

# Assessing the Relationship between Service Quality and Customer's Propensity to Switch Brands in the Banking Industry of Bangladesh

Madhobi Hossain<sup>1\*</sup> Kazi Md. Fahim Ahmed<sup>2</sup>

1. School of Business Studies, Southeast University, Bangladesh

2. College of Business Administration, International University of Business Agriculture & Technology (IUBAT)

## Abstract

The significance of banks and other financial institutions is highlighted by the contribution they make to the economic development of a country. With a number of state-owned, private-owned and foreign banks in Bangladesh, it reflects the wide range of options available to the customers, indicating the presence of severe competition. Such relentless competition in the banking industry of Bangladesh has led banks to seek ways to differentiate their services in the market, ultimately aiming to satisfy customers and preventing them to switch to a competing brand. Despite the efforts, banks are constantly hounded by the challenge of customers moving to another organization in search for better products and services. As expressed by the literary work of various academicians and researchers, service quality plays a vital role in determining the possibility of customers to switch. This research therefore, aims to investigate whether the components of service quality identified by the Servqual model discourage customers' willingness to switch to another brand. Based on the analysis of diverse literature, hypotheses were developed and in order to test those, primary data collected from 250 respondents were analyzed through SPSS. Eventually, the findings reveal that the service quality dimensions positively influence customer satisfaction, which in turn are negatively associated with customers' brand switching intention. Furthermore, the dimensions directly, without using customer satisfaction as a mediating factor, also have negative relationship with brand switching intentions. However, in the analysis, amongst all the dimensions of service quality only one element (i.e. responsiveness) was found less significant.

**Keywords:** service quality, customer satisfaction, and brand switching intention

## 1. Introduction

The bank is and always has been the most important financial intermediary in the economy because banks can connect surplus and deficit economic agents. In any society, banks are the top weighted institutions as they significantly contribute to the development of an economy through facilitating businesses. In addition, it also facilitates the development of saving plans and is used as an instrument of the implementation of the government's monetary policy (Abel, 2018).

Similarly, the banking industry of Bangladesh is playing a vital role in the socio-economic development of the country. Jamal (2018) from The Daily Star stated, there are eight state-owned banks, forty privately-owned banks and nine foreign-owned banks, according to Bangladesh Bank (BB) figures of 2017. According to IMF (2007), Private Commercial Banks owns the largest market share based on both industry assets and deposits. Based on the record of 2006, financial sector's asset contributes roughly 69% to the GDP; out of which the banking sector accounted for 58%. The previous research and data says that retail banking is one of the most important sectors in the Bangladesh economy (Siddiqi, 2011).

The simplicity of account opening and switching made the competition fierce in the banking industry. Although customer satisfaction can make the customer remain with the current banking service provider for a longer period of time (Fox and Poje, 2002 cited in Afsar, et al., 2010; Islam, 2013), there are cases where even the satisfied customers are switching banks, just because the other bank is proving better quality service (Reichheld, 1996 cited in Thakur, 2011).

So, this research is designed to evaluate the interrelationship between service quality, customer satisfaction and customer propensity to switch the brands in the banking sector of Bangladesh. It may highlight creative ideas for improving services and gain a competitive advantage in the banking sector of Bangladesh.

## 2. Literature Review

### 2.1. Dimensions of Service Quality

The concept of service quality has created a lot of debate and interest in the area of service marketing literature

because of the complexity of its meaning and measurement, and thus, there has not been a harmonious agreement (Rahim, 2016). The traditional way of defining it is measuring the difference between customer's expected service and perceived service (Grönroos, 2001; Parasuraman, Zeithaml, & Berry, 1988). Service expectations are formed from advertising, word of mouth and past experiences. Customers feel disappointed when they see the perceived service is below the expected service, but when it meets the expectation or exceeds it, customers tend to use the provider again (Kotler, 2003). In other words, it is the appraisal that customers make between their expectations and perceptions of the service received (Parasuraman et al., 1985). According to Athiyaman 1997, service quality is the overall evaluation of the goodness or badness of a service offered to the customer.

Measuring service quality is a very common area of research in marketing literature (Cronin and Taylor, 1992; Oliver, 1993; Parasuraman et al., 1988, 2005). Service quality is considered as a very important factor behind customer satisfaction (Baker and Crompton, 2000; Caruana et al., 2000; Cronin and Taylor, 1992), perceived value (Baker et al., 2002; Fornell et al., 1996; Petrick and Backman, 2002), and an important forecaster of the re-purchase and retention behaviour (Baker and Crompton, 2000). Researcher talks about key dimensions that customers use while evaluating the quality (Lewis and Booms, 1983). According to Grönroos (1984), technical qualities, functional qualities and image are the major three components of service quality. One of the most extensively applied measures of service quality is SERVQUAL (Cronin and Taylor, 1992; Oh, 1999). This measure was designed by Parasuraman and Zeithaml (1988), which conceptualized service quality as the difference between consumers' expected service and their assessments of delivered service. The model identifies Five Gaps that makes the delivered service unsuccessful (Kotler, 2008), which are gaps between- Consumer expectation and management perception, management perception and service quality specification, service quality specification and service delivery, service delivery and external communication, perceived service and expected service. Kotler, 2008 stated that the SERVQUAL model initially included ten dimensions, which were later reduced to five main components of service quality. The five main dimensions as cited by Islam et al. (2013, p.90) are as follows:

- Tangibles: physical facilities, tools and outfit of staffs
- Reliability: ability to provide service dependably and accurately as promised
- Responsiveness: willingness to help customers provide quick service
- Assurance: knowledge and courteousness of employees and their ability to build trust and confidence
- Empathy: helpful and personalized attention provided by firm to its customers that includes access, communication and understanding the customer.

