

## **IMPACT OF CUSTOMER SATISFACTION AND CUSTOMER RETENTION ON CUSTOMER LOYALTY: A CASE STUDY OF ENTERPRISE BANK IN OYO**

**BY**

**IBOJO BOLANLE ODUNLAMI**  
**LECTURER, BUSINESS ADMINISTRATION DEPARTMENT, AJAYI CROWTHER**  
**UNIVERSITY, OYO. NIGERIA**

**Email: [odunibojo@gmail.com](mailto:odunibojo@gmail.com)**

**MOBILE PHONE: 08032210145**

### **Abstract**

This paper examined the impact of customer satisfaction and customer retention on customer loyalty. The objectives were: to determine the relationship between customer satisfaction and customer loyalty, to determine if there is any relationship between customer retention and customer loyalty, to examine the impact of customer satisfaction and customer retention on customer loyalty, and to examine the relationship between customer satisfaction and customer retention on customer loyalty.

Survey research design was adopted for this study. Primary and secondary sources of data were used. The primary data include a structured questionnaire used to elicit information from the target respondents who were customers of Enterprise Bank Oyo while the secondary data encompass the use, related materials, journals or periodicals,. Multiple regression analysis and t-test were used to test the hypotheses

The findings show the importance of customer satisfaction ( $\beta=.845$ ,  $P<.01$ ) and customer retention ( $\beta=.250$ ,  $P<.01$ ) on customer loyalty. There is significant relationship between customer retention and customer loyalty (  $r=.520^{**}$ ,  $N +107$ ,  $P<.01$ ). A shift in customer retention will cause a 52% shift in customer loyalty. There is also a significant relationship between customer satisfaction and customer loyalty ( $r = .617^{**}$ ,  $N= 107$ ,  $P < .01$ ). The implication of this result is that a 1% shift in customer satisfaction will cause a 61.7% shift in customer loyalty. More so, the linear combination of Customer satisfaction and customer retention on customer loyalty was significant.  $F = 33.500$ ;  $R = .626$ ,  $R^2 = .392$ ,  $Adj. R^2 = .380$ ;  $P < .01$ ).

It was concluded that a 1% shift in customer satisfaction will cause a 61.7% shift in customer loyalty. Also there is a significant relationship between customer satisfaction and customer loyalty. More so, a 1% shift in customer retention will cause a 52.0% shift in customer loyalty. To this end, the study concluded that customer loyalty is a function of customer satisfaction and customer retention.

**Keywords:** Customer, customer satisfaction, customer retention, and customer loyalty

### **Introduction**

It is obvious that one of the objectives of any business minded organization is to meet and satisfy the needs of its respective customers. Inotherwords, customer satisfaction is a necessity for the sustenance and existence of business oriented organization. The degree of satisfaction received by

customers will dictate the level of loyalty which will pave room for customer retention. These are three variables that made up a functional organization. This is to say that any functional organization must be able to create effective customer satisfaction to a greater extent, create a favourable avenue for customer loyalty, and maintain favourable relationship with the customers in order to retain large customer base.

Customer satisfaction is the foundation for any organization to retain its existing customers (Khan, 2002). He was of the opinion that customers who are unsatisfied are not likely to have positive relationship with the organization. It is therefore necessary for organizations to create avenue for the satisfaction of their customers. More so, this will gear long lasting favourable relationship with the customers, which may create room for customer loyalty. Continuous satisfaction of the customers will aid in retaining existing customers, and open a positive avenue for new customers. The vital nature of customer satisfaction in our contemporary dynamic and ever changing environment is obvious as it greatly affects and influences customer loyalty. A dissatisfied customer tends not to be loyal to the organization, and this will greatly affects the sales, profitability and existence of the organization in the long run. It is therefore germane for organizations to greatly cover all areas of satisfaction in order to create customer loyalty that will definitely pave room for effective realization of corporate objectives.

In addition, for an organization to constantly retain its numerous customers in this global village, there is the need to constantly satisfy the needs of their customers. A satisfied and retained customer will give way for repeat purchase while unsatisfied customer may decide to switch to other brands or competitive brands of other organizations. Satisfied customers are more likely to share their experiences with other five or six people around them (Khan, 2002). In a different perspective, dissatisfied customers are more likely to tell another ten people about their unfortunate experiences with a particular organization. Customer satisfaction is one of the business objectives, and can be achieved through understanding the needs of the target market, and the provision of needs satisfying packages in meeting and satisfying these needs at a greater extent, thus, building and maintaining long lasting and favourable relationship with the target market.

The need to create and maintain customer satisfaction has been emphasized by researchers and academicians. This is because the realization of other business objectives leans on the level and degree of satisfaction received by the target market. This is the reason why financial institutions are focusing on customer satisfaction, retention and loyalty.

Satisfaction is an overall customer attitude or behaviour towards the difference between what customers expect and what they receive, regarding the fulfilment of some desire, need or goal (Hansemark, Albinsson, 2004; Kolter, 2000; Hoyer, and MacInnis, 2001).

Customer retention on the other hand is defined by different studies in different ways like Gerpott (2001), Rams (2001) and Schindler (2001). They stated that customer retention 'is the continuity of the business relations between the customer and company'. Customer retention is more than giving the customer what they expect; it is about exceeding their expectation so that they become loyal advocates for your brands. Retention and attraction of new customer are used as drivers for increasing market share and revenues (Rust, Zohorik & Keiningham 1995). In the retention of customers, it is important for firm to know how to serve their customers because post sales services are the important drivers for customer retentions (Saeed, Grover & Hwang, 2005).

Customer loyalty plays very crucial role for achieving competitive advantage in any business organisation. It is the result of an organisation's creating a benefit for customers so that they will maintain and increasingly repeat business with the organisation (Anderson, & Jacobsen, 2000). It is in fact a deeply held commitment of customers to prefer products or services of marketing

influences to cause the switching behaviour. Moreover true customer loyalty is created when customer become advocate of an organisation without any incentive (Oliver 1997) (Kim & Yoon, 2004) opine that 'it is normally the willingness of customer to maintain their relations with a particular firm or service/product'. In reality loyalty is explained 'as a customer commitment to do dealing with a particular firm, buying their products and services and referring it to colleagues' (McIlroy & Barnett, 2000).

Rauyruen and Miller (2007) also explain customer loyalty 'as a merged concept of behavioural loyalty (willingness of customer to repurchase from and continue relationships with the company) and attitudinal loyalty (emotional attachments and advocacy of customers toward the company)'. Customer loyalty is focal point for numerous business organisations (Vessel & Zabkar, 2009). The success of company sales are ensured by customer loyalty which can be influenced by management action (Gerpott, Rams & Schindler, 2001). In emerging business competitions the loyalty of customers has been shown as a main feature in getting continue competitive advantage (Lin & Wang, 2006). Customer loyalty is a vital element for the continued existence and operating of firms business (Chen & Hu, 2010). Loyalty can be measured by the intention of repurchase, recommending the product/services to other and patience towards price (Kim & Yoon 2004). Customer loyalty is used to measure repeated purchasing and forbearance for price (Auh & Johnson, 2005). Going through these definitions customer loyalty implies faithfulness, devotion, constancy and allegiance to the business organisation.

Although, previous researches had attempted to examine basis for the link between customer satisfaction and customer loyalty on one part, and customer satisfaction and customer retention on the other hand, to switch in various industries or organisations but there appears to be a gap or lack as it were in some organisations in Nigeria. The word customer appears to be common to the three identified variables and one easily wonders what really the concept is about. In his word, Ghandi (2009) 'conceptualised a customer as the most important visitor on the premises of an organisation who is not dependent on the organisation rather, the organisation is dependent on him'. He stated further that he is not an interruption on the organisation's work; rather, he is the purpose of it. He is not an outsider in the business he is part of it. The organisation is not doing him a favour by serving him; he is doing the organisation a favour by giving us an opportunity to do so. This idea about a customer pre supposes the important role the customer plays in any organisation and the disposition of such organisation to him/her may either satisfy or otherwise; make him/her to remain loyal or otherwise to course of the organisation and his/her eventual retention of his/her choice of organisation. The present study therefore attempts to find out from the clients the impact of customer satisfaction on customer loyalty and customer retention in Banking sector in Oyo, Oyo state, Nigeria and to suggest as the case may be, for other researchers and practitioners the implications.

### **1.1 Objectives of the Study**

The specific objectives of this research are:

1. To determine the relationship between customer satisfaction and customer loyalty.
2. To determine if there is any relationship between customer retention and customer loyalty.
3. To examine the impact of customer satisfaction and customer retention on customer loyalty.
4. To examine the relationship between customer satisfaction and customer retention on customer loyalty.

