertion produced from the ambiguity of doing business with a new service provider.

Finally, the personal bond a service customer has about a service provider, an organization or a brand name has a very important effect on his or her loyalty. Bejou et al. (1998) defended that consumers tend to be loyal if a personal bond is developed between them and the service provider.

## **2.6 Positive Word of Mouth and the five Dimensions**

The most important thing in customer relationships is the customer trust to the service provider. There is no way that two people can make business without trust



even if sometimes our expectation is different of what we are getting. A customer who trusts in one organization's service quality will be more likely to intend spreading positive word of mouth. Fornell et al. (1987) stated that it has been argued that positive word-of-mouth communication is a conventional repurchase intention, however one related to the intention to recommend.

According to Reichheld et al. (1990), a service organization increase in growth would be the consequences of positive word-of-mouth communication as a result of people tell their good experiences about the service to others at the same time influence them to purchase the company's services. In the same way Frenzen et al. (1993) believe that the consequences of satisfaction are one of the most significant preliminars of positive word-of-mouth communication. Gotlieb et al. (1994) believed on the positive relationship between customer satisfaction and positive word-of-mouth. Patterson et al. (1997) defended that there is an absolute equivalence between customer satisfaction and positive word-of-mouth.

Gremler and Gwinner (2000) believe that in the case that rapport has effects on satisfaction and loyalty, so an absolute effect of rapport on positive word-of-mouth communication is a reasonable formulation. That is say that it is logical that good rapport between service provider and service receiver will have a positive influence on word of mouth communication. Westbrook (1987) has defined word-of-mouth communication as the benevolent advertisement to other consumers about the distinctive elements of specific goods and services and/or

their sellers. Arndt (1968) describes this communication as clearly spoken, person-to-person conversation between a benevolent communicator and another party regarding a brand, a product, or a service.

According to Murray (1991) one's personal recommendations from another party about an organization's service are most of the time very consequent in consumers' purchase choices. In many instances, word-of-mouth has been stated to be the main derivation of information future customers' apply in constructing a services purchase decision. Price and Arnould (1999) found that friendship between employees and customers is strongly related to customers' positive word-of-mouth communication about the service. According to Swanson and Davis (2003) word of mouth communication is identified as a very conventional and sustainable system of communication for service marketers, and for keeping a lasting relationship with customers.

## **Chapter 3**

# **METHODOLOGY**

The aim of this research is to analyze the dimensions of customer satisfaction and loyalty intention of customers based on different banks in North Cyprus. This chapter will be divided into two different parts. Part one will talk about how we select our participants, and part two will illustrate the scheme used in constructing the equipment and assembling the data, and part four will supply a clarification of the statistical processes used to analyze the data.

### **3.1 Participants**

In this part of our study a descriptive and quantitative research is to be used. A survey will be given to a sample of people from different nationality and different background in North Cyprus also known as Turkish Republic of Northern Cyprus (TRNC). TRNC has a population of about 300 000 people and hosts people from diverse nationalities because of the existence of many international universities

A number of approximately two hundred questionnaires will be admitted to a sample randomly selected in Northern Cyprus about how they can rate the service and employees in banks. In our study we are not going to focus on one particular group of people, it does not matter the gender, the age, the occupation, the nationality, or even the marital status. As we all know, using a bank is just to keep

your money safe. So there are no norms saying there should be a particular demographic background for bank users. However, in our study we prefer to focus on respondents who are at least eighteen (18) years and more. Also, our respondents who are not Cypriots should have permanent residence in North Cyprus, exactly the same as the rules to opening a Bank account. . There are about 15 different bank brand names in TRNC

### **3.2 Instruments**

In this section of our study, we will try to know how much customers are satisfied about services in the Banks, how they see their relationship with employees and loyalty intention to service providers. Besides the demographic background section, our questionnaire has seven (7) sections.

The respondents will be answering thirty three (33) questions about how they will rate the service quality and their relationship with employees in their banks. They will also have to answer eight (8) demographic questions about their ages, gender, marital status, nationality, occupation, education and then their monthly income level.

In this study we will be using a sample of four hundred people. As the time and the means will not allow us to use the whole population we choose to focus only on this number of prospective respondents for our study. Those sections are care, familiarity, friendship, loyalty, rapport, trust, and satisfaction. And every single section has its own questions which the respondents will answer using a Likert scale survey questions from strongly agree to strongly disagree (from 1 to 5). We

have chosen these seven elements because there are those ones related to each other about service quality and they lead to loyalty intention. This likert scale will help us to have an idea about how our sample will rate how much employees are being caring to customers. It can also tell us the degree of familiarity the employees have towards customers. This will allow us to know if there is a personal bond between service providers and customers, how much customers intend to repeat purchase with the same bank and so on.

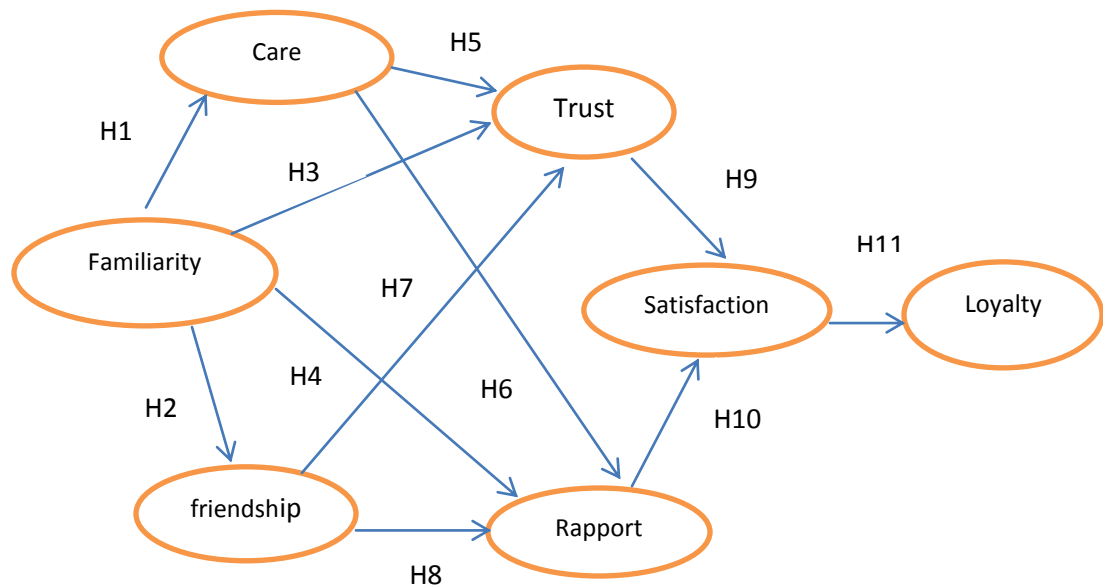
We will examine what influence loyalty. As shown below in our two models, you can see the influence of familiarity on care and friendship. Also it is shown how care influence trust and rapport, the influence of friendship on trust and rapport. Finally, you can see the influence of rapport and trust on satisfaction and how this last influence loyalty.