Alongside the popularity of the SERVQUAL instrument to measure consumers' perceptions of service quality, it has gained a great deal of criticism (Oh, 1999; Cronin and Taylor, 1992). However, many suggest otherwise and support the validity of and reliability of the scale (Lewis and Mitchell, 1994; Thakur, 2011). Researches have generated results from their study that service quality is positively related to customer satisfaction and loyalty (Rahim, 2016). According to Kothari et al. (2011) it creates an opportunity for firms to provide differentiated services, so that the customers lose the intention to switch to a different provider; hence, contributing substantially to the gain market share (Saleh et al, 2015). In addition, Lee (2011) stated that service quality does not only increase customer base, but also retain customers, encouraging their repeat purchase behaviour.

## 2.2. Service Quality and Customer Satisfaction

Service quality is the overall fineness of a service while satisfaction is transaction specific (Parasuraman et al., 1988). When the perceived service exceeds expectation customers become satisfied (Kotler, 2008). So it can be said that a positive service quality creates satisfaction. It is based on the post consumption evaluation or in other words the pleasurable level of consumption that customer satisfaction can be determined (Henning – Thureau and Thureau, 2003). According to Yi (1990), 'Attitude' can be another aspect to define customer satisfaction. Therefore customer satisfaction can be considered as a part of overall customer attitude towards the provider of the service (Levesque et McDougall, 1996).

Considering the bank, satisfaction means the extent to which the product package and customer service meets the customer's need, want and demand. Among the many facets of customer satisfaction some are: service quality, loyalty and repurchase behaviour. Various researches conducted by Anderson and Fornell (2011) and Anderson and Mittal (2000) have attempted to focus on many dimensions of service quality and the way it is related to customer satisfaction (Aliata, Ojera and Mise, 2016).

Inter-relation between customer satisfaction and service quality is well approved by researchers. They argued that higher service quality by banks results in higher customer satisfaction. According to Ehigie (2006), there is a substantial constructive relationship among customer satisfaction, loyalty and retention.

In the competitive banking industry, customer satisfaction plays an integral role in determining success. Conferring to

the study conducted by Clemes et al. (2008), service quality is positively correlated with customer satisfaction. Conversely, such causality is subject to controversies and considered as divergent constructs (Oliver, 1993; Auh and Johnson, 2005; Salazar and Paulo, 2004; Wang and Chich-Jen, 2006).

In addition, various studies have revealed that the five dimensions of service quality may not always distinctively contribute to the enhancement of customer satisfaction and the results vary depending on the type of service providers (Carman, 1990; Babakus and Boller, 1992). For instance, where one research finding accentuates the importance of tangibility, reliability and empathy as significant determinants of customer satisfaction, another research revealed that responsiveness and assurance are the most important factors instead (Mengi, 2009). Similarly, several studies have generated varying results regarding the significance of the service quality dimensions on customer satisfaction (Kumar et al., 2010; Lai, 2004; Baumann et al., 2007; Ahmed et al., 2010; Jamal and Naser, 2003). In contrast, most of the researchers agree that service quality overall is the antecedent of customer satisfaction. Hence, the first hypothesis is as follows:

H1: There is a positive relationship between service quality and customer satisfaction.

### *2.3. Customer Satisfaction and Brand Switching Intention*

Several authors have linked customer satisfaction and customer loyalty together because of the very close relationship between the two variables and dealt with the two concepts as one in some studies (Santouridis and Trivellas, 2010). Fornell (1992) suggested customer loyalty be measured with the repurchase intention of customers and their tolerance towards price. In support, Jones and Sasser (1995) suggested the following criteria to measure loyalty: repurchase intention, actual repurchase behaviour, willingness to introduce customers and spreading a positive word-of-mouth.

Previous studies showed that satisfaction leads to loyalty (Santouridis and Trivellas, 2010). But loyalty has some conflicting and weak relation with brand switching. Srinivasan (2007) cited in Afsar, et al. (2010) mentioned about two loyal categories – first, loyal customers; second, customers with false loyalty. Loyal customers can be either satisfied or unsatisfied. The satisfaction in this case is not an indispensable prerequisite; means satisfied customers not necessarily always have to be loyal. On the other side, true loyal customers can be unsatisfied but at the same time loyal because of their attachment and commitment with that specific provider. Now, customers having false loyalty may be satisfied customers but will always switch if they find a competitor with better service quality. Furthermore, dissatisfied customers are more likely to search for what satisfies them in services provided by other (Andreson and Sullivan, 1993). There are many such examples where it has been proved that loyal customers switched to other brands (Trivedi and Morgan, 1996; Klein, 2001). Therefore, instead of ‘Loyalty’, in this study ‘Customer satisfaction’ has been used as an intermediary between service quality and brand switching intention (Islam, 2015).