## LITERATURE REVIEW

### 2.1 Customer Satisfaction

Customer satisfaction has been variously defined by scholars. An attempt will be made to look at these definitions. Oliver (1997) views customer satisfaction 'as an emotional reaction resulting from any specific transaction'. The author stressed customer's feeling about the corporation, therefore satisfaction is all about attracting and influencing customer's emotions and paving his/her attitude in favour of corporation. Cengiz (2010) defines it as 'a post consumption experience which compares perceived quality with expected quality, thus a comparative behaviour between inputs beforehand and after consumption'.

Nyadzayo (2010) on the other hand defines customer satisfaction as the consumer's fulfilment response. It is a judgement that a product or service feature, or the production and or service itself, provided a pleasurable level of consumption related fulfilment, including element of under- or over fulfilment. Bagram and Khan (2012) opine that satisfaction can be defined as a features or characteristics that can full the either a need or want of a consumer in a better way than competitors. Oliver (1997) defines customer satisfaction as the consumer's fulfilment response. Anderson (1994) explains that customer satisfaction' is the key factor which is used to measure the company's internal and external performances and assigning funds to each and every activity'. Zethaml and Bitner (2000) define customer satisfaction as 'the customer evaluation of a product or service in term of whether that product or service has met their needs and expectations'. They argue that a favourable outcome means they are satisfaction whilst an unfavourable outcome results in dissatisfaction.

Oliver (2000) suggests that 'customer satisfaction is the core philosophy of marketing strategy of any organisation and plays a key role in an organisation success. He opines that customer satisfaction is vital for the brand loyalty as it is an important reason to attach someone with a particular brand. Customer satisfaction has traditionally been regarded as a fundamental determinant of long term customer behaviour. According to Ranaweera and Prabhu (2003) the more satisfied customers are, the greater is their retention, the positive word of mouth generated through them and the financial benefits to the firms who serve them. It is not surprising therefore that the fundamental aim of firms is to seek to manage and increase customer satisfaction at least in this era of competitive global marketing. Customer satisfaction is defined as an' overall evaluation of a firm's products (or services)' (Anderson et al., 1997). In the marketing literature, satisfaction has been established as a major antecedent of customer retention. In the context of relationship marketing, satisfaction is conceptualised as an element of the relationship quality concept.

In the same vein, Mohsam,et al. (2011) observed that the issue of customer satisfaction has been gaining increasing attention among researchers and practitioners as a fundamental tool in financial institutions for enhancing organisational performance and profitability. Mohsam et al. (2011) further observed that the issue of customer satisfaction cannot be easily dismissed because the happier the customer, the easier the dissemination their products.

According to Sivadass and Baker-Prewitt (2000), satisfaction also influences the likelihood of recommending a bank as well as repurchase .It fosters loyalty to the extent that it is a prerequisite for maintaining a favourable relative attitude and for recommending and repurchasing from the bank. Once customers recommend a financial institution it fosters both repurchase and loyalty towards that financial institution. Thus the key to generating loyalty is to get customers to recommend a service provider to others. They also opined further that customers are likely to recommend a service provider when they are satisfied with the services and when they have a favourable relative attitude towards that service provider.

Customer satisfaction is a term frequently used in marketing. Customer satisfaction is defined by different studies in different ways.. According to Anderson (1994) ‘customer satisfaction is used to measure company performance and assign funds while externally this satisfied customer is also source of information for all stakeholders (customer, republic policy makers competitors and investors)’ Inamullah Khan (2012) defines Customer satisfaction as ‘a measure of how products and services supplied by a company meet or surpass customer expectation’. Khirallah (2005) on the other hand defines customer satisfaction as ‘a customer’s perception that his or her needs, wishes, expectation or desires with regard to products and service have been fulfilled’. Cacioppo (2000) in Brimpong (2008) state that ‘it is the state of mind or attitude or behaviour that customers have about a company when their expectation have been met or exceeded over the life time of the product or service’. Gerson (1993) in Brimpong (2008) opines that customer satisfaction may be considered as a base line standard of performance and a possible standard of excellence for any business organisation. All these definitions point to the fact that customer satisfaction implies contentment, fulfilment and approval of wishes and expectation.

## **2.2 Customer Retention**

Mary Pilecki et al.(2007) observe that financial service institutions like the banking sector are focusing on retaining their existing customers and in doing this, they work on their services provided, develop smarter use of technological use e.g ATM etc revisit processes to improve the customer experiences and ensures that the organisational culture supports retention. The sole purpose of a business according to Peter Drucker (1973) is ‘to create a customer’’. However, keeping the customer has become regarded as equally, if not more important, since Dawkins and Reichheld (1990) reported that a 5 per cent increase in customer retention generated customer net present value of between 25 per cent and 95 per cent across a wide range of business environments. Gets and Thomas (2001) state that ‘customer retention occurs when customer purchase a product or services again and again this phenomenon is called customer retention over an extended period of the time.’ Huit (2000) defined customer retention as ‘the process by which consumers interpret price and attribute value to a good or service.’ Khan and Hussain (2013) opine that customers who are willing to pay higher prices for a product or service tend to be brand conscious and prestige sensitive. Crosby et al. (1990) define customer satisfaction as reliance on or confidence in the person or process services are acts, deeds or performances. Buttle (2004) customer retention is the number of customers doing business with a firm at the end of a financial year expressed as a percentage of customers that were active at the beginning of the year.

Customer retention has been shown to be a primary goal in firms that practice relationship marketing. While the precise meaning and measurement of customer retention can vary between industries and firms there appears to be a general consensus that focusing on customer retention can yield several economic benefits ( Buttle, 2004). As customer tenure lengthens, the volumes purchased grow and customer referrals increase.

Building long-term relationship with customers is considered an essential precondition for the economic survival and success of most service firms today (Berry, 1995; Heskett et al., 1994). This crucial role of customer retention stems from the increasing costs of acquiring new customers in highly competitive markets and the cost-reducing potential associated with long-term relationship. It is assumed here that COSE bears the potential significantly to influence a service firm’s retention rate and therefore the firm’s economic success. We distinguish between a direct impact of COSE on customer retention and an indirect impact, with the latter being mediated through customer satisfaction and commitment. Day (1994) said that the identification and satisfaction of customer needs leads to improved customer retention. Clark 1997): ‘Customer retention is potentially one of

the most powerful weapons that companies can employ in their fight to gain a strategic advantage and survive in today's ever-increasing competitive environment. It is vitally important to understand the factors that impact on customer retention and the role that it can play in formulating strategies and plans'.

Customer retention is increasingly being seen as an important managerial issue, especially in the context of saturated market or lower growth of the number of new customers. It's also on acquiring new customers. The paper reports though a case study that is concerned to testing whether or not a theoretical position relating to strategies for retaining customers reflecting practices in forms. Reichheld(1990) Ang and Buttle(2006) reported that a 5 percent in customer retention generated an increase in customer net value of between 25 and 95 percent across a wide range of business environments. Interestingly, (Gordon 1998, Cliustopher et.al, 2004) opined that customers are acquired, retained and can be grown in value over time. They climb a value staircase or value ladder from suspect, prospect and first-time customer, to majority customer to partner or advocate status.

### **2.3 Customer Loyalty**

Dick and Basu (1994) define consumer loyalty as 'strength of the attitude towards the target relative to available alternates and patronage behaviour'. Oliver (1999) defines customer loyalty as 'a situation where a consumer keeps purchasing the product at the same shop for long time'. Kotler and Keller (2012) opines that loyalty is a deeply held commitment to re buy or re patronise a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviour. Mumullan and Gilmore (2003) define loyalty as 'customers commitment to repeat past purchases of a preferred service over time even if other more convenient or suitable alternatives exist'. Kom and Yoon (2004) define customer loyalty as the 'key element which decide the sale of a company because continuous use and frequent suggesting of a product can enhance the sale all these are possible if the existence customers are loyal toward company products'.

Krishnamurthi et al. (2012) explain that loyal customers are not too much sensitive of price while choosing the brand but when the times come for quantity selection then they become conscious about that. Zhang et al. (2010) customer 'loyalty is used to emphasize that loyalty is a characteristic of customers, rather than characteristics of brands'. Inamullah (2012) says 'customer loyalty is the willingness of a consumer to purchase the same product and keep the same profitable relationship with a particular company.' Oliver (1999) opines customer loyalty is the overall behaviour of customer regarding product, service or any other aspect of the organisation in which customer involved makes the term customer loyalty. Went further to say that loyalty as a deeply held commitment to re buy or re patronise a preferred product or service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing.