On the demographic background part, we have eight (8) questions.

- In question number 1 respondents will tick either female or male.
- For question 2 there are six (6) age groups: <20, 20-30, 31-40, 41-50, 51-60, >61 and over
- In question 3 respondents will mention their nationality and place of residence
- Question 4 is about place of birth
- Question 5 is asking about the marital status: married, single, widowed, divorced, engaged, or living together

- In question 6 respondents will specify their occupation and occupation of spouse if married
- Question 7 will ask about the number of children if any
- In question 8 our respondents will mention their education level : primary school (1), secondary school (2), high school (3), bachelors (4), Masters (5), Ph.D (6).
- In question 9 the monthly personal average income level will be mentioned in either US\$, GBP£, or EU€
- In the question 10 the monthly family average income level will be mentioned in either US\$, GBP£, or EU€

### 3.3 Structural Model



**Figure1:** Conceptual Model

**In our model** we have five (5) dimensions scholars argued they have positive influence on customer satisfaction and consecutively to loyalty in the service industry. Those five components are:

Familiarity is defined by Gremler D. et al (2001) have defined familiarity as the customer's apprehension that the service provider has particular acknowledgement of the service purchaser and has explicit elements about his/her service desires. In the same way Miller and Berg (1984) argued that close and lasting relationships with the other party will get detailed information about his or her needs, preferences and wants. That is to say that for employees to get familiar to customers is very crucial to understand customer's needs, desires and preferences to better serve them in a very satisfactory manner. Still these two authors do not defend that familiarity will influence customer satisfaction or repurchase intention. However, Lundberg E. et al (2000) believe that it can be presumed that familiarity assists to construct standards across which the consumer assesses future buying or consumption. Familiarity is one of the five components of the customer relationship evolution that can lead to care and mostly to friendship.

Another component of our model is Care. Gremler D. and Gwinner K. (2000) have defined care as the customer's approach of the service provider having authentic interest for the customer's own comfort. A customer's perception of how employees treat him or her during the service encounter can be explained as care.

Customers would like a service provider to be interested in their needs and concern. That is why Lewis B. and Entwistle T. (1990) have defended that successful implementation of a customer care program involves such more than a service training drive to improve service level. That is to say the implementation of customer care to employees is more crucial than the service training to improve the service level. It is proven that caring behaviors can directly influence perceptions of trust during the service encounter between customer and employee.

Duck S. (1994) stated that personal bond is characterized by a solid impression of relationship or connection based on some attachment. Connections are often based on some conventional personality or affections with another part. In this case the personal bond is what we know as friendship. Giles (1973) wrote that apart from making assumptions about others, communication is also used as an instrument to determine ones approval or dislike regarding another by joining or diverging the other party's conversation manner.. That is to say communication is the way through which the service provider and the customer can decide either they can have personal connection. However, Gallois and Callan (1997) argued that language represents a means for transmitting expressed attitudes, involving the communication of message, concepts and assumptions, while non-expressed behavior is perfect for deliberating behaviors, feelings and character. Once the personal connection exists between an employee and customer, it will be easy to gain the customer's trust and rapport will be created.



According to Morgan and Hunter (1994) wrote the one key dimension of the service provider and service receiver affiliation is the personal trust or certainty toward a service provider's dependability and honesty. They also argued that trust happens when the service receiver has confidence in the employee's dependability and candor. The consumer has a strong belief and confidence that the service provider is likely to meet or go beyond his or her expectations of the service. In the same way Moorman et al. (1993) defended that trust is a readiness to depend on someone we believe in. The relationship between the frontline employee and the service receiver (friendship) is more likely to happen if the customer has trust on his or her own satisfaction regarding the service that will be provided. However, according to our models trust does not have any influence on customer-employee rapport.

Gremler and Gwinner (2000) have described customer-employee rapport like a consumer's apprehension of bearing an agreeable communication with an employee, designated by a personal affiliation among two individuals. Also, Dell S. (1991) defines customer rapport like the degree of comfort consumers feel in their interplay as a whole with the employee. Gremler and Gwinner (2000) have defined rapport as a greater classification establishment abiding of at least two affiliated elements: individual affiliation and agreeable communications. The individual connection element of rapport apprehends the connection between the two parties, symbolizing a powerful sensation of partnership. The agreeable communication element is an emotional judgment of the real communication among two individuals and acquires what has been defined as positivity.

However, they believe that, the perception of rapport between consumers and service providers does not necessarily have a positive influence on friendship between them; rapport may influence customers spreading positive word-of-mouth about the company.

Gremler D. and Brown S. (1998) wrote that loyalty can be assessed as the extent to which a consumer displays reproductive buying behavior from an employee, obtains a positive philosophical inclination regarding the provider, and envisages doing business only with this provider anytime a demand for this service appears. According to Oliver (1997), consumer repurchase is an intensely controlled engagement to repurchase or advocate a liked product or service in the future basis, regardless of situational consequences and purchasing attempt bearing the possibility to cause shifting attitude.

.Binter J (1990) et al wrote that it is at the time the service is being delivered that consumers have a perception of the organizations service genius, and each encounter has an influence on the consumer's total satisfaction and readiness to repeat purchase of service in the future.

Beside the direct service encounter between service providers and consumers, there is another way of increasing customer satisfaction according to some authors. However, Levis B. et al (1990) argue that one aspect of organizational system design concerns the extent to which direct exchanges among consumers and stuffs should be maximized or minimized. They say that minimizing customer

contact may, in some circumstances, increase customer efficiency and customer satisfaction e.g. the use of bank ATM in remote locations such as shopping centers, with access to cash.

As shown above, in our model we use familiarity, care, friendship, rapport, trust, and satisfaction with loyalty. We all know that anytime all these first five dimensions are present, there will be definitely an eminent degree of satisfaction and then consumer’s intention of future repurchase will be gained.