Switching refers to the idea of losing a continuing service customer (Keaveney, 1995). Different researchers have varying viewpoints regarding switching behaviour of customers; where Reichheld and Sasser (1990) refers switching to customer defections, Bucklin and Srinivasan (1991) relates the concept to inter-brand substitutability. Additionally, the term has been further described as the changing of brands (Holland, 1984); or in other words, shift in consumer choices (Morgan and Dev, 1994), i.e. a movement of buyer from one product to another (Carpenter and Lehmann 1985, Kasper 1988). Yi (1990) stated that this could be perceived as the non-repeat purchase behaviour of customers and thus, a curtailing patronage (Kumardeepan, 2012).

Min and Wan (2009) thinks that one of the principle factors of switching brands is customer satisfaction and it is multidimensional (Saleh et al., 2015). It has been observed that the lack of customer satisfaction is making the customer to change the brand all over the world. Therefore, it is of great importance to investigate the relationship between customer satisfaction and brand switching; hence, the second hypothesis as follows:

H2: Customer satisfaction has a significant negative relation with customer’s propensity to switch brands.

### *2.4. Service Quality and Brand Switching Intention*

Customer switching behaviour signifies an active and vigorous process that cultivates over a period of time and results in putting the relationship to halt. The factors that influence switching behaviour include loyalty repressing and loyalty supporting factors.

According to the previous researches a superior service quality has strong relation customer switching behaviour, especially in banking industry (Clemes, et al., 2008; Safakli, 2007). Additionally, Kuo, Wu and Deng (2009) stated that service quality to a great extent determines how a customer appraises a company and influences their willingness to continue their association with that service provider. Consequently, components of service quality are considered as positive drivers for effecting customer’s behaviour to leave a service provider, switch to a new one or remain with the existing one (Saunders and Petzer, 2010).

Yu et al., 2005 says that, customer satisfaction is positively correlated with service quality and for the retention of their customers organizations should improve the customer service quality (Asab, 2014). Likewise, many studies in varied industries have acknowledged a positive relationship between service quality and customer satisfaction and the propensity of repeat purchase (Baker and Crompton, 2000; Lai, 2004).

Research based on the customers who switched banks revealed that the major reason for switching was the poor service. Such a research has also revealed that near three-quarters of the customer talked about banker's courtesy as a prime considerations while choosing bank and thus, increased service quality and professional behaviours are required for superior customer satisfaction and reduced customer erosion (Thakur, 2011). According to Reichheld, 1996 cited in Thakur, 2011, "Even if the customers appear to be satisfied, they may look for other bankers if they believe they might receive better service elsewhere." Hence corresponding to this, the third hypothesis has been developed as:

H3: There is a negative relationship between service quality dimensions and customer's propensity to switch brands.

### 3. Research Methodology

In order to test the hypotheses developed after critically reviewing prior researches, primary data were collected using a structured, close-ended questionnaire. The survey instrument was presented in the form of likert-scale questions with values ranging from "1" (i.e. Strongly Disagree) to "5" (i.e. Strongly Agree). The questionnaire had two parts, where one concentrated on the personal characteristics of the respondents (i.e. age, gender, household income, occupation, education) along with the individual's bank switching status; the other involved questions based on the main components of service quality (i.e. tangibles, reliability, responsiveness, assurance and empathy), customer satisfaction and their brand switching intentions.

Altogether, the latter section of the questionnaire had 31 variables, which were derived from pre-established scales (Ashaduzzaman et al., 2012; Cornelli, 2012); hence, exploratory factor analysis was avoided in this research, as factors were already determined. A total of 327 respondents, who are account holders of a bank, participated in the self-administered survey via Google Forms. The survey therefore, was conducted using convenient sampling and simultaneously, hard copies were also distributed with the assistance of volunteering students randomly. However, from the collected questionnaires, only 209 were considered useful and the rest were taken as waste due to incomplete data and dubious responses. Eventually, in order to investigate the study and test the hypotheses, regression analysis was carried out using SPSS version 24.