Jaishanker et al. (2000) describe loyalty as 'a product of repeat purchase, self stated retention, pre insensitivity, resistance to counter persuasion and recommendation to others.

Ball et al. (2003) opines that customer loyalty needs to be incorporated as an essential construct in the theory and practice of relationships in marketing and its antecedents should also be included for a better understanding. Day (1969) opines that in its most initial stage of conception, customer loyalty was perceived as the combination of repeat purchases from one service brand or brand coupled with the customers psychological attachment toward the provider.

Newman and Werbel (1975) define it as 'a characteristic of those who repurchased a brand, considering only that brand, without seeking any information related to it. Hosssain et al. (2008) conceptualised loyalty as the importance attached to keeping up the membership in our organisation. This characteristic imply that the members of the organisation wish to be active

players in the organisation, impact on what is going on in it, feel that they have high status within it, and are ready to contribute beyond what is expected of them. This dimension Hassan (citing Meyer & Allen, 1984) termed as normative commitment is described as the employees' feelings of obligation to remain with the organisation. Normative commitment develops as a result of beliefs that are internalised through socialisation processes, both familial and cultural, that occur both before and after entry into organisation.

Loyal customers indeed provide more repeat business and were less likely to shop around for the best deals than non-loyal customers'. In the present study 'loyal' is defined as those customers who hold favourable attitudes toward an organisation recommend the organisation to other consumers and exhibit repurchase behaviour. Three conceptual perspectives have been suggested to define customer loyalty: the behavioural perspective, the attitudinal perspective and the composite perspective (Bowen and Chen, 2001; Zins, 2001). Dimitriades, (2006) identified three conceptual perspectives; the behavioural, the attitudinal and the composite perspectives as means of defining customer loyalty. In his words, the behavioural perspective, "purchase loyalty", strictly looks at repeat purchase behaviour and is based on the customer's purchase history. By implication, the emphasis here is a function of the past rather than the future actions. The attitudinal perspective is a contrast to the former in that it allows gain in supplemental larke service provider to clients denotes the degree to which customer will recommend service providers to other consumers or their commitment to re-patronise a preferred service provider. Dimitrades concludes that the issue of composite perspective combines attitudinal and behavioural definitions of loyalty and submitted that the composite perspective might be considered as an alternative to affective loyalty since using both attitude and behaviour in a loyalty definition arguably increases the predictive power of loyalty Clarke (2001): opines that 'the notion of customer loyalty may appear at first sight to be outmoded in the era of the internet, when customers are able to explore and evaluate competing alternatives as well as checking reports from others at the touch of a button. Yet the evidence shows that the old rules of successful and profitable management still hold good customer retention is still a key to long-term profits, while on the other side of the coin there is a high cost-penalty to low loyalty. Indeed, the very fact that customers can so readily assess the competing services and products on offer and then so easily make the new purchase, in itself, give added weight to the importance of building strong ties of loyalty with customers.'

Loyalty can be measured by the intention of repurchase, recommending the product/services to other and patience towards price (Kim& Yoon 2004). Customer loyalty is used to measure repeated purchasing and forbearance for price (Auh & Johnson, 2005). (Kim & Yoon, 2004).

One school of thought submitted that the value of a loyalty program is gained through both the rational and emotional benefits. Put in a simpler form, the store product offer and deal must be sound but we also have to ensure that the relevance, sense of belonging and tone of voice are also attractive.

Moyo et al. (2013) in their study of the customer retention strategies by mobile phone service providers in Zimbabwe: case of Masvingocity a survey was conducted on 120 subscribers from the three mobile network subscribers using structured questionnaire. The questionnaire were analysed using SPSS. The results confirm that the variable factor observed have a positive impact on customer retention in the Zimbabwean mobile phone industry.

Mohammad et al. (2012) in their study of attaining customer loyalty and the role of consumer attitude and consumer behaviour using a sample of 120 were selected from three universities of Peshawar. Analysis was conducted with the help of SPSS 19 found that Customer loyalty is more dependent upon customer satisfaction in comparison of customer retention. Van Vuuren et al. (2012) in their study of the relationship between selected variables and customer loyalty within an

optometric practice environment using the sample consisted of 357 customers who visited the practice twice or more over the previous six years. The descriptive and multiple regression analysis approach were used to analyse the results. Found that customer satisfaction had the highest correlation with customer loyalty.

Swatisingh (2013) in their study of the positive service encounter: A tool for customer loyalty in retail the subject is approached by a cross-sectional survey on a random sample of 230 customers after their service encounter with store employees in retail outlets. The findings indicate that responsiveness and assurance provided by the retail employees are the most important contributors of good service quality. Results suggest that good service quality contributes to development of customer loyalty through customer satisfaction.

Ali et al. (2012) in their study on the corporate reputation, consumer satisfaction and loyalty the study using SPSS and Amos to analyse the data found that significantly positive associations of corporate reputation on consumer satisfaction and consumer loyalty and also found strongly positive effects of consumer satisfaction on consumer loyalty for the case of cellular industry of Pakistan. The correlation analysis, regression analysis, reliability analysis and model fit index analysis has been used to test hypotheses and interpret some interesting results. As a result, plenty of researches have been conducted to identify the approaches to satisfy and retain consumers.

#### **2.4 Empirical Studies on Impact of Customer Satisfaction and Customer Retention on Customer Loyalty**

Olajide, Akeke (2012) in their study on the effect of customer satisfaction on customer loyalty among selected bank customers using Spearman Rank Order Coefficient for the analysis reveal that there is a relationship between customer satisfaction and customer loyalty in the banking sector in Ado-Ekiti metropolis in Nigeria. This finding is supported by Crosby and Stephens (1987), Cronin and Taylor (1992). Naser, Jamel and Al Khatib (1999) in their study on "Islamic banking: A case study of customer satisfaction and preferences in Jordan" found that care=service satisfaction was positively associated with repurchase intentions and that customer satisfaction with the bank has significant and positive effect on bank loyalty.

Fornell (1992) found that the high customer satisfaction will result in increased loyalty for the firm and that customers will be less prone to overtures from competition. This view was also shared by Anton (1996) who stated that satisfaction is positively associated with repurchase retentions, likelihood of recommending a product or service, loyalty and profitability. Loyal customers would purchase from the firm over an extended time.

Keiningham, et al. (2005) in their work on whether customer satisfaction lead to profitability using data collected on telephone satisfaction survey of 81 clients of an institutional securities firm across two continents (North America and Europe). Mediation analysis was used to test the hypothesised effects in USA, Turkey and New York found that customer revenue was found to correlate negatively with customer profitability for unprofitable customers, and positively for profitable customers.

According to Donabedian (1980), client satisfaction is a fundamentally important measure of quality of care because it offers information on the provider's success at meeting those expectations of most relevance to the client. Williams,(1994), Etter, Perneger, & Rougemont (1996) among others, concluded that measures are, therefore, important tools for research, and that client satisfaction can also be used to evaluate as greater satisfaction may be related with superior compliance, improved attendance at return visits and better outcomes.



Anderson (1994) observed that customer satisfaction is used to measure company performance internally (to compensate human resource, observe performance and assign funds) and externally, the satisfied customer will be a source of information to other customers, competitors and investors. They further assert that the importance of customer satisfaction cannot be dismissed because happy customers are like free advertisers; that many of us have heard of the current trend for business to become highly Customer-centric that is to put the customer at the centre of our business in terms of our strategies, actions and process. For most of us, old truths still hold that good, it is easier and more profitable to sell to existing customers than to find new ones.. The more you focus on customer satisfaction, the more long-term business you will get. They concluded by saying that it is worth to focus on satisfaction strategies no matter how large or small the organisation may be. In the banking industry, a key element of customer satisfaction is the nature of the relationship between the customer and the provider of the products and services (that is banks). Thus, both product and service quality are commonly noted as a critical prerequisite for satisfying and retaining valued customers. Previous research has identified many factors that determine customer satisfaction in retail banking sector, and that there are differences in how customer perceive services across countries and cultures that cannot be generalised. In Pakistan banking industry for instance, customers have put the criteria of customer satisfaction towards service quality provided by their banks. For example; fast and efficient service, confidentiality of bank, speed of transaction, friendliness of bank personnel, accuracy of billing timeliness, billing clarity, competitive pricing, and service quality are the key factors which significantly affect customer's satisfaction (Hokanson, 1995).