### 3.4 Questions with references

COMPONENTS WITH QUESTIONS	REFERENCES
<b>CARE</b>	
	Gouldner, A. (1960), “the norm of reciprocity: a preliminary statement”, American Sociological Review, Vol. 25, pp. 161-78
Staff have my best interests in heart	
Staffs are interested in my needs and concern	Stern, Barbara B., Craig J. Thompson, and Eric J. Arnauld (1998), “Narrative Analysis of a Marketing relationship: the Customer’s Perspective,” Psychology and Marketing. 15 (3), 195-214
Staffs display concern for my well being	Gremler, D. and Gwinner, K. (2000) “Customer –Employee Rapport in Service Relationships”, Journal service Research Volume 3, No. 1, August 2000 82-104
<b>FAMILIARITY</b>	
Staffs know my name and remember me	Crockett, W. and Freidman, P. (1980), “Theoretical explorations of the process of initial interactions”, Western Journal of Speech Communication, Vol. 44,pp. 86-92
Staff are familiar with me personally and know how to best	

serve me	
Staffs have acquired specific information about what I acquire	Gremler, D.D., Rinaldo, S., Kelly, S.W., (2000). "Rapport-building strategies used by service employees: a critical incident study". In: Kehoe, W. j., Lindren, Jr., J.H (Eds.), 2002 AMA Summer Educator's Conference: Enhancing Knowledge Development in Marketing. American Marketing Association, Chicago, pp.73
I feel in confidence when I have seen familiar person in the bank	Park, C. W., and Lessig, P., Familiarity and its Impact on Consumer Decision Biases and Heuristics. Journal of Consumer Research 8 (September 1981): 223-230
Staffs behave "warmth" to me like their behaviors to other customers	Garcia-Marques, T. and Mackie, D. (2000), "The positive feeling of familiarity: mood as an information processing regulation mechanism", in Bless, H. and Forgas, J. (Eds), The Message Within: the role of Subjective Experience in Social Cognition and Behavior, Psychology Press, Philadelphia, PA, pp. 240-61.
I want to be served by warmth and pleasant staff	Garcia-Marques, T. and Mackie, D. (2000), "The positive feeling of familiarity: mood as an information processing regulation mechanism", in Bless, H. and Forgas, J. (Eds), The Message Within: the role of Subjective Experience in Social Cognition and Behavior, Psychology Press, Philadelphia, PA, pp. 240-61
<b>FRIENDSHIP</b>	
I want to be served by the same bank staff	Duck, S. (1997), The Study of Acquaintance, Teakfield-Saxon House London
There is a connection between me and stuff	Coulter, K.S. and Coulter, R.H (2000), "The effects of service representative characteristics on trust: the moderating role of length of relationship," in Gundlach, C.T. and Murphy, P.E. (eds), AMA Summer educators' Conference Proceedings: Enhancing

	knowledge development in Marketing, American Marketing Association, Chicago, Il, pp. 1-2
I look forward to seeing these staffs when I visit the bank	Czepiel, J.A. (1990), "Service encounters and service relationships: implications for research", Journal of Business Research, Vol. 20, January, pp. 13-21
I strongly care about these staffs	Duck, S. (1994), Meaningful Relationships: Talking, Sense, and Relating, Sage Publications, Thousand Oaks, CA: Sage.
Staffs have taken a personal interest in me	Duck, S. (1994), Meaningful Relationships: Talking, Sense, and Relating, Sage Publications, Thousand Oaks, CA: Sage.
I have a close relationship with staffs	Moorman, C., Zattman, G. and Deshpande, R. (1992), "Relationship between providers and users of market research: the dynamic of trust within and between organizations", Journal of Marketing Research, Vol.29, August, pp. 314-28
<b>LOYALTY</b>	
I intend to repurchase services from this bank in the future	Carpenter, G. S., and Lehmann, D. R. (1985). A model of marketing mix, brand switching, and competition. Journal of Marketing Research, 22, 318-329
As long as the present service continues, I doubt that I would switch banks	Gremler, D.D. and Brown, S.W (1996), "Service loyalty: its nature, importance, and implications", in edvardson, B. et al. (Eds), Advancing Service Quality: A Global perspective, International Service Quality Association, pp. 171-80
I am very likely to recommend this bank to a friend	Boulding, W., Karla, A., Sterling, R., and Zeithaml, V.A. (1993). A dynamic process model of service quality: From expectations to behavioral intentions. Journal of Marketing Research, 30, 7-27.
<b>RAPPORT</b>	
Staffs relate well to me	Tickle-Degnen, L., Rosnethall, R., (1990). "The nature of rapport and its nonverbal correlates. Psychological

	Inquiry 1 (4), 285-293
Staffs create a sensation of affection in our affiliation.	Gremler, D. D., Gwinner, K.P., (2000). "Customer-employee rapport in service relationships. Journal of service research 3 (August), 82-104
Staffs have a good sense of humor.	Grace, D., (2009). "An examination of consumer embarrassment and repatronage intentions in the context of emotional service encounters". Journal of Retailing and Consumer Services 16, 1-9
I take pleasure in communicating with staff.	Gremler, D. D., Gwinner, K.P., (2000). "Customer-employee rapport in service relationships. Journal of service research 3 (August), 82-104
I have a good rapport with staff.	Gremler, D. D., Gwinner, K.P., (2000). "Customer-employee rapport in service relationships. Journal of service research 3 (August), 82-104
I have an agreeable affiliation with staff.	Weitz, B.A., Castleberry, S.C., Tnner, J.F. (1992). "Selling: Building Partnership. Irwin, Chicago.
Staffs create a sensation of affection in our affiliation.	
In our relationship, staffs can be trusted completely	Delgado-Ballester E, Munuera-Aleman JL., (2001). "Brand trust in the context of customer loyalty". Journal of Marketing 35 (11/12): 1238-1258
In our relationship, staffs are always faithful	Morgan, Robert M. and Shelby D. Hunt., (1994). "The Commitment-Trust Theory of relationship marketing". Journal of Marketing, B (3): 20
In our relationship, staffs are someone I have great confidence in	Moorman, C., Deshpande, R., Zaltman, G., (1993). "Factors affecting in our relationship trust in market research relationships". Journal of Marketing 57 (January), 81-101
In our relationship staffs have high integrity	Morgan, R.M. and Hunt, S.D. (1994). "the commitment-trust theory of relationship marketing", Journal of Marketing, Vol.58, July
<b>SATISFACTION</b>	