### 4. Data Analysis

Table 1: Profile of Respondents and Bank Switching Status

| Variable                         | Category        | Frequency | Percentage | Variable                     | Category      | Frequency | Percentage |
|----------------------------------|-----------------|-----------|------------|------------------------------|---------------|-----------|------------|
| <i>Gender</i>                    | Male            | 134       | 64.1       | <i>Education</i>             | Undergraduate | 85        | 40.7       |
|                                  | Female          | 75        | 35.9       |                              | Graduate      | 70        | 33.5       |
|                                  |                 |           |            |                              | Post-Graduate | 54        | 25.8       |
| <i>Age</i>                       | Under 20        | 4         | 1.9        | <i>Occupation</i>            | Business      | 33        | 15.8       |
|                                  | 20-30           | 132       | 63.2       |                              | Service       | 90        | 43.1       |
|                                  | 31-40           | 34        | 16.3       |                              | Student       | 71        | 34.0       |
|                                  | 41-50           | 31        | 14.8       |                              | Home-maker    | 11        | 5.3        |
|                                  | Above 50        | 8         | 3.8        |                              | Others        | 3         | 1.4        |
| <i>Household Income (in BDT)</i> | Below 20,000    | 3         | 1.4        | <i>No. of banks switched</i> | 1             | 54        | 25.8       |
|                                  | 20,000-30,000   | 16        | 7.7        |                              | 2             | 52        | 24.9       |
|                                  | 31,000-40,000   | 14        | 6.7        |                              | 3             | 27        | 12.9       |
|                                  | 41,000-50,000   | 34        | 16.3       |                              | 4             | 9         | 4.3        |
|                                  | 51,000-1,00,000 | 70        | 33.5       |                              | More than 4   | 2         | 1.0        |
|                                  | Above 1,00,000  | 72        | 34.4       |                              |               |           |            |

Table 2: Descriptive Statistics- Mean and Standard Deviation

| <b>Tangibles</b>  |      |                |     |
|---|------|----------------|-----|
|   | Mean | Std. Deviation | N   |
| The bank has advanced equipments  | 4.10 | .683           | 209 |
| Bank's physical facilities are visually appealing   | 3.86 | .765           |     |
| Bank's employees appear neat  | 3.93 | .753           |     |
| The materials provided by the bank (e.g. pamphlets or statements) are clear to understand and visually appealing  | 4.00 | .806           |     |
| <b>Reliability</b>  |      |                |     |
|   | Mean | Std. Deviation | N   |
| When the bank promises to do something by a certain time, it does so  | 3.84 | .876           | 209 |
| The bank shows sincere interest in solving the problems   | 3.75 | .870           |     |
| Usually the bank performs the service without error in the first attempt  | 3.52 | .951           |     |
| <b>Responsiveness</b>   |      |                |     |
|   | Mean | Std. Deviation | N   |
| Employees of the bank inform you exactly when the service will be performed                                       | 3.72 | .893           | 209 |
| Employees try to provide prompt services without making you wait for too long                                     | 3.44 | 1.009          |     |
| The employees are always eager to help you  | 3.52 | .936           |     |
| The employees are never too busy to respond to your request   | 3.16 | 1.004          |     |
| <b>Assurance</b>  |      |                |     |
|   | Mean | Std. Deviation | N   |
| The behaviour of the employees instills confidence in you   | 3.68 | .789           | 209 |
| You feel safe to conduct transactions with the bank   | 4.22 | .679           |     |
| The employees are consistently courteous with you   | 3.73 | .794           |     |
| The employees have sufficient knowledge to answer your queries  | 3.96 | .857           |     |
| <b>Empathy</b>  |      |                |     |
|   | Mean | Std. Deviation | N   |
| The bank employees give you individual attention  | 3.42 | .987           | 209 |
| The operating hours of the bank are convenient to all   | 3.62 | .902           |     |
| The employees of the bank understand your needs   | 3.41 | .921           |     |
| <b>Customer Satisfaction</b>  |      |                |     |
|   | Mean | Std. Deviation | N   |
| The bank meets all my expectations  | 3.33 | .930           | 209 |
| I am satisfied with the bank's overall service  | 3.73 | .835           |     |
| I want to continue my account operations with this bank   | 3.77 | .852           |     |
| I will recommend this bank to others  | 3.51 | .991           |     |
| If I wish to open one more bank account, I would prefer this bank's service                                       | 3.80 | .919           |     |
| <b>Brand Switching Intention</b>  |      |                |     |
|   | Mean | Std. Deviation | N   |
| I have tried services of other banks before   | 3.44 | 1.239          | 209 |
| I switch to competing banks quite often   | 2.30 | .945           |     |
| My experience of other banks have been better than this one   | 2.47 | .966           |     |
| I am likely to switch to another bank within a span of a year   | 2.37 | .927           |     |
| I am likely to switch to another bank after a year  | 2.57 | .933           |     |
| I will switch to another bank if better service is provided   | 3.77 | .993           |     |
| I will switch to another bank if better product offering (e.g. interest rate, loan schemes) is given              | 3.74 | .995           |     |
| I will switch to another bank if the service quality of that bank is poor, but its product offering is attractive | 2.24 | .951           |     |

As mentioned earlier, the questionnaire was constructed of 5 main factors, comprising of 31 variables. Table 2 represents the mean and the standard deviation values of these variables. The mean values range from 3.16 to 4.22 for the variables composed under the service quality factors, which denotes that inclination is more towards the scale of ‘Neutral’ to ‘Strongly Agree’. The standard deviation for the same constructs is between 0.679 and 1.009. In contrast, the mean values for the rest of the factors, namely customer satisfaction and brand switching intention range from 2.24 to 3.80, and the standard deviation values are between: 0.995 to 1.239.