Further more, a survey conducted on college students in Bahrain indicated that young customers place more emphasis on factors like a bank's reputation, friendliness of bank personnel, convenient location 24/7 ATM, and availability of parking space in selecting their banks (Almossawi 2001). Meanwhile, Levesque and McDougall (1996) found that the performance of the service provider on core and relational dimension of service quality was an important driver for customer satisfaction in retailing banking. In addition, customer satisfaction in retail banking is also influenced by perceived competitiveness of the bank's interest rates. The bank's ability to deliver these benefits on a continuous basis probably has a significant impact on the level of customer satisfaction. Therefore, bank management has to identify and improve upon factors that can increase customer value. Although, it is apparent that for superior service, it is not sufficient to only focus on satisfying customers, as customers switched their financial institutions because of service quality problems and failures (Gerrard, and Cunningham, 1997) and stop the use of a financial service provider because of poor service performance (Allred, and Addams,2000). This attitude is a significant factor, which influences customer retention to engage in positive or negative behaviour decisions. Consequently, satisfaction is a necessary prerequisite for building long term customer relationship and likely to increase loyalty (Anthanassopoulos, Gouunaris, and Sathakopoulos, 2001; Selnes, 1993; Bloemer, and Ruyter, 19980).

According to Sivadas and Baker-prewitt (2000), satisfaction also influences the likelihood of recommending a bank as well as repurchase. It fosters loyalty to the extent that it is a prerequisite for maintaining a favourable relative attitude and for recommending and repurchasing from the bank. Once customers recommend a financial institution it fosters both repurchase and loyalty towards that financial institution. Thus the key to generating loyalty is to get customers to recommend a service provider to other. Also, customers are likely to recommend a service provider when they are satisfied with the services and when they have a favourable relative attitude towards that service provider. Evans and Lindsay (1996) stated that companies with satisfied customers have a good opportunity to convert them into loyal customers who purchases from those firms over an

extended time period. Today's highly competitive and dynamic corporate environment compels the financial institutions to have satisfied customers and retain them in order to survive and compete with other market players successfully. However, Bowen and Chen (2001) said that having satisfied customers is not enough, there has to be extremely satisfied customers. This is because customer's satisfaction must lead to customer loyalty. Building customer loyalty is not a choice any longer with businesses. It is in fact the only way of building sustainable competitive advantage. Building loyalty with key customers has become a core marketing objective shared by key players in all industries catering to business customers. Sivadas and Baker-prewitt (2000) examined that there is an increasing recognition that the ultimate objective of customer satisfaction measurement should be customer loyalty. Fornell (1992) found that the high customer satisfaction will result in increased loyalty for the firm and that customers will be less prone to overtures from competition. This view was also shared by Anton (1996) who stated that satisfaction is positively associated with repurchase retentions, likelihood of recommending a product or service, loyalty and profitability. Loyal customers would purchase from the firm over an extended time (Evans, and Lindsay, 1996). Guiltinan, Paul and Madden (1997) also examined that satisfied customers are more likely to be repeat and even become loyal customers and don't think to switch to other service providers.

In the services sector literature, strong emphasis is placed on this significant importance of service quality perceptions and the association between service quality and customer satisfaction (Cronin, and Taylor, 1992, Taylor, and Baker, 1994). Therefore, some organisational researchers concluded that service quality is an important indicator of customer satisfaction retentions. That is, consumers may be loyal to a bank if it is viewed as generating satisfaction among other consumers, particularly in credence products and services. In the real world, unsatisfied customers tend to convey their negative impression to other customers or create a negative word of mouth. Consequently, customer dissatisfaction leads to low loyalty (Lewis, 1991; Newman, 2001; Caruana, 2002). This implies that customer satisfaction and customer loyalty are highly related, and that dissatisfaction fosters a customer's intention to switch.

Brotherton and Evans(2010) in their work on the factors that affect customer retention in the training services sector using the customer base of a national training provider, interviews were initially carried out in order to explore attitudes, perceptions and opinions relating to the trainer-client relationship, before a questionnaire was issued to 200 randomly selected organisations in Dudley and UK found that the role of the individual trainer is the crucial factor in retaining business clients, with quality of training delivered and the professionalism of the trainer being of utmost importance. Moreover, the relationship developed between training supplier and client is largely based upon the continuity of the trainer rather than the desire clients to engage with relationship-enhancing aspects such engaging in regular dialogue with a named contact.

According to Ranaweera (2003) in his study of the influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting using data from a large scale mail survey of fixed line telephone users in UK,, using simple bi-variate correlation and regression analyses found that switching barriers have significant effect on customer retention as well as a moderating effect on the relationship between satisfaction and retention. He concluded that apart from the fact that such an approach helps to uncover the neglected effects on retention, the process unveils more cost effective ways of retaining customers.

In his empirical study, Keiningham (2007) examined the value of different customer satisfaction and loyalty metrics in predicting customer retention, recommendation and share of wallet using a two-year longitudinal internet panel of over 8000 US customers of firms in one of three industries (retail banking, mass-merchant retail and internet service providers) using correlation and regression analysis found that recommended intention alone will not be enough a predictor of

customers' loyalty behaviour. He concluded that the use of a multiple indicator rather than a single predictor model performs better on predicting customer's recommendation and retention.

Ang and Buttle(2006) in their work on customer retention management process using in quantitative survey of 170 companies in Australia. Participants represented all major standard industrial classification (SIC) codes found that excellence at customer retention is positively and significantly associated with the presence of documented complaints- handling processes. None of the other variables is significantly associated with the dependent variable.

Coyles and Gokey (2005) in their work on customer retention using a two-year study of the attitudes of 1200 households toward companies in 16 industries as diverse as airlines, banking and consumer products in Canada and USA found that focusing on smaller changes `in customers spending can have as much as ten times more value than concentrating on defection alone.

In their contribution, Bowen and Chen (2001) observe that it is commonly known that there is a positive relationship between customer loyalty and profitability. Today, marketers are seeking information on how to build customer loyalty. The increased profit comes from reduced marketing costs, increased sales and reduced operational costs. Finally, loyal customers cost less to serve, in part because they know the product and require less information. They even serve as part-time employees. Therefore loyal customers not only require less information themselves, they also serve as an information source for other customers'.

Mcllroy and Barnett (2000) said that loyalty cannot be taken for granted. They said that it will continue only as long as the customers feels they are receiving better value than they would obtain from another supplier.

Demitriades (2006) in his empirical research study on how customer satisfaction (CS), loyalty and commitment are defined and relate to each other in the create context, based on 200 responses collected from 20 service providers in four service settings financial services, retailing, entertainment and transportation services formed both factors and reliability analyses provided satisfactory results. However, company satisfaction was not interpreted as a conceptually distinct construct from customer loyalty. He also discovered that a conceptual overlap also emerged between attitudinal loyalty and loyal behavioural actions such as word of mouth, whereas customer commitment was highly positively associated with loyalty (and satisfaction). The finding is in consonance with Fecikova, (2004) who considered loyalty of customers as a function of satisfaction and that loyal customers, to a great extent, contribute to company profitability by spending more on company products and services, via repeat purchasing and by recommending the organisation to other customers.

Bolton and Drew (1994) studied the relationship between customer satisfaction and service quality indicating that customer satisfaction depends on pre-existing or contemporaneous attitudes about service quality. Pappu Ravi et al. (2006) in their study investigating whether customer satisfaction lead to improved brand equity using two categories of retail brands. A survey was undertaken using a convenience sample of shopping mall consumers in an Australian state capital city. The relationship between consumer based retailer equity and customer satisfaction was examined using multivariate analysis of variance. Findings reveal that in the department stores, each consumer-based retailer equity dimension varied according to customer satisfaction with the retailer.

Issue of customer satisfaction will continue to be a recurring variable to researchers in business world. This is consequent upon the important role it plays in the lives of the customers and services providers. Issues like dispositions, expectations as well as reliability seem intertwined and inseparable when discussing customer satisfaction. For instance, Gerpott, Rams and Schindler (2000) hold the view that satisfaction can be obtained because of what was expected. By implication, if supply meets the level of expectation of the consumer, the issue of dissatisfaction

does not arise. Simply put therefore, that customers who are unsatisfied are those whose supply did not meet their expectation and therefore would not be expected to have long run relationship with the service provider. Therefore, in order to ensure that customers do not defect, Bowen and Chen are correct to say that customers must to be extremely satisfied. As far as organisations are concerned, they want their customers to be loyal to them and customer satisfaction does not guarantee

Literatures have presented on the balance, clear evidence of the link between satisfaction and loyalty, however, some have originally questioned the implicit assumption that loyalty is automatically associated with increased profitability. To this and, suffice then to say that the objective of managers should be to ensure that the most profitable customers are satisfied and show a propensity to be loyal.