Based on my total experiences, I am very satisfied with the services this bank provides.		
I was wise to choose to use this bank.		
In total, my decision to use this bank is satisfied.	Binter, M., Booms, B. and Teatreault, M. (1990). "The service Encounter: Diagnosing Favorable and Unfavorable incidents". Journal of Marketing, Vol.54, January, pp.71-84	
I think my decision to use this bank is a right one.	Anderassen TW, Lindestad B. (1998). "Customer loyalty and complex services: the impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise". International Journal of Service Industry management 9(1): 7-23	
In global, my assessment of this bank's services is very good.	Anderassen TW, Lindestad B. (1998). "Customer loyalty and complex services: the impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise". International Journal of Service Industry management 9(1): 7-23	

### 3.5 Hypotheses

In this study we have ten (11) hypotheses in our model:

*H1: Familiarity has a direct effect on the perception of care*

*H2: Familiarity directly affects the evolution of individual affiliation.*

*H3: Familiarity positively influences perceptions of trust in the employee*

*H4: Familiarity positively influences perceptions of rapport between customers and employees*

*H5: Caring behaviors directly influence apprehensions of trust in the*

*employee.*

**H6:** *Caring behaviors positively influence perceptions of rapport between customer and employee*

**H7:** *Friendship positively influences perceptions of trust in the employee*

**H8:** *Friendship directly affects apprehensions of rapport between customer and employee*

**H9:** *Trust positively influences the perceptions of customer satisfaction*

**H10:** *Rapport positively influence the perceptions of customer satisfaction*

**H11:** *Customer satisfaction positively influences the perceptions of loyalty intention.*



## Chapter 4

### ANALYSIS

#### 4.1 Demographic profile of respondents

Among our 214 respondents, 109 (50.9%) were female, 95 (44.4%) and 10 (4.7%) did not mention their sex. Concerning the age groups, the majority of our respondents are between 20 and 30 years old (67.3%) which can tell us our respondents are all adults. As for the nationality, 113 (52.8%) are all Africans, 27 (12.6%) are Turkish Cypriots, 25 (11.7%) are from Iran, 9 (4.2%) are Turkish, and 28 (13.1%) are from other countries. Refer to the table 1 below:

**Table 1:** Demographic Breakdown of Respondents

<b>Nationality</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Africans	113	52.8
Iran	25	11.7
TRNC	27	12.6
Turkish	9	4.2
Other	28	13.1
Not Mentioned	12	5.6
<b>TOTAL</b>	<b>214</b>	<b>100</b>
<b>Marital Status</b>	<b>Frequency</b>	<b>Percentage (%)</b>

Married	21	9.9
Single	170	79.4
Widow/divorced others	23	10.7
TOTAL	214	100
<b>Gender</b>	Frequency	Percentage (%)
Male	97	45.3
Female	108	50.5
Not Mentioned	9	4.2
TOTAL	214	100
<b>Age Group</b>	Frequency	Percentage (%)
<20	30	14
20-30	145	67.5
31-40	23	10.7
41-50	00	
51-60		0.47
>61 and over	00	
TOTAL	214	100

## 4.2 Descriptive Statistics

Table 2 below shows the means and standard deviations of the composite measure of the model constructs. Frequency analysis of the 33 items indicated problem with regards to item 6 in Familiarity. The loading weight of item 6 in Familiarity

was less than 0.5, therefore, we deleted it. Then the loading weight of the other first 3 items of Familiarity had increased by 0.01. Our sample response number (n=214) exceeded the recommended minimum of 30 required for estimation of this model using PLS

**Table 2.** Convergent and discriminant validity of the model construct

Variable								Factor Loading
<b>Care</b>								
ic = 0.84	Factor mean score = 2.51			$\alpha = 0,72$	SD =0.85	AVE =	0,63	
Staffs have my best interests at heart.								0,826
Staffs are interested in my needs and concerns.								0,777
Staffs display concern for my well-being.								0,795
<b>Familiarity</b>								
ic = 0,83	Factor mean score = 2.59			$\alpha = 0,74$	SD=0,78	AVE=	0,52	
Staffs know my name and remember me.								0,786
Staffs are familiar with me personally and know how to best serve me.								0,788
Staffs have acquired specific information about what I require.								0,717
I feel in confidence when I have seen familiar person in the bank.								0,672
Staffs behave “warmth” to me like their behaviors to other customers.								0,648
<b>Friendship</b>								
ic = 0,87	Factor mean score = 2.86			$\alpha =0,82$	SD =0,82	AVE =	0,52	
I prefer to be served by the same bank staff.								0,658
There is a connection between me and stuff.								0,726
I want to see these staffs every time I want to make transaction								0,724
I completely have an affliction about these staffs.								0,723
Staffs show an individual affection in me.								0,782
My affinity with staffs is approaching.								0,719

<b>Loyalty</b>									
ic =0,85		Factor mean score =2.60		$\alpha$ =0,74		SD =0,92		AVE = 0,65	
I decided to keep buying from this bank in the future.									0,857
I will not switch to competitors, I am very satisfied with the service in this bank.									0,780
I will advise a friend to use this bank.									0,786
<b>Rapport</b>									
ic =0,88		Factor mean score =2.80		$\alpha$ =0,84		SD =0,863		AVE = 0,56	
Staffs relate well to me.									0,706
Staffs create a sensation of affection in our affiliation.									0,831
Staffs have a good sense of humor.									0,670
I take pleasure in communicating with staff.									0,747
I have a good rapport with staff.									0,782
I have an agreeable affiliation with staff.									0,761
<b>Trust</b>									
ic =0,89		Factor mean score =2.63		$\alpha$ =0,84		SD =0,771		AVE = 0,67	
Staffs can be completely credible.									0,768
Staffs are always faithful.									0,871
Staffs are someone I have great confidence in.									0,835
Staffs have high candor.									0,815
<b>Satisfaction</b>									
ic =0,95		Factor mean score =2.51		$\alpha$ =0,94		SD =0,757		AVE = 0,63	
I have a high level of satisfaction with the services provided.									0.838
									0.9177

I did the right choice to use this bank.		
In total, my decision to use this bank is satisfied.		
I think my decision to use this bank is a right one.		0.876
In global, my assessment of this bank's services is very good.		

