A Relational Study on Satisfaction, Loyalty,Switching Cost &Word of Mouth: A Study of Islamic Bank in Bangladesh

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Abstract

The study was undertaken to investigate the relationship between customer loyalty vis-à-vis word of mouth and customer satisfaction. Data for the study were collected both from secondary and primary sources.For primary data collection, total sample strength of the study was 80 and systematic sampling technique was used for the purpose..The SPSS version 21 software was employed for data analysis. The result shows the correlation among switching cost, customer satisfaction (employee competence, reliability, product innovation, pricing, physical evidence, convenience), word of mouth and customer loyalty. *Through two step wise regression, the study find out employee competence, pricing, physical evidence and convenience fail to enter into the regression equation, which indicates that it was not significantly related with customer loyalty. employee competence, reliability, product innovation, pricing, physical evidence and convenience failed to enter into the regression equation, which indicates it was not that significantly related with word of mouth..From the study discussion product innovation, product reliability and switching cost were an important factor to gain customer satisfaction . So product innovation is important so the bank should continue this stage to gain overall good position in satisfactory level