Making a distinction on the value of loyalty, Clayton-Smith (1996) asserted that it is not to repeat purchases, rather, it is about customers having a sense of belonging. He further argued that for customers to feel a part of a retail experience, there is that need to rim their hearts and minds- not just their wallets! This is of a vital relevance particularly in the banking sector. He summed it all by saying that before we have a chance in establishing such an important relationship we need to understand our customers, how they shop and buy- the basics. Fornell (1992) opines that willingness to spread positive word- of- mouth about a service provider and repeat purchasing behaviour are the most common indicators of customer loyalty.

From these discussions it is obvious that satisfaction is all about attracting and influencing customer's emotions and paving his or her attitude in favour of corporation.

## **RESEARCH METHODOLOGY**

### **3.1 Research Design**

This study examines the impact of customer satisfaction and customer retention on customer loyalty at Enterprise bank, Oyo. It is a survey study and so this research adopted a descriptive design to elicit information on the characteristics of the respondents in terms of age, sex and occupational level.

### **3.2 Study Population/Sample**

Customers of Enterprise bank, Oyo, Oyo State, situated inside Federal College of Education (Special), Oyo campus constitute the study population.. The sample used in the study is drawn from the population and it represents the characteristics of the larger group that is the population. The total population is 100 customers of Enterprise Bank Oyo. Out of 150 subjects given the questionnaire, 107 returned the questionnaire but seven of them were invalid because the respondents did not comply with the format of completing the questionnaire.

### **3.3 Sampling Method and Sample Size**

The samples are account holders of the only Enterprise Bank in Oyo. They consist of high ranking academicians, students, business individuals of high level to low level salary and wage earners. The customers are males and females of different ages.

### **3.4 Sources of Data**

This involves the use of descriptive and inferential statistics. The descriptive statistics incorporate the use of tables and percentages while the inferential statistics give room for the use of regression and multiple regression analysis.

### 3.5 Data Collection Instrument

Questionnaires were distributed to the subjects used in the study. The researcher appealed to the respondents to complete the questionnaire in the bank premises to ease out the stress of collecting the questionnaires back.

**3.6 Methods of Data Analysis:** This involves the use of descriptive and inferential statistics. The descriptive statistics incorporate the use of tables and percentages while the inferential statistics give room for the use of T- test and Pearson product Moment correlation

### 3.7 Research Hypotheses

1. Ho - There is no significant relationship between customer satisfaction and customer loyalty.

H1- There is significant relationship between customer satisfaction and customer loyalty.

2. Ho- There is no significant relationship between customer retention and customer loyalty.

H1- There is significant relationship between customer retention and customer loyalty.

3. Ho- There is no significant between the joint effort of customer satisfaction, customer retention and customer loyalty.

H1- There is significant relationship between the joint effort of customer satisfaction, customer retention and customer loyalty.

## DATA PRESENTATION AND ANALYSIS

### 4.1 Demographics

Table 4.1.1 Distribution of respondents by sex

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Male	50	46.7	46.7	46.7
Female	57	53.3	53.3	100.0
Total	107	100.0	100.0	

Table 4.1.1 shows the distribution of respondents by sex. The table reveals that out of a total of 107 respondents, 50 were males while 57 were females. 46.7% of the population were males while the females make up 53.3% of the total sample of the respondents. With these we conclude that most of our respondents are females.

Table 4.1.2 Distribution of respondents by age

Years	Frequency	Percent	Valid Percent	Cumulative Percent
16-25	37	34.6	34.6	34.6
25-40	60	56.1	56.1	90.7
40-60	10	9.3	9.3	100.0
Total	107	100.0	100.0	

The tables above revealed that the age of respondents were divided into three distinct groups. 34.6% of the respondents fall between the age brackets of 16-25 years. Majority of the respondents fall within the age bracket of 25-40 years with 56.1% and 9.3% represent the respondent within the age brackets of 40-60.

#### 4.1.3 Distribution of respondents by marital status

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Single	76	71.0	71.0	71.0
Married	20	18.7	18.7	89.7
Others	11	10.3	10.3	100.0
Total	107	100.0	100.0	

The table above revealed that the marital status was divided into three distinct groups. 71.0% of the respondents is single, 18.7% are married and 10.3% of the respondents are neither married nor single. Because the bank is sited in Federal College of Education campus it is not surprising that most of the respondents are single and are as students.

#### Table 4.1.4 Distribution of respondents by years of account

Category	Frequency	Percent	Valid Percent	Cumulative Percent
1 year	6	5.6	5.6	5.6
2 years	11	10.3	10.3	15.9
3 years	15	14.0	14.0	29.9
Above 3 years	75	70.1	70.1	100.0
Total	107	100.0	100.0	

The table above revealed that 5.6% of the respondents are just one year old as account holders in the bank. 10.3% of the respondents are two years old as account holders, 14.0% of the respondents are three years old as account holders while 70.1% of the respondents are above three years old as account holders in the bank.

#### Table 4.1.5 Distribution by type of account

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Current account	28	26.2	26.2	26.2
Savings account	79	73.8	73.8	100.0
Total	107	100.0	100.0	

The table above revealed that the respondents have only two types of accounts in the bank. 26.2% of the respondents are current account holders while 73.8% are saving account in the banks. This implies that the majority of the respondents are saving account in the banks.

Table 4.1.6 Distribution by occupation

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Lecturer	18	16.8	16.8	16.8
student	64	59.8	59.8	76.6
Admin Staff	12	11.2	11.2	87.9
Banker	4	3.7	3.7	91.6
Others	9	8.4	8.4	100.0
Total	107	100.0	100.0	

The table above revealed that out of a total 107 respondents 18 were lecturers, 64 was students, 12 were administrative staff, 4 were bankers and 9 belong to other categories not specified. Finding here revealed majority of the respondent were students with 59.8% while lecturer constitute 16.8% of the population, administrative staff constitute 11.2%, bankers constitute 3.7%, another category constitute 8.4% of the population.

## 4.2 Research Questions

Table 4.2.1 Impact of customer satisfaction and customer loyalty

Category	Mean	Percentage (%)
Strongly Agreed	60.2	56.26
Agreed	46.00	42.99
Neither-agree/disagree	0.08	0.74

Table 4.2.2 impact of customer retention on customer loyalty

Category	Mean	Percentage (%)
Strongly Agreed	62.3	58.22
Agreed	43.6	40.74
Neither-agree/disagree	1.1	1.02

Table 4.2.3 impact of customer satisfaction and customer retention on customer loyalty

Category	Mean	Percentage (%)
Strongly Agreed	55.9	55.98
Agreed	47.	43.92
Neither-agree/disagree	.0.01	

Research questions. What is the relationship between customer satisfaction and customer loyalty?

Table 4.2.1 above revealed that there is a strong relationship between customer satisfaction and customer loyalty. Out of the total respondents it is observed that 56.26 % strongly agreed and 42.99% agreed while only 0.74% of the respondents neither agreed nor disagreed that they are satisfied with the bank operations.

Table 4.2.2 revealed that the customers are retained by the bank with 58.22% of the respondents strongly agreed, 43.92% agree and only 0% neither agreed nor disagreed. This therefore revealed that there is strong relationship between customer retention and customer loyalty.

Table 4.2.3 revealed that the customers are loyal to the bank with 55.98% of the respondents strongly agreed, 43.93% agree and only 0% neither agreed nor disagreed. This therefore revealed that there is strong relationship between joint effort of customer satisfaction and customer loyalty on customer loyalty..

### 4.3 Test of Hypotheses

Hypothesis 1-There is significant relationship between customer satisfaction and customer loyalty

Table 4.3.1.

Variable	Mean	Std. Dev.	N	R	P	Remark
Customer satisfaction	4.555140	.2419394	107	.617**	.000	Sig
Customer loyalty	4.558879	.2464668				

\*\* Sig. at .01 levels

It is shown in the above table that there is a significant relationship between customer satisfaction and customer loyalty ( $r = .617^{**}$ ,  $N = 107$ ,  $P < .01$ ). The implication of this result is that a 1% shift in customer satisfaction will cause a 61.7% shift in customer loyalty. Hence, it could be deduced that customer satisfaction influence customer loyalty in the study.

Hypothesis 2- There is significant relationship between customer retention and customer loyalty.

Table 4.3.2

Variable	Mean	Std. Dev.	N	R	P	Remark
Customer retention	4.571963	.2749938	107	.520**	.000	Sig
Customer loyalty	4.558879	.2464668				

\*\* Sig. at .01 levels

It is shown in the above table that there is a significant relationship between customer retention and customer loyalty ( $r = .520^{**}$ ,  $N = 107$ ,  $P < .01$ ). The implication of this result is that a 1% shift in customer retention will cause a 52.0% shift in customer loyalty. Hence, it could be deduced that customer retention influence customer loyalty in the study.

Hypothesis 3 Customer satisfaction and customer retention have a significant impact on customer loyalty.