Table 3: Reliability of Scale

| Variables                 | No. of Items | Cronbach’s Alpha |
|---------------------------|--------------|------------------|
| Tangibles                 | 4            | 0.671            |
| Reliability               | 3            | 0.662            |
| Responsiveness            | 4            | 0.789            |
| Assurance                 | 4            | 0.555            |
| Empathy                   | 3            | 0.674            |
| Customer Satisfaction     | 5            | 0.860            |
| Brand Switching Intention | 8            | 0.772            |

The reliability test is conducted to confirm the internal consistency of the measures. According to Charlotte et al. (2004), generally a Chronbach’s Alpha score above 0.05 is acceptable; however, the higher the score, the greater it represents reliability of data. Hence, as per the findings of this study, the values of all the components are within the acceptable range. This signifies that all the items are valid and reliable for research.

Table 4: Regression Analysis for hypothesis 1

| Regression Model 1                           |                  |        |      |
|--|------------------|--------|------|
|  | Beta ( $\beta$ ) | t      | Sig. |
| (Constant)                                   |                  | -1.983 | .000 |
| Tangibles                                    | .116             | 1.977  | .001 |
| Reliability                                  | .191             | 3.088  | .002 |
| Responsiveness                               | .062             | .963   | .337 |
| Assurance                                    | .289             | 4.548  | .000 |
| Empathy                                      | .305             | 5.112  | .000 |
| R Square ( $R^2$ )                           | .568             |        |      |
| Adjusted $R^2$                               | .557             |        |      |
| F value                                      | 53.32            |        |      |
| a. Dependent Variable: Customer Satisfaction |                  |        |      |

As a requirement to test the hypotheses and to examine the study more comprehensively, regression analysis was carried out. Regression Model 1 (shown in Table 4), which specifically aims to prove hypothesis 1, clearly indicates that there is a positive relationship between all the service quality dimensions (i.e. independent variables) and customer satisfaction (i.e. dependent variable). However, only the “responsiveness” element of service quality ( $\beta=0.062$ ,  $p=0.337$ ) is not significant enough to be accepted, as the acceptable level is  $p<0.05$ . Moreover, the overall strength of association between the service quality dimensions and customer satisfaction is moderately significant as depicted by the R-square value of 0.568 or 56.8%. This implies 56.8% variation in customer satisfaction is explained by the five components of service quality dimensions: tangibles, reliability, responsiveness, assurance and empathy. Similarly, the F-value being 53.3 means observable data is moderately compatible with the hypothesis and thus, there is a moderately significant relationship between the dependent and independent variable.

Table 5: Regression Analysis for hypothesis 2

| Regression Model 2                               |                  |         |      |
|--|------------------|---------|------|
|  | Beta ( $\beta$ ) | t       | Sig. |
| (Constant)                                       |                  | 26.084  | .000 |
| Customer Satisfaction                            | -.582            | -10.302 | .000 |
| R Square ( $R^2$ )                               | .339             |         |      |
| Adjusted $R^2$                                   | .336             |         |      |
| F value  | 106.14           |         |      |
| a. Dependent Variable: Brand Switching Intention |                  |         |      |

In Regression Model 2 (Table 5), when testing the impact of customer satisfaction (i.e. independent variable) on brand switching intention (i.e. dependent variable) of bank customers, the regression analysis indicates a negative association between the variables. This is represented by a negative  $\beta = -.582$  with a significance level of  $p = 0.00$ . This denotes increase in customer satisfaction decreases brand-switching intention of bank customers. Moreover, the R-square value implies that 33.9% of the variation in brand-switching intention is explained by customer satisfaction. However, with the F-value being over 100 is a clear indication of strong association between the variables.

Table 6: Regression Analysis for hypothesis 3

| Regression Model 3                               |                  |        |      |
|--|------------------|--------|------|
|  | Beta ( $\beta$ ) | t      | Sig. |
| (Constant)                                       |                  | 14.814 | .000 |
| Tangibles  | -.101            | -1.272 | .001 |
| Reliability                                      | -.174            | -2.081 | .003 |
| Responsiveness                                   | -.011            | -.128  | .298 |
| Assurance  | -.082            | -.959  | .000 |
| Empathy  | -.223            | -2.771 | .000 |
| R Square ( $R^2$ )                               | .211             |        |      |
| Adjusted $R^2$                                   | .192             |        |      |
| F value  | 10.883           |        |      |
| a. Dependent Variable: Brand Switching Intention |                  |        |      |

In line with the last hypothesis, Regression model 3 (Table 6) indicates that there is a negative relationship between the service quality dimensions (i.e. independent variable) and brand switching intention (i.e. dependent variable). On the other hand, the R-square value of 21.1% and F-value of 10.883 reflect a weaker association between the variables. Similar to Regression Model 1, all the variables have an acceptable significance level except for the “responsiveness” element, which has a p value greater than the acceptable range ( $\beta = -.011$ ,  $p = 0.298$ ). Hence, with the advancement of service quality dimensions (excluding responsiveness), the brand switching intention of bank customers decreases.