### **4.3 Testing of Hypothesis**

In order to find out whether the 7 dimensions in the model differ according to sex we carried out independent sample.

Statistical results are shown in table 3 below. We tested the hypothesis at 0.05, therefore if the p-value for the hypothesis is less than 0.05 the Null hypothesis will be rejected, otherwise will not be rejected.

Perception for care, familiarity, friendship, loyalty, trust, and satisfaction does not change according to sex. This shows that sex does not influence in understanding care, familiarity, friendship, loyalty, trust and satisfaction.

#### **Hypothesis 1:**

Ho: There is NOT difference according to sex for care

Ha: There is difference according to sex for care

Since  $\alpha$  calculated  $>0.05$ ; Accept Ho

#### **Hypothesis 2:**

Ho: There is NOT difference according to sex for familiarity

Ha: There is difference according to sex for familiarity

Since  $\alpha$  calculated  $>0.05$ ; Accept Ho

#### **Hypothesis 3:**

Ho: There is NOT difference according to sex for friendship

Ha: There is difference according to the sex for friendship

Since  $\alpha$  calculated  $>0.05$ ; Accept Ho

**Hypothesis 4:**

Ho: There is NOT difference according to sex for loyalty

Ha: There is difference according to the sex for loyalty

Since  $\alpha$  calculated  $>0.05$ ; Accept Ho

**Hypothesis 5:**

Ho: There is NOT difference according to sex for rapport

Ha: There is difference according to the sex for rapport

Since  $\alpha$  calculated  $>0.05$ ; Accept Ho

**Hypothesis 6:**

Ho: There is NOT difference according to sex for trust

Ha: There is difference according to the sex for trust

Since  $\alpha$  calculated  $>0.05$ ; Accept Ho

**Hypothesis 7:**

Ho: There is NOT difference according to sex for satisfaction

Ha: There is difference according to the sex for satisfaction



Since  $\alpha$  calculated  $>0.05$ ; Accept  $H_0$

**Table3. Independent Sample Test for Sex**

		Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
										Lower	Upper
care	Equal variances assumed	.609	.436	.332	190	.740	.04118	.12386	-.20315	.28550	
	Equal variances not assumed			.330	179.287	.742	.04118	.12480	-.20509	.28744	
familiarity	Equal variances assumed	.366	.546	.755	188	.451	.09028	.11951	-.14548	.32604	
	Equal variances not assumed			.752	180.966	.453	.09028	.12005	-.14660	.32715	
friendship	Equal variances assumed	.394	.531	.953	180	.342	.12283	.12892	-.13156	.37721	
	Equal variances not assumed			.946	166.205	.346	.12283	.12987	-.13359	.37924	
loyalty	Equal variances assumed	.004	.952	.592	193	.555	.08075	.13645	-.18837	.34987	
	Equal variances not assumed			.593	192.538	.554	.08075	.13617	-.18783	.34933	
rapport	Equal variances assumed	.000	.989	1.616	184	.108	.19459	.12041	-.04296	.43214	
	Equal variances not assumed			1.613	179.662	.108	.19459	.12060	-.04339	.43257	
trust	Equal variances assumed	.552	.458	.697	197	.487	.08370	.12014	-.15323	.32063	
	Equal variances not assumed			.693	188.553	.489	.08370	.12081	-.15460	.32201	
satisfaction	Equal variances assumed	.140	.708	.860	159	.391	.12164	.14136	-.15755	.40083	
	Equal variances not assumed			.857	154.270	.393	.12164	.14186	-.15860	.40188	

In order to find out whether 7 dimensions in the model differs according to nationalities we carried out one-way ANOVA.

Statistical results are shown in table 4 below. We tested the hypothesis at 0.05, therefore if the p-value for the hypothesis is less than 0.05 the Null hypothesis will be rejected, otherwise will not be rejected.

Perception of care, loyalty and trust changes according to the nationalities. This shows that culture may influence in understanding care, loyalty and trust.

**Hypothesis 1:**

Ho: There is NOT difference according to the nationalities for care

Ha: There is difference according to the nationalities for care

Since  $\sigma$  calculated  $>0.05$ ; Accept Ho

**Table 4. one-way ANOVA for nationality**

		Sum of Squares	Mean Square	F	Sig.
care	Between Groups	10,104	1,684	2,542	<b>,022</b>
	Within Groups	129,161	,662		
	Total	139,265			
fam	Between Groups	6,058	1,010	1,645	,137
	Within Groups	119,723	,614		
	Total	125,782			
friendship	Between Groups	4,646	,774	1,138	,341
	Within Groups	132,621	,680		
	Total	137,267			
loyalty	Between Groups	11,681	1,947	2,402	<b>,029</b>
	Within Groups	158,073	,811		
	Total	169,754			
rapport	Between Groups	4,035	,672	1,099	,364
	Within Groups	119,296	,612		

	Total	123,331			
trust	Between Groups	12,992	2,165	3,527	<b>,002</b>
	Within Groups	119,710	,614		
	Total	132,702			
satisfaction	Between Groups	6,237	1,039	1,683	,127
	Within Groups	120,460	,618		
	Total	126,697			

In this study, we did not use the age group to test how age influences the perception of the 7 dimensions in our model because most of our respondents are from the same age group (20-30).

## Chapter 5

### CONCLUSION AND IMPLICATIONS

#### 5.1 Major conclusions

Our study proposes one model which examines the positive influence of six dimensions (indirect influence of familiarity, care, friendship, trust and rapport, direct influence of satisfaction on customer loyalty).

Due to the simultaneous production and consumption characteristic of services, most service organizations are characterized by direct communications between the service receiver and the employee. Especially, these face to face interactions happen in the financial service industry in which customers consider great importance in trusting relationships with employees. The findings of our study of the financial institutions in North Cyprus have supported the consensus mentioned in the literature review by confirming that familiarity positively influences the perception of care, friendship, trust and rapport in customers. Correspondingly, trust and rapport have a positive influence in customer satisfaction which is so important in predicting customers' future purchase.