Table 4.4.3

Variables	F-Ratio	Sig of P	R	R <sup>2</sup>	Adj R <sup>2</sup>	B	T	P
Customer satisfaction	33.500	.000	.626	.392	.380	.845	4.554	.000
Customer retention						.250	3.346	.001

The table above showed that the *linear combination* of Customer satisfaction and customer retention and customer loyalty was significant.  $F = 33.500$ ;  $R = .626$ ,  $R^2 = .392$ ,  $Adj. R^2 = .380$ ;  $P < .01$ ). The independent/predictor variables jointly accounted for a variation of about 39.2% customer loyalty. The following shows the various *relative contributions* and levels of significance of the independent variables: Customer satisfaction ( $\beta = .845$ ,  $P < .01$ ), customer retention ( $\beta = .250$ ,  $P < .01$ ), respectively. It can be concluded that all independent variables, (Customer satisfaction and customer retention) have a significant impact on customer loyalty as reveal by the study.

Hypothesis 3-There is no significant relationship between joint effort of customer satisfaction, customer retention and customer loyalty.



Table 4.4.4

**Correlations**

		customer satisfaction	customer retention	customer loyalty
customer satisfaction	Pearson Correlation	1	.911**	.617**
	Sig. (2-tailed)		.000	.000
	N	107	107	107
customer retention	Pearson Correlation	.911**	1	.520**
	Sig. (2-tailed)	.000		.000
	N	107	107	107
customer loyalty	Pearson Correlation	.617**	.520**	1
	Sig. (2-tailed)	.000	.000	
	N	107	107	107

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4.4.5

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
customer satisfaction	107	3.9000	5.0000	4.555140	.2419394
customer retention	107	3.8000	5.0000	4.571963	.2749938
customer loyalty	107	4.1000	5.0000	4.558879	.2464668
Valid N (listwise)	107				

Findings from Table 4.4.4 show that there is significant relationship between customer satisfaction, customer retention and customer loyalty at the 0.01 levels of significant

**Regression Analysis**

Table 4.4.6

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.626 <sup>a</sup>	.392	.380	.1940501	2.250

a. Predictors: (Constant), customer retention, customer satisfaction

b. Dependent Variable: customer loyalty

Table 4.4.7

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.523	2	1.261	33.500	.000 <sup>b</sup>
	Residual	3.916	104	.038		
	Total	6.439	106			

a. Dependent Variable: customer loyalty

b. Predictors: (Constant), customer retention, customer satisfaction

Table 4.4.8

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.661	.356		4.664	.000
	customer satisfaction	.861	.189	.845	4.554	.000
	customer retention	.224	.106	.250	3.346	.001

a. Dependent Variable: customer loyalty

Regression Analysis using Table 4.4.6, Table 4.4.7, Table 4.4.8 show that there is correlation between customer satisfaction, customer retention and customer loyalty at 0.01 level of significant.

### **Discussion of Result**

Any business organisation must strive to meet the needs of its customers if it must be in business and have a sustainable competitive advantage. This explains the emphasis being placed on customer satisfaction, customer loyalty. If an organisation's customer is satisfied with the company's product of services, the company will have a very high chance of retaining such customer. This will invariably result in the high level of loyalty on the part of the customer. The impact of customer satisfaction and customer retention on customer loyalty cannot be overemphasised. Nyadzayo (2010) defines customer satisfaction as the consumer's fulfilment response. Zethaml and Bitner (2000) defines it as 'the customer evaluation of a product or service in term of whether that product or service has met their needs and expectations'. Favourable outcome means they are satisfied whilst an unfavourable outcome results in dissatisfaction. When a customer is satisfied with a product he buys more. No wonder that Gets and Thomas (2001) state that 'customer retention occurs when customer purchases a product or services again and again this phenomenon is called customer retention over an extended period of the time.' Meaning customer satisfaction brings about customer retention Huit (2000) defines customer retention as 'the process by which consumers interpret price and attribute value to a good or service.' Khan and Hussain (2013) opine that customers who are willing to pay higher prices for a product or service tend to be brand conscious and prestige sensitive. Customer retention has been shown to be a primary goal in firms that practice relationship marketing. While the precise meaning and measurement of customer retention can vary between industries and firms there appears to be a general consensus that focusing on customer retention can yield several economic benefits (Buttle, 2004). The study had been able to confirm the importance of Customer satisfaction ( $\beta = .845, P < .01$ ) and customer retention ( $\beta = .250, P < .01$ ) on customer loyalty. There is a significant relationship between customer retention and customer loyalty ( $r = .520^{**}, N = 107, P < .01$ ). A 1% shift in customer satisfaction will cause a 61.7% shift in customer loyalty. Also there is a significant relationship between customer satisfaction and customer loyalty ( $r = .617^{**}, N = 107, P < .01$ ). A 1% shift in customer retention will cause a 52.0% shift in customer loyalty.

### **Conclusion**

Previous studies like, Bolton and Drew (1994) indicate that customer satisfaction depends on pre-existing or contemporaneous attitudes about service quality. Gerpott, Rams and Schindler (2000) hold the view that satisfaction can be obtained because of what was expected., that customers who are unsatisfied are those whose supply did not meet their expectation and therefore would not be expected to have long run relationship with the service provider. Also it was confirmed that willingness to spread positive word-of-mouth about a service provider and repeat purchasing behavior are the most common indicators of customer loyalty. The study was able to confirm that importance of Customer satisfaction ( $\beta = .845, P < .01$ ) and customer retention ( $\beta = .250, P < .01$ ) on customer loyalty. There is a significant relationship between customer retention and customer loyalty ( $r = .520^{**}, N = 107, P < .01$ ). A 1% shift in customer satisfaction will cause a 61.7% shift in customer loyalty. Also there is a significant relationship between customer satisfaction and customer loyalty ( $r = .617^{**}, N = 107, P < .01$ ). A 1% shift in customer retention will cause a 52.0% shift in customer loyalty. To this end, the study concludes that customer loyalty is a function of customer satisfaction and customer retention.

## **Recommendations**

Emanating from the conclusion of the findings, the following recommendations were made:

- a) Organizations should strive to maintain trust and high service quality. This will bring about satisfaction on the part of the customers.
- b) Personnel in the customer care service section of the organization must be friendly in their dealings with the customers.
- c) There should be training and re-training for workers on the importance of customers satisfaction, customers retention and customers loyalty in the process of achieving organizational objectives

## **References**

- Ali, I., Alvi, A. K. & Ali, R. R.(2012). Corporate reputation, consumer satisfaction and loyalty. Romanian review of Social Sciences No 3; 13 – 23.
- Allred, T.A., & Addams, H.L.(2000). Service quality at banks and credit union: What do their customer say? *Manage service Quality*.10 (1), 52-60.
- Almossawi, M. (2001). Bank selection criteria employed by college students in Bahrain: an empirical analysis. *International Journal Bank. Mark*, 19(3), 115-125.
- Anderson, E. Fornell, C. And Rust, R.T (1997) ‘Customer satisfaction, productivity and profitability: differences between goods and services’. *Marketing science*, vol.16 no.2, pp.129-45.
- Anderson, H., & Jacobsen P.N. (2000). Creating loyalty: Its strategic importance in your customer strategy. In S.A.Brown (edition). *Customer Relationship Management* (pp.55-67). Ontario: John Wiley.
- Anderson.E.W. (1994). Variation in Customer Satisfaction and Retention. *Marketing letters*. 5 (1).19-30.
- Ang.L And Buttle, F (2006). Customer retention management process in *Journal of marketing*. Vol. 40 No. 1/2, 2006 pp. 83-99.
- Anthanassopoulos, A. Gounaris, S. & Sathakopoulos, V. (2001). Behavioural responses to customer satisfaction: an empirical study. *European. J. Mark*, 35 (5/6), 687-707.
- Anton, J. (1996). *Customer Relationship Management: Making Hard Decision with soft Numbers*: Upper saddle River: Prentice-Hall.
- Aspinall, E., Nancarrow, C. and Stone, M. (2001) the meaning and measurement of customer retention. *Journal of targeting, measurement and analysis for marketing*, vol.10 No.1, pp.79-87.
- Auh, S. And Johnson, M. D. (2005). Compatibility effects in evaluations of satisfaction and loyalty . *Journal of Economic Psychology*. 26, 35 – 57.
- Barram, M.M.M and Khan, S. (2012) Attining consumer loyalty. The role of consumer attitudeand consumer behaviour. *International review of management and business research*. 1(1), 1-8.
- Berry, L.L. (1995) Relationship marketing of services- growing interest, emerging COSE: Its impact perspectives’. *Journal of the Academy of marketing science*, vol.23 No.4, pp.236-45.
- Bleomer, J & Ruyter, K.D. (1998). On the relationship between store image, store satisfaction and store loyalty. *European J. Mark*, 32(5/6), 499-513.
- Bolton, R.N, Kannan, P.K., & Bramlett. M.D. (2000). Implications of loyalty program membership and service experiences for customer retention and value. *Journal of the Academy of Marketing science*. 28 (1). 95-108.
- Bowen. J.T., & Chen, S. L. (2001). The Relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 213-217.