## 5. Conclusion and Further Scopes of Research

The paper has attempted to examine the effect of service quality dimensions on determining the propensity of customers to switch to other banks. Through the analysis of the collected data from customers of various banks, it is evident in the findings that there is a significant positive relationship between service quality and customer satisfaction, meaning enhanced quality of service provided to customers eventually results in increased satisfaction. Similarly, further regression analysis has revealed that customer satisfaction, which is considered as

a mediating factor between service quality and switching intention has a negative association with the latter. This implies, with greater level of satisfaction, customers will be less inclined towards other service providers. In line with the main objective, the results ultimately prove that there is a negative relationship between service quality and customers' tendency to switch, suggesting that when service quality improves, customers have lesser inclination to move to another brand.

Contrariwise, the "responsiveness" element of service quality, which entails the employees' willingness to help the customers and provide them with prompt services, although, shows a negative association with brand switching intention and a positive one with customer satisfaction, the relationship is quite insignificant. Therefore, it can be concluded that all the hypotheses developed in this study proves right, but customers' satisfaction level or their decision to switch is not significantly influenced by employees' responsiveness towards them, unlike other factors like tangibles, reliability, assurance and empathy.

The study has limitations, which can be taken into consideration if further research is carried out on the same or similar subject area. For instance, a more diverse range of respondents from all over the country could help enrich the data. More items could be added to the survey instrument to get new insight on the pre-established factors. On the other hand, additional items could further enable the development of new factors as well, followed by a factor analysis to refine the groupings. A mixed method could be carried out using qualitative analysis to generate customers' in-depth opinions on the extent to which service quality dimensions influence their switching attitude and behaviour in reality. As this research does not distinguish between the types of service providers, a comparative analysis could be done to explore the same subject in context of private and public banks. Hence, there is immense scope of research because if the banking industry of Bangladesh is required to continue to prosper, the aspects of service quality need to be further explored for retaining customers and improving their overall organizational performance.

## References

- Abel S. (2018) Role of bank in the economy. *The Herald*. [Online] Available from: <https://www.herald.co.zw/role-of-banks-in-the-economy/> [Accessed: 28<sup>th</sup> July 2018]
- Afsar, et al. (2010) Determinants of customer loyalty in the banking sector: The case of Pakistan. *African Journal of Business Management*, 4(6), 1040-1047.
- Ahmed, I., Nawaz, M., Usman, A., Shaukat, M., Ahmad, N., and Iqbal, H. (2010) Impact of Service Quality on Customers' Satisfaction: Empirical evidence from telecom sector of Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 1(12), 98-113.
- Anderson, E. W. and Sullivan, M. W. (1993) The Antecedents and Consequences of Customer Satisfaction, *Marketing Science*, 12, 125-143.
- Anderson, E. W., and Mittal, V. (2000) Strengthening the satisfaction – profit chain. *Journal of Service Research*, 3(2), 107 -120.
- Anderson, E. W., Fornell, C., and Lehmann, D. R. (1994) Customer Satisfaction, Market Share, and Profitability: Findings From Sweden. *Journal of Marketing*, 58, 53-66.
- Asab, M. Z (2014) Which factors influence the customer switching behaviour. *European Journal of Business and Management*, 6(11), 131-142.
- Ashaduzzaman, K. and Farhana, (2012) User Satisfaction Review of Private Commercial Banks in Bangladesh. *South Asian Journal of Commerce and Management*. 3(2), 78-85.
- Ashaduzzaman, M., Khan, M. and Farhana, S. (2012) User Satisfaction Review of Private Commercial Banks in Bangladesh. *South Asian Journal of Commerce and Management*.3(2), 1-16.
- Athiyaman, A. (1997) Linking students' satisfaction and service quality perceptions: The case of university education. *European Journal of Marketing*, 31(7/8), 528–540.
- Auh, S. and Johnson, M. D. (2005) Compatibility effects in evaluations of satisfaction and loyalty. *Journal of Economic Psychology*, 26, 35–37.
- Babakus, E., and Boller, G. (1992) An Empirical Assessment of the SERVQUAL Scale. *Journal of Business Research*, 24(3), 253-270.
- Baker, D. A., and Crompton, J. L. (2000) Quality, satisfaction, and behavioural intentions. *Annals of Tourism Research*, 27(3), 785–804.
- Baker, D. and Crompton, J. (2000) Quality, Satisfaction and Behavioral Intentions. *Annals of Tourism Research*, 27(3), 785-804.
- Baker, J., Parasuraman, A., Grewal, D. and Voss, G. B. (2002) The influence of multiple store environment cues on perceived merchandise value and patronage intentions. *Journal of Marketing*. 66, 120-141.