Mostly, the marketing literature supports the fact that satisfaction is an essential and enough circumstance for cultivating service loyalty (Gotlieb et al. (1994), Patterson et al., (1997)). The relationship marketing literature suggests that the

interpersonal affiliations among consumers and employees are important in development of customers' loyalty (Gremler and Gwinner (2000). The interpersonal bonds between consumers and employee at the time service is delivered play a significant act in future intentional repurchase. As this study results reveal, interpersonal affiliations among employees and consumers have a significant influence on customers' satisfaction. The indirect and direct influences of the five dimensions on customers' satisfaction have also strong influence on customers' loyalty to the service. This shows the importance of customer satisfaction's mediational role. Thus, findings of this study support the findings of several previous studies which indicate that consumer satisfaction is indispensable to future repurchase intention. The research findings indicate that our proposed model with customer satisfaction has mediational role between the five dimensions of relationship marketing and has stronger effect on loyalty.

To sum up, the findings of this study have supported all of the proposed hypotheses in our conceptual model. Hence, familiarity, friendship, care, rapport, and trust have been confirmed as relationship marketing's dimensions that promote consumer satisfaction in the framework of the Northern Cyprus financial industry. Moreover, these dimensions have been admitted to directly affect customer satisfaction that consecutively promotes consumer loyalty.

## **5.2 Managerial and Theoretical Involvements**

The findings have significant executive and theoretical involvements. Our model results show that customer satisfaction explained 63.2% of the variance on



customer loyalty. These results clearly tell that bank managers should seriously consider of training their employees about the model's five dimensions which have a crucial influence on customers' level of satisfaction. Consequently, this will directly affect the consumers' future purchase behavior. A practical implication of the study is that managers of financial institutions should provide training programs for their frontline employees to improve their interpersonal relationship skills and inculcate an organizational culture in which the development of close personal relationships between consumers and employees is perceived to be a colossal priority.

The findings of this study support Gremler and Gwinner's (2000) statement which suggest that familiarity, trust, care, friendship, rapport and satisfaction have a great influence on service loyalty. Service organizations that focus on the evolution of the relationship marketing tend to survive in the competitive industry. So the management system should consider various ways of facilitating the development of interpersonal relationships among frontline service providers and consumers. It is important to know that gaining employees' satisfaction will reduce the turnover rate and make employees more productive and more efficient. This will help develop familiarity with customers and specially maintain long term personal relationships.

The model of interpersonal relationship developed for this present study was designed to distinguish the relationships that exist among these five dimensions: familiarity, care, friendship, trust and rapport, and to show how those

relationships between frontline employees and customers can directly affect the consumers' apprehension of satisfaction, and hence on their future behavioral purchase intentions.

It would therefore seem that this 'Interpersonal Relationships Model' can be applied with confidence to other service sectors and other countries. At the very least, the model would seem to be appropriate for application in other Mediterranean cultures similar to that of Northern Cyprus.

In particular, the management system of banks in Northern Cyprus should take all necessary actions to build stronger relationships between service providers and customers. Northern Cyprus is an emerging market with strong potential in tourism, higher international education, and other services. To attract customers from such sectors, and to maintain their positive attitudes towards banks, managers must be aware that their employees must have outstanding interpersonal relationships and communication skills to ensure customer satisfaction and positive future buying intentions. Managers should frequently assess the quality of the relationships and communication skills that employees should maintain with their customers, and develop appropriate policies to ensure that they continue to improve in this regard.

Finally, the ultimate goal of the development of the five dimensions of our model is not limited to establish customer satisfaction, but rather to keep a lasting affiliation with consumers that lead loyalty. Our findings, then, will be useful to

bank managers for developing procedures that maximize the customer satisfaction with the development of interpersonal bonds and consequently maintain long-term customer relationships that lead customer loyalty.

### **5.3 Future Research**

Data used in this research were collected from customers of banks that operate only in North Cyprus. Further research could be conducted in different sectors in others countries. The results will be compared with these present findings to confirm or modify the model proposed in this study. In addition, the conclusions drawn from this study might be limited by the fact that the sample size was not too large enough and there were no Turkish version of the questionnaires. Future studies could be undertaken with larger and more heterogeneous random samples of respondents with both English and Turkish versions of the questionnaires.

## REFERENCE

Albrecht, K. (1990), *Service Within*, Dow Jones-Irwin, Homewood, IL

Andreassen TW, Lindestad B. 1998. Customer loyalty and complex services: the impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise. *International Journal of Service Industry Management* 9(1): 7–23.

Bejou D, Ennew C, Palmer A. 1998. Trust, ethics and relationship satisfaction. *International Journal of Bank Marketing* 16(4): 170–175

Berry, L. and Parasuraman, A. (1991), *Marketing Services: Competing through Quality*, The Free Press, New York, NY.

Berry, Leonard L. 1981. "The Employee as Customer." *Journal of Retail Banking* (March): 33-40.

Bitner, J. (1995, "Building Service Relationships: It's All About Promises", *Journal of the Academy of Marketing Science*. Volume 23, No. 4, pages 246-251.

Bitner, M., Booms, B. and Tetreault, M. (1990), "The Service Encounter: Diagnosing Favourable and Unfavourable Incidents", *Journal of Marketing*, Vol. 54, January, pp. 71-84.

Bornstein, R. F. (1989). Exposure and affect: Overview and meta-analysis of research, 1968-1987. *Psychological Bulletin*, 106, 265-289

Carlzon, J. (1987), "Moments of Truth", Harper and Row, New York, NY.

Czepiel, J., Solomon, M. and Surprenant, C. (1985), *The Service Encounter: Managing Employee/Customer Interaction in Service Businesses*, Lexington Books, New York, NY.

Czepiel, John A. (1990), *Managing Relationships with Customers: A Differentiation Philosophy of Marketing,*" in *Service Management Effectiveness*, D. E. Bowen, R. B. Chase, and T. G. Cummings, eds. San Francisco, CA: Jossey-Bass Publishers, 299-323

Dell, S.A., 1991. *Relational communication and organizational customer loyalty*, doctoral dissertation, University of Denver.

Dell, Sherry A. (1991), "Relational Communication and Organizational Customer Loyalty (Customer Loyalty)," doctoral dissertation, University of Denver

Duck, Steve. (1994). *Dynamics of Relationships*. Thousand Oaks, CA: Sage Publications

DeWitt and Yongmei Liu (2002), "The Customer Orientation Loyalty Model: The Role of Emotional Contagion and Rapport in the Service Encounter," in *AMA Summer Educators' Conference: Enhancing Knowledge Development in Marketing*, William J. Kehoe and John H. Lindgren Jr., eds. Chicago: American Marketing Association, 321.