- Brotherton;J and Evans;C(2010) The Importance of the trainer: Factors that affect customer retention in the training services sector in industrial and commercial training 42(1) 23-31.
- Buttle, F. (2004) 'Customer relationship management: Concepts and tools, Elsevier, oxford.
- Cacioppo, Kevin. (2000), Measuring and Managing customer satisfaction. Quality Digest.
- Caruana A. (2002). Service loyalty: the effects of serviced quality and the mediating role of customersatisfaction. European J. Mark, 36 (7/8), 28-811.
- Clark, M. (1997) Modeling the impact of customer- employee relationships on customer retention rates in a major UK retail bank management decisions, 35(4), pp.293-301.
- Clarke, K. (2001). What price on loyalty when a brand switch is just a click away? Qualitative market research: An international journal, 4(3), pp 160-168.
- Clayton-Smith. D (1996) Do it all loyalty programme and its impact on customer retention mananaging service quality, vol 6 No.5 pp. 33-37.
- Coviello N.T, Brodi,R.J, Danaher P.J, and Johnson,W.J (2002) 'How Firms relate to their Markets ;An empirical examination of contemporary marketing practices'. Journal of Marketing, Vol.66, No 3,pp 33-46.
- Coyles, S; and Gokey, T.C (2005) Customer retention is not enough in journal of consumer marketing 22(2) 101-105.
- Cronin, J.J, & Taylor, S.A.(1992). Measuring service quality: a re-examination and extension. J. Mark. 56,55-68.
- Crosby, L.A & Stephens, N. (1987)' Effects of relationship marketing on satisfaction, retention and prices in the life insurance industry'. Journal of marketing research 24: 404-411.
- Crosby, L.A, Evans, K.R. and Cowles, D. (1990) Relationship quality in services selling: An interpersonal influence perspective'. Journal of marketing, vol. 54, July, pp.68-81.
- Dawkins, P.M and Reichheld, F.F. (1990) 'Customer retention as a competitive weapon'. Directors and board, summer, pp.42-7.
- Day, G.S. (1994) the capabilities of market- driven organizations. Journal of marketing, 58(4), pp.37-52.
- Dick, A.S and Basu, K. (1994) Customer loyalty: towards an integrated conceptual frame work. Journal of the cade/my of marketing science, vol 22, pp.99-113.
- Dimitriades, Z.S.(2006). Customer satisfaction, loyalty and commitment in service organizations, some evidence from Greece. In Management research news vol. 29 No. 12. Emerald Group Publishing Limited (782-800).
- Donabedian, A, (1980). Exploration in quality assessment and monitoring: The definition of quality approaches to its assessment. Ann Arbor, MI. Health Administration press. Vol 1.
- Druker,P.F.(1973) Management,Task,Reponsibilities, and Practices. Harper and Row, New York.
- Etter, J.F. Perneger, T.V, & Rougemont, A. (1996). Does sponsorship matter in patient satisfaction surveys? Medical Care, 34 (4), 327-335.
- Evans, J.R., & Lindsay, W.M. (1996). The management and control of Quality. 3<sup>rd</sup> edition, ST. Paul: West Publishing Company.
- Faizan Mohsan, M. M., NAWaz, M. S. Khan, Z. (2011). Impact of customer satisfaction on customer loyalty and inmtention to switch: Evidence from Banking sector of Pakistan International Journal of Busioness and Social Science. 2 (16).
- Fecikova, I (2004) ' An index method for measurement of customer satisfaction'. The TQM magazine vol.10 No.1, pp 57-66.
- Fornell,C. (1992). A national customer satisfaction barometer : the Swedish experience. J. Mark., 56, 6-21.

- Gerpott, T.J, Rams, W. & Schinder, A. (2001). Customer retention, loyalty and satisfaction in the German mobile cellular telecommunications market. *Telecommunications policy.*, 25, 249-269.
- Gerrard, P., & Cunningham, J.B.(1997). Islamic banking: a study in Singapore. *International Journal.Bank.Mark*, 15 (6) , 204- 216.
- Ghandi,M. (2009). Bank of Baroda (Uganda) Limited. Diary of 55 years of service to the people of Uganda.
- Gronroos,C (1991) The marketing strategy continuum: toward a marketing concept for the 1990s', *Management decision*, vol.29 No.1, pp.7-13.
- Guiltinan, J.P., Paul, G.W., & Madden, T.J. (1997). *Marketing Management Strategies and programs*. 6<sup>th</sup> edition, New York: Mc Graw-Hall.
- Hallowell, R . (1996). The relationships of customer satisfaction, customer retention and profitability *International. Journal of service Industry Management*, 7(4), 27-42.
- Hansemark, O.C, & Albinson, M. (2004). Customer satisfaction and retention: The experiences of Individual employees. *Managing service Quality*. 14(1), 40-57.
- Hassan E.M, Hassan, T & Mabekoje, S.O (2008). A canonical correlation analysis of the causal relationship between organisational commitment and job satisfaction in *International Journal of Multi-Disciplinary Research* 1(1). 13 - 24.
- Hennig-Thurau, T. & Klee, A. (1997) the impact of customer satisfaction and relationship quality on customer retention: A critical reassessment and model development. *Psychology and marketing*, 14(8), 737-764.
- Heskett, James L., Thomas o. Jones, Gary W.Loveman, W.Earl sasser Jr., & Leonard A. Schlesinger (1994) ' Putting the service- profit chain to work', *Harvard business review*, 72 (March-April), 164-74.
- Hokanson, S. (1995). The Deeper you Analyse, the more you satisfy customers.*Marketing News*, p.16.
- Hossain, M.M. and Suchy, N.J (2008) Influence of customer satisfaction on loyalty: A study on mobile telecommunication industry. *Journal of science* 9(2): 73-80.
- Hoyer, W.D., & MacInnis, D.J. (2001). *Customer behaviour*. 2<sup>nd</sup> edition. Boston: Houghton Mifflin Company.
- Kathleen, K (2005). Customer loyalty on retail banks: time to move beyond simple programs or a product orientation@. View point issue 127 Tower group.
- Keiningham, T.L; Perkins-Munn, T; Aksoy, Land Estrin, D; (2005). "Does customer satisfaction lead to profitability: The mediating role of share-of-wallet" in *Managing service Quality* 15(2) 172-181.
- Khan, I. (2012). Impact of customers satisfaction and customers retention on customer loyalty. *International journal of Scientific and Technology Research* Vol. 1 Issue 2.
- Kotler, P. And Keller, K.L (2012) *Marketing management* 14<sup>th</sup> edition. Prentice-Hau, Harlow, ISBN 10: 0273755021.
- Levesque, and McDougall, G. H. G. (1996). Determinants of customer satisfaction in retail banking. *International journal of Bank Marketing* 14 (7). 12 – 20.
- Lewis, B. R. (1991). Service quality; An international comparison of bank custores' expectations and perceptions.*journal pof marketing management* 17 (1) 47 – 62.
- McMullan, R and Gilmore, A.(2003). The conceptual development of customer loyalty measurement: A proposed scale. *Journal of targeting measurement and analysis for marketing*. 11(3). 230 – 243.

