THE INFLUENCE OF SERVICE QUALITY, CORPORATE IMAGE, TRUST AND SATISFACTION ON CUSTOMER LOYALTY: EVIDENCE FROM BANKING INDUSTRY IN LIBYA

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ABSTRACT

The study aims to explore the influence of service quality, corporate image and trust on loyalty with the mediating effect of satisfaction. In this regard, a theoretical model from various studies was conceptualized. Using a survey, a valid sample of 375 bank customers from 500 was drawn through random sampling from banks that are located in the Misurata city of Libya due to the warring and unrest in other locations. The findings of this study reveal that service quality, corporate image and trust influence customer loyalty. Importantly, some insights can be drawn from the findings of this study by practicing bankers and policy makers. The findings showed that bank policy makers should therefore ensure that appropriate policies are put in place that will ensure that the customers do not switch to competitors through clear and written policy that will guide the activities of their banks.

Keywords: Service Quality, Corporate image, Trust, Satisfaction and Customer loyalty
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CHAPTER 1
INTRODUCTION

1.0 Introduction

This chapter discusses the background of the study. After this, it discusses the overview of the banking industry in Libya and problem statement that calls for this research. Research questions, objectives, significance, and scope of the study were discussed after. Finally, the chapter discusses key terms, and organization of the entire thesis.

1.1 Background of the Study

Customer loyalty has become a critical concept in today business competitive environment and banking sector being one of the keen contenders is not exempted. Today, Commercial banks have seriously engaged in different activities through which customer loyalty is being promoted (Bahia & Nantel, 2000; Jamal & Naser, 2002). However, recent academic scholars in bank marketing (e.g. Day, 2000; Gilbert & Choi, 2003; Hennig-Thurau, Gwinner & Gremier, 2002) have advanced relationship marketing (RM) as a better tool to keep the customer loyal. In this respect, many business organizations have initiated different Relationship Marketing programs with the aim of fostering loyalty (Schiffman & Kanuk, 2004).

Customer loyalty is considered as the foundation of competitive advantage and has a strong influence on a company’s performance (Rust et al., 2000). Zeithaml et al. (1996) defines customer loyalty as the willingness to stay with current service provider. Loyalty is a purchaser’s commitment with service, product, or brand (Oliver, 1999).
The contents of the thesis is for internal user only
References