Dwyer, F Robert, Paul H. Schurr, and Sejo Oh. (1987), "Developing Buyer-Seller Relationships," *Journal of Marketing*, 51 (2): 11-27

Entwist, T. Lewis, B. (1990), "Managing the Service Encounter: A Focus on the Employee", *International Journal of Service Industry Management*, Vol. 1 Iss: 3 pp. 41 – 52

Fornell, C. & Wernerfelt, B. (1987). Defensive marketing strategy by customer complaint management: a theoretical analysis. *Journal of Marketing Research*, 24, 337-46.

Frenzen, J. & Nakamoto, K. (1993). Structure, cooperation, and the flow of market information. *Journal of Consumer Research*, 20, 360-76.

George, William R. 1977. "The Retailing of Services: A Challenging Future." *Journal of Retailing* 53 (Fall): 85-98.

Gremler D., Bitner J. and EvansK. (1993), "the Internal Service Encounter", *International journal of Service Industry Management* vol. 5 No. 2.1994.pp34-56

Gremler, D. and Gwinner, K. (2000) "Customer-Employee Rapport in Service Relationships", *Journal of Service Research*, Volume 3, No. 1, August 2000 82-104

Gremler, D., Brown, S. (1998), "Loyalty Ripple Effect-Appreciating the Full Value of Customer", *International Journal of Service Management*, Vol.10 No.3, 1999, pp.271-291

Gremler, D., et al. (2001), "Generating Positive Word-of-Mouth Communication through Customer-Employer Relationships", *International Journal of Service Industry Management*, Vol. 12 No. 1, 2001, pp. 44-59.

Grönroos, C. (1985), "Internal Marketing – Theory and Practice", in *Services Marketing in a Changing Environment*, Bloch, T., Upah, G. and Zeithaml, V. (Eds), American Marketing Association, Chicago, IL, pp. 41-7.

Grönroos, C. (1990), *Service Management and Marketing: Managing the Moments of Truth in Service Competition*, Lexington Books, Lexington, MA.

Grönroos, C. (1994) "From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing", *Management Decision*, Vol. 32 Iss: 2, pp.4 – 2

Gummesson, E. (1987), "Using Internal Marketing to Develop a New Culture – The Case of Ericsson Quality", *Journal of Business and Industrial Marketing*, Vol. 2 No. 3, Summer, pp. 23-8.

Gummesson, E. (1990), "The part-time marketer", Research Report, Service Research Center-CTF, University of Karlstad, Sweden.

Gummesson, E. (1992), "Quality dimensions: what to measure in service organizations", in Swartz, T., Bowen, D.E. and Brown, S.W. (Eds), *Advances in Services Marketing and Management*, Vol. 1, JAI Press, Greenwich, CT, pp. 177-205.

Gummesson, E. (1993), *Quality Management in Service Organisations*, International Service Quality Association, New York, NY.

Hennig-Thurau, T, et al. (2006) "Are All Smiles Created Equal? How Emotional Contagion and Emotional Labor Affect Service Relationships", *Journal of Marketing* Vol. 70 (July 2006), 58–73

Hennig-Thurau, Thorsten and Alexander Klee (1997), "The Impact of Customer Satisfaction and Relationship Quality on Customer Retention: A Critical



Reassessment and Model Development,” *Psychology & Marketing*, 14 (8), 737–64.

Heskett, L.J. et al. (1994), “ Putting the Service-Profit Chain to Work”, *Harvard Business Review* March-April 1994

HUTCHINSON, J. and ALBA, J. (1987), “Dimensions of Consumer Expertise”, *JOURNAL OF CONSUMER RESEARCH* Vol. 13 March 1987

Lesley Douglas, Robert Connor, (2003) "Attitudes to service quality – the expectation gap", *Nutrition & Food Science*, Vol. 33 Iss: 4, pp.165 – 172

Lewis, B. and Entwistle, T. (1990), “Managing the Service Encounter: A Focus on the Employee”, *International Journal of Service Industry Management*, Vol. 1 No. 3, pp. 41-52.

Lewis, R. B., Soureli, M. (2006), “The antecedents of consumer loyalty in retail banking”, *Journal of Consumer Behaviour*. *J. Consumer Behav.* 5: 15–31 (2006)

Lindgreen, A., Davis, R., Brodie, R.J. and Buchanan-Oliver, M. (2000). Pluralism in contemporary marketing practice. *The International Journal of Bank Marketing*, Vol 18(6), 294 - 308.

Marketing Theory." In Marketing of Services. Eds. James H. Dormelly and William R9 George. Chicago, IL: American Marketing Association, 236-8.

Miller, L.C. and Berg, J.H. (1984), ``Selectivity and urgency in interpersonal exchange'', in Derlega, V. (Ed.), Communication, Intimacy, and Close Relationships, Academic Press, Orlando, FL.

Moorman, C., Deshpande, R., Zaltman, G., 1993. Factors affecting trust in market research relationships. *Journal of Marketing* 57 (January), 81–101

Morgan, Robert M. and Shelby D. Hunt. (1994). "The Commitment-Trust Theory of Relationship Marketing," *Journal of Marketing*, B(3): 20-39.

Mosahaba, R. (2010), "Service Quality, Customer Satisfaction and Loyalty: A Test of Mediation", *International Business Research*, Vol. 3, No. 4; October 2010

Ndubisi, N. O. (2003). Service quality: Understanding customer perception and reaction, and its impact on business. *International Journal of Business*, Vol 5(2), 48 - 61

Oliver, R. L. (1997). *Satisfaction: A behavioral perspective on the consumer*. New York: McGraw-Hill.

Oliver, Richard L. (1981), "Measurement and Evaluation of Satisfaction Processes in Retail Settings," *Journal of Retailing*, 57 (Fall), 25–48

Parasuraman, A., Zeithaml, V. and Berry, L. (1985), "A Conceptual Model of Service Quality and its Implications for Future Research", *Journal of Marketing*, Vol. 49, Fall, pp. 41-50.

Parvatiyar, A., & Sheth, J. N. (2001): Customer relationship management: Emerging practice, process, and discipline, *Journal of Economic and Social Research*, 3: 1-34

Pieter J.A. Nagel, Willem W. Cilliers, (1990) "Customer Satisfaction: A Comprehensive Approach", *International Journal of Physical Distribution & Logistics Management*, Vol. 20 Iss: 6, pp.2 – 46

Reichheld, F. F., & Teal, T. (1996). *The loyalty effect*. Boston, MA: Harvard Business School Press.