- Mohsan, F, Nawaz, M.M, Khan, M.S, Shallkat, Z and Aslam, N.(2011) Impact of customer satisfaction on customer loyalty and intentions to switch: Evidence from banking sector of Pakistan. *Intrnational journal of business and social science*. Vol.2 No.16.
- Naser, K., Jamal, A. & Al-Khatib, K. (1999)' Islamic banking: A study of customer satisfaction and preferences in Jordan'. *International journal of bank management*, 17(3): 135-150.
- Newman, k. (2001). Interrogating SERVQUAL: A crtical assessment ofservice quality measurement in a high street retail bank. *International journal of bank marketing* 19 (3) 126 – 139.
- Nyadzayo, M. (2010) The mediating of customer relationship management on customer retention at selected motor vehicle dealership in the buffalo city municipality, university of fort Hare, South Africa.
- Olajide, O. P. And Israel, A. K. (2012). Effect of customer satisfaction and customer loyalty among selected bank customers in Ado- Ekiti metropolis, Nigeria. *Interdisciplinary Journal of contemporary research in Business* 3 (11) 228 – 235.
- Olajide, O.P and Zabkar, V. (2009) Effect of customer satisfaction on customer loyalty among selescted bank customers in Ado-Ekiti Metropolis Nigeria. *Interdisciplinary journal of contemporary research in business*, vol3 No.11, pp.228-235.
- Oliver, R. L. ( 2000). Measurement and evaluation of atifaction proce in retailletting. *Journal of retailing* vol, 57, 25 – 48.
- Oliver, R. L. (1997). *Satisfaction: A behavioural perspective on the customer*. New York, Mc graw Hill.
- Petterson,P. G. (2004). A contingencyModel of Behavioural Intention in a service context. In *European Journal of Marketing* 38 (9) 1304 – 1315.
- Ranaweera,C. And Prabhu, J. (2003) ' The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting'. *International journal of service industry management*, vol.14, pp. 37-95.
- Reichheld, F.F (1990) Zero defections: Quality comes to services *Harvard business review*, 68(5), 105-111.
- Reichheld, F.F. (1996) *the loyalty effect: the hidden force behind loyalty*, Boston, Harvard business school.
- Rust, R. T.Zahorik, A. (1993). Customer Satisfaction, Customer Retention and Market Share. *Journal Retail Summer* 69 (2). 193 – 215.
- Selnes, F. (1993). An examination of the effect of product performance on brand reputation, satisfaction and loyalty. *European Journal of marketing*. 127 (9) 19 – 35.
- Singh, S.(2013). Positive service encounter: A tool for customer loyalty in retail *Journal of Business Theory and Practice*; 1 (2).244 – 261.
- Sivadass, E. And Baker-Prewitt, J. L. (2000). An examination of the relationship between service quality , customer satisfaction and store loyalty. *International Journal of retail and distribution management*. 28 (2). 73 – 82.
- Smith, M and Chang, C. (2009). The impact of customer related strategies on shareholder value: evidence from Taiwan. *Asia Review of Accounting*, 17 (3) 247 – 268.
- Szymanski, D.M and Henard, D.H. (2001) 'Customer satisfaction: A meta- analysis of the empirical evidence'. *Journal of the academy marketing science*, vol.29 No.1, pp.16-35.
- Taylor, S. A. And Baker, T. L. (1994). An assessment of the relationship between service quality and customer satisfaction in the formation of customers' purchase intentions. *Journal of retailing* 70 (2) 163 – 178.

- Vanvuuren, T., Roberts-Lombard, M. & Van Tonder, E (2012). The relationship between selected variables and customer loyalty within an optometric practice environment. *Southern African Business Review*. 16 (3), 94 – 106.
- Vessel, p. and Zabkar, V. (2009). Managing customer loyalty through the mediating role of satisfaction in the DIY retail loyalty program. *Journal of retailing and customer services* 16, 396-406.
- Wong, Y. H., Chan, R. Y. K., Ngal, E. W. T. And Oswa, I. P. (2009). Is customer loyalty vulnerability based? An empirical study of a chinese capital intensive manufacturing industry. In *Industry Marketing Management*; 38, 83 – 93.
- Zaria, M. (2000). Managing customers dissatisfaction through effective complaint management systems. *The total quality management magazine*. 12 (5). 133 – 335.
- Zeithami, A. A. and Bitner, M. J. (2000). *Service Marketing Customer Focus cross the firm* (2<sup>nd</sup> Edition). New York, Mc Graw-Hill.
- Zhang, J., Dixit, A. and Friedmann, R. (2010) Customer loyalty and lifetime value: An empirical investigation of consumer packaged goods. *Journal of marketing theory and practice*, vol.18 No.2, pp. 127-140.
- Zins, A.H (2001) Relative attitudes and commitment in customer loyalty models. *International journal of service industry management*, vol 12 No.3, pp.269-94.
- Anderson, E.W. (1994) 'Variation in customer satisfaction and retention'. *Marketing letters*. 5(1). 19-30.
- Anderson, H. & Jacobsen, P.N. (2000) 'Creating loyalty: its strategic importance in your customer strategy'. In S.A. Brown (edition). *Customer relationship management* (pp.55-67). Ontario: John Wiley.
- Auh, S. & Johnson, M.D. (2005) 'Compatibility effects in evaluations of satisfaction and loyalty'. *Journal of economic psychology*. 26, 35-57.
- Bolton, R.N., Kannan, P.K., & Bramlett, M.D. (2000) 'Implications of loyalty program membership and service experiences for customer retention and value'. *Journal of the Academy of marketing science*. 28(1). 95-108.
- Cacioppo, K. (2000) *Measuring and Managing Customer Satisfaction Quality Digest*.
- Chen, P.T. & Hu, H.H. (2010) 'The effect of relational benefits on perceived value in relation to customer loyalty; An empirical study in the Australian coffee outlets industry'. *International journal of hospitality management* 29.405-412.
- Gerpott, T.J., Rams, W. & Schindler, A. (2001) 'Customer retention, loyalty, and satisfaction in the German mobile cellular telecommunications market'. *Telecommunications policy* 25.
- Hallowell, R. (1996) 'The relationships of customer satisfaction, customer loyalty and profitability'. *International Journal of service industry management*, 7(4), 27-42.
- Hansemark, O.C & Albinson, M. (2004) 'Customer satisfaction and retention: The experiences of individual employees'. *Managing service loyalty*. 14(1), 40-57.
- Hoyer, W.D. & MacInnis, D.J. (2001) *Customer behaviour*. 2<sup>nd</sup> edition, Boston: Houghton Mifflin Company.
- Inamullah, K. (2012) 'Impact of customer satisfaction and customer retention on customer loyalty'. *International journal of scientific and technology research* vol1. Issue2.
- Kandampully and Duffy (1999) 'Competitive advantage through Anticipation, Innovation and Relationships'. *Management Decision*, 37(1), pp.51-56.
- Khirallah, K. (2005) 'Customer loyalty in retail banks: Time to move beyond simple programs or a product orientation'. *View point issue* 127. Tower group.

- Kim, H.S & Yoon, C.H. (2004) 'Determinants of subscriber churn and customer loyalty in the Korean mobile telephony market'. *Telecommunication policy*, 28, 751-765.
- Kolter, P. (2000) *Marketing Management* 10<sup>th</sup> edition, New jersey: prentice-Hall
- La Barbera, P.A. & Mazursky, D. (1983) 'A longitudinal assessment of customer satisfaction, dissatisfaction: the dynamic aspect of Cognitive process', *Journal of Marketing Research* 20, 393-404.
- Lin,H.H., & Wang, Y.S. (2006) 'An examination of the determinants of customer loyalty in mobile commerce contexts'. *Information and Management*, 43, 271-282.
- Mcllroy, A. & Barnett,S. (2000) 'Building customer relationship: do discount cards works? *Managing service Quality*. 10(6), pp 347-355.
- Oliver, R.L. (1997) *Satisfaction: A behavioural perspective on the customer*. New York: Mc GrewHill.
- Petterson,P.G. (2004) 'A contingency model of behavioural intention in a service context'. *European Journal of Marketing*. 38(9), 1304-1315.
- Rauyruen, P., & Miller, K.E (2007) 'Relationship quality as a predictor of B2B customer loyalty'. *Journal of Business Research*, 60, 21-31.
- Rust, R.T. & Zahorik, A.J (1993) 'Customer satisfaction, customer retention and market share'. *Journal Retail Summer*, 69(2), 193-215.
- Rust,R.T., Zohorik, A.J., & Keiningham, T.L.(1995) 'Return on Quality ( KOQ): Making service quality financially accountable'. *Journal of Marketing*, 59, 58-70.
- Saeed,K.A., Grover, V.& Hwang, Y. (2005) 'The relationship of e-commerce competence to customer value and firm performance: An empirical investigation'. *Journal of Management Information System*, 22(10), 223-256.
- Vessel, P. & Zabkar, V. (2009) 'Managing customer loyalty through the mediating role of satisfaction in the DIY retail loyalty program'. *Journal of Retailing and Customer Services*. 16, 396-406.
- Wong, Y.H, Chan, R.Y.K, Ngai, E.W.T, & Oswaldw, P. (2009) 'Is Customer Loyalty vulnerability based? An empiricial study of a Chinese capital intensive manufacturing industry'. *Industry Marketing Management*, 38, 83-93.
- Zairi, M. (2000)'Managing customer dissatisfaction through effective complaint management systems'. *The TQM magazine*, 12(5), 331-335.
- Nworgu, B. G. (1991). *Educational Research: Basic Issues and Methodology*, Ibadan: Wisdom Publishers Limited.