- Baumann, C., Burton, S., Elliott, G., and Kehr, H. (2007) Prediction of attitude and behavioural intentions in retail banking. *The International Journal of Bank Marketing*, 25(2), 102-116.
- Bucklin, R. E., Srinivasan, V. (1991) Determining Inter-brand Sustainability through survey measurement of consumer preference structures. *Journal of Marketing Research*. 28(2), 58-71
- Carman, J. (1990) Consumer perceptions of Service Quality: an assessment of the SERVQUAL dimensions. *Journal of Retailing*, 66(1), 33-42.
- Carpenter, G. S., and Donald R. L. (1985) A Model of marketing Mix, brand switching, and competition. *Journal of marketing research*. 22, 318-329.
- Caruana, A., Money, A. H. and Berthon, P.R. (2000) Service quality and satisfaction: the moderating role of value. *European Journal of Marketing*, 34(11/12), 1338-1352.
- Charlotte, P. R. H., Isabella, B., McMurray, and Cozens, B. (2004) *SPSS Explained*. Routledge: London.
- Clemen, M. D., Gan, C. E. C. and Kao, T. H. (2008) University student satisfaction: an empirical analysis, *Journal of Marketing for Higher Education*, 17(2), 292-325.
- Cornelli, B. (2012) Applying the Servqual method in Banks. *Annals of Faculty of Economics, University of Oradea*, 1(2), 895-900.
- Cronin, J. J., and Taylor, S. A. (1992) Measuring service quality: a re-examination and extension. *Journal of Marketing*, 56(3), 55-68.
- Ehigie, B. O. (2006) Correlates of customer loyalty to their bank: a case study in Nigeria. *International Journal of Bank Marketing*, 24(7), 494-508.
- Fornell, C. (1992) A National Customer Satisfaction Barometer: The Swedish Experience. *Journal of Marketing*, 55, 1-22.
- Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J. and Bryant, B. E. (1996) The American customer satisfaction index: nature, purpose, and findings. *Journal of Marketing*, 60(4), 7-18.
- Grönroos, C. (1984) A service quality model and its marketing implications. *European Journal of Marketing*, 18(4), 37-44.
- Henning-Thurau, T. and Thurau, C. (2003) Customer orientation of service employees towards a conceptual framework of key relationship marketing construct. *Journal of Relationship Marketing*, 12(1), 1-32.
- IMF (2007) *Bangladesh: Selected Issues*. [Online] Available: <http://www.imf.org/external/pubs/ft/scr/2007/cr07230.pdf> [Accessed 28th July, 2018].
- Islam M. A. (2013) Customer satisfaction and customer loyalty through service quality evaluated under SERVQUAL model- a study on banking industries of Bangladesh. *Science Journal of Business and Management*. 1(4), 88-97.
- Islam, A., Hossain, F., and Islam, R. and Siddiqui, M. H. (2013) Customer Satisfaction and Customer Loyalty through service quality evaluated under SERVQUAL model- a study on banking industries of Bangladesh. *Science Journal of Business and Management*. [Online] 1(4), 88-97. Available from: doi: 10.11648/j.sjbm.20130104.15 [Accessed 28<sup>th</sup> July 2018].
- Islam, M. S. (2015) Impact of service quality on customer loyalty: a case study of commercial banks in Dhaka, Bangladesh. *International Journal of Business Management and Social Research*. 1(2), 51-60.
- Jamal, A., and Naser, K. (2003) Factors influencing customer satisfaction in the retail banking sector in Pakistan. *International Journal of Commerce and Management*, 13(2), 29.
- Jamal, E O. (2018) Banking sector and its impact on our economy. *The Daily Star*. [Online] Available from: <https://www.thedailystar.net/supplements/building-modern-economy/banking-sector-and-its-impact-on-bangladesh-economy-1536568> [Accessed 28th July 2018].
- Jones, T. O., and Sasser, W. E. (1995) Why satisfied customers defect. *Harvard Business Review*, 73(6), 88-101.
- Kasper, H. (1988) On Problem perception, Dissatisfaction and brand loyalty. *Journal of economic Psychology*, 9(1), 387-397
- Keaveney, S. (1995) Customer Switching Behavior In Service Industries: An Exploratory Study. *Journal of Marketing*, 59(2), 71-83.
- Klein, N. (2001) *No Logo*. Flamingo, London.
- Kothari, R., Sharma, A., and Rathore, J. (2011) Service quality in cellular mobile services: An empirical study of cellular mobile users. *Vidwat*, 4(1), 11-20.
- Kotler, P. (2003) *Marketing Management*, 11<sup>th</sup> edition, Prentice Hall: USA.
- Kumar, S. A., Mani, B. T., Mahalingam, S., and Vanjikovan, M. (2010) Influence of Service Quality on Attitudinal Loyalty in Private Retail Banking: an empirical study. *IUP Journal of Management Research*, 9(4), 21-38.