Reichheld, F.F. & Sasser, W.E. Jr (1990), "Zero defections: quality comes to services", *Harvard Business Review*, Vol. 68, pp. 105-11.

Ruyter K, Wetzels M, Bloemer J. 1998. On the relationship between perceived service qualities, service loyalty and switching costs. *International Journal of Service Industry Management* 9(5): 436–453.

Shani, D., and S. Chalasani (1992) , “Exploiting Niches using Relationship Marketing”, *Journal of Consumer Marketing* 9:33–42.

Stershic, S.F. (1990), “The flip side of customer satisfaction research”, *Marketing Research*, December, pp. 45-50

Swanson, S.R. & Davis, J.C. (2003). The relationship of differential loci with perceived quality and behavioral intentions, *Journal of Services Marketing*, 17, 202-19.

Tellis, G. J. (1988). Advertising exposure, loyalty, and brand purchase: A twostage model of choice. *Journal of Marketing Research*, 25, 134–144.

Thanika Devi Juwaheer, (2004),"Exploring international tourists' perceptions of hotel operations by using a modified SERVQUAL approach - a case study of Mauritius", *Managing Service Quality*, Vol. 14 Iss: 5 pp. 350 – 364

Watson, David and Auke Tellegen (1985), “Toward a Consensual Structure of Mood,” *Psychological Bulletin*, 98 (2), 219–35



Yi, Y. and La, S. (2004), “What Influences the Relationship between Customer Satisfaction and Repurchase Intention? Investigating the Effects of Adjusted Expectations and Customer Loyalty”, *Psychology & Marketing*, Vol. 21(5): 351–373 (May 2004).

Yongmei Liu (2002), "The Customer Orientation Loyalty Model: The Role of Emotional Contagion and Rapport In the Service Encounter," in AMA Summer Educators' Conference: Enhancing Knowledge Development in Marketing, William J. Kehoe and John H. Lindgren Jr., eds. Chicago: American Marketing Association, 321.

Zeithaml, V. A. (1988, July). Consumer perceptions of price, quality and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52, 2–22.

## **APPENDIX**

## APPENDIX (A)

	<p><b>This survey is a part of Master Thesis study carried out by Assietou Thiam studying at the Department of Business Administration, Eastern Mediterranean University. This survey has been carried out under the supervision of Assoc. Prof. Dr. Mustafa Tümer</b></p> <p><b>Data to be collected will be confidential and will not be declared to anyone.</b></p>	
---	--	---

This survey is a part of an academic study done for Master Thesis. BANK NAME: .....

Please indicate how much you agree or disagree with each of the following statements

### Part (1)

	Strongly agree	Agree	Neither Agree nor disagree	Disagree	Strongly disagree
<b>CARE</b>	☺		☹		☹
Staff have my best interests in heart	1	2	3	4	5
Staffs are interested in my needs and concern	1	2	3	4	5
Staffs display concern for my well being	1	2	3	4	5
<b>FAMILIARITY</b>	☺		☹		☹
Staffs know my name and remember me	1	2	3	4	5
Staff are familiar with me personally and know how to best serve me	1	2	3	4	5
Staffs have acquired specific information about what I acquire	1	2	3	4	5
I feel in confidence when I have seen familiar person in the bank	1	2	3	4	5
Staffs behave “warmth” to me like their behaviors to other customers	1	2	3	4	5
I want to be served by warmth and pleasant staff	1	2	3	4	5
<b>FRIENDSHIP</b>	☺		☹		☹
I want to be served by the same bank staff	1	2	3	4	5
I feel like there is a “bond” between staffs and myself	1	2	3	4	5

I look forward to seeing these staffs when I visit the bank	1	2	3	4	5
I strongly care about these staffs	1	2	3	4	5
Staffs have taken a personal interest in me	1	2	3	4	5
I have a close relationship with staffs	1	2	3	4	5
<b>LOYALTY</b>	☺		☹		⊗
I intent doing business with this bank over the next few years	1	2	3	4	5
As long as the present service continues, I doubt that I would switch banks	1	2	3	4	5
I am very likely to recommend this bank to a friend	1	2	3	4	5
<b>RAPPORT</b>	☺		☹		⊗
Staffs relate well to me	1	2	3	4	5
Staffs create a feeling of “warmth” in our relationship	1	2	3	4	5
Staffs have a good sense of humor	1	2	3	4	5
In thinking about my relationship with staffs, I enjoy interacting with them	1	2	3	4	5
In thinking about my relationship with staffs, I have a good rapport with them	1	2	3	4	5
In thinking about my relationship with staffs, I have a harmonious relationship with them	1	2	3	4	5
<b>TRUST</b>	☺		☹		⊗
In our relationship, staffs can be trusted completely	1	2	3	4	5
In our relationship, staffs are always faithful	1	2	3	4	5
In our relationship, staffs are someone I have great confidence in	1	2	3	4	5
In our relationship staffs have high integrity	1	2	3	4	5
<b>SATISFACTION</b>	☺		☹		⊗
Based on all of my experience with this bank, I am very satisfied with the banking services it provides.	1	2	3	4	5
My choice to use this bank was a wise one.	1	2	3	4	5
Overall, I am satisfied with the decision to use this bank.	1	2	3	4	5
I think I did the right thing when I decided to use this bank for my banking needs.	1	2	3	4	5
My overall evaluation of the services provided by this bank is very good.	1	2	3	4	5



**Part (2)**

**Demographic Background**

<u>Question 1:</u> Sex: Female <input type="checkbox"/> Male <input type="checkbox"/>	<u>Question 2: Age</u> < 20 <input type="checkbox"/> 20-30 <input type="checkbox"/> 31-40 <input type="checkbox"/> 41-50 <input type="checkbox"/> 51-60 <input type="checkbox"/> > 61 and over <input type="checkbox"/>
--	---

Question 2:  
Nationality: .....  
Place of residence: .....

Question 4:  
Place of Birth: .....

Question 3:  
Marital status:  
Married  Single  Widowed  Divorced  Engaged   
Living together

Question 4:  
Your occupation (Please specify): .....  
Occupation of spouse (where applicable): .....

Question 5:  
Number of children (if any):  
 1       2       3       4       5 and over

Question 6:  
Your education:  
Primary School  Secondary School  High School   
Bachelors  Masters  Ph.D.

Question 7:

Personal average income level per month (Please specify):.....US\$/GBP£/EU€

Question 8:

Family average income level per month (Please specify): .....US\$/GBP£/EU€