- Kumardeepan (2012) The impact of service quality on customer switching in telecom industry, Jaffan, Srilanka. *ZENITH International Journal of Business Economics & Management Research*, 2(5), 2249-2266.
- Kuo, Y. F., Wu, C. M., and Deng, W. J. (2009) The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value added services. *Computers in Human Behaviour*, 25 (4), 887–896.
- Lai, T. L. (2004) Service Quality and Perceived Value's Impact on Satisfaction, Intention and Usage of Short Message Service (SMS). *Information Systems Frontiers: Special Issue: Industrial Information Systems Frontiers*, 6(4), 353-368.
- Lai, T. L. (2004) Service quality and perceived values impact on satisfaction intention and usage of Short Message Service (SMS). *International Systems Frontiers*, 6(4), 353–368.
- Lee, H. S., PhD. (2010) Factors influencing customer loyalty of mobile phone service: Empirical evidence from Koreans. *Journal of Internet Banking and Commerce*, 15(2), 1- 14.
- Levesque, T. and McDougall, G. H. (1996) Determinants of Customer Satisfaction in Retail Banking. *International Journal of Bank Marketing*, 14, 12-20.
- Lewis, B. R., Orledge, J. and Mitchell, V.W. (1994) Service quality: Student's assessment of banks and building societies. *International Journal of Bank Marketing*, 12(4), 3-12.
- Lewis, R. C. and Booms, B. H. (1983) The marketing aspects of service quality. *International Journal of Quality & Reliability Management*, 12(9), 139-153.
- Mengi, P. (2009) Customer Satisfaction with Service Quality: an empirical study of Public and Private Sector Banks. *IUP Journal of Management Research*, 8(9), 7-17.
- Min, D., and Wan, L., (2009) Switching factors of mobile customers in Korea. *Journal of Service Science*, 1(1), 105-120.
- Morgan, M. S., and Chekitan, S. Dev (1994) An Empirical Study of brand switching for a retail service. *Journal of Retailing*. 70(3), 267-282
- Oh, H. (1999), Service quality, customer satisfaction, and customer value: A holistic perspective. *International Journal of Hospitality Management*, 18(1), 67-82.
- Oliver, I. (1993) A conceptual model of service quality and service satisfaction: compatible goals, different concepts. *Advances in Services Marketing and Management*, 2, 65-85.
- Parasuraman, A., Zeithaml, V. A., Berry, L. L. (1988) SERVQUAL: A multiple item scale for measuring consumer perception of service quality. *Journal of Retailing*, 64(1), 12–37.
- Parasuraman, A., Zeithaml, V., Berry, L. L. (1985) A conceptual model of service quality and its implication for future research. *Journal of Marketing*, 49, 49–63.
- Parasuraman, A., Zeithaml, V. A. and Malhotra, A. (2005) E-S-QUAL: a multiple-item scale for measuring the electronic service quality. *Journal of Service Research*, 7(3), 213-233.
- Petrick, J. F. and Backman, S. J. (2002) An examination of the construct of perceived value for the prediction of golf travellers; Intentions to revisit. *Journal of Travel Research*, 41(7), 38-45.
- Rahim, A. G. (2016) Perceived Service Quality and Customer Loyalty: The Mediating Effect of Passenger Satisfaction in the Nigerian Airline Industry. *International Journal of Management and Economics*. 52, 94–117.
- Reichheld, F., and Sasser, W. (1990), Zero defections: Quality comes to services. *Harvard Business Review*. [Online] Available from: <https://hbr.org/1990/09/zero-defections-quality-comes-to-services> [Accessed 28th July 2018].
- Salazar, A. C. and Paulo, R. (2004) Relationship between service quality, customer satisfaction and behavioural intentions: A study on the hospitality sector. *Proceedings of the 33rd EMAC (European Marketing Association Conference)*, May, 2004 Morcia, Spain.
- Saleh, A. H., Althonayan, A., Alhabib, A., Alrasheedi, E. and Alqahtani, G. (2015) Customer Satisfaction and Brand Switching Intention: A study of mobile services in Saudi Arabia. *Expert Journal of Marketing*, 3(2), 62-72.
- Santouridis, I., and Trivellas, P. (2010) Investigating the impact of service quality and customer satisfaction on customer loyalty in mobile telephony in Greece. *The TQM Journal*, 22(3), 330-343.
- Saunders, S. G., and Petzer, D. J. (2010). The interrelationship between service quality, satisfaction and behavioural intention by customer stage in the service delivery process. *Management Dynamics*, 19(1), 25-34.
- Siddiqi, K. O. (2011) Interrelations between Service Quality Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh. *International Journal of Business and Management*. 6(3), 12-36.
- Srinivasan, S. S., Anderson, R., and Ponnayolu, K. (2007) Customer loyalty in e-commerce: an exploration of its antecedents and consequences. *Journal of Retailing*, 78(1), 41-50. Cited in: Afsar, et al. (2010) Determinants of

customer loyalty in the banking sector: The case of Pakistan. *African Journal of Business Management*, 4 (6), 1040-1047.

- Thakur, S. (2011) Service quality, customer satisfaction and customer loyalty: a study with special reference to Indian banking industries. *The Journal of Sri Krishna Research & Educational Consortium*, 1(5), 83-93.
- Trivedi, M. and Morgan, M.S. (1996) Brand-specific heterogeneity and market-level brand switching. *Journal of Product & Brand Management*, 5(1), 29-39.
- Wang, I. M., Chich-Jen, S. (2006) The relationship between service quality and customer satisfaction: The example of CJCUC Library. *Journal of Information and Optimization Services*, 27 (1), 193–229.
- Wong, D. H., Rexha, N. and Phau, I. (2008) Re-examining traditional service quality in an e-Banking era. *International Journal of Bank Marketing*, 26(7), 526 – 45.
- Yi, Y. (1990) A critical review of consumer satisfaction, in Zeithaml, V. (Eds), *Review of Marketing*, American Marketing Association, Chicago, IL, 68-123.
- Zikiene, K. and Pilelien, L. (2016) Research of Factors Influencing Customer Switching Behaviour in Farmers' Markets in Lithuania. *Research for Rural Development*, 2, 150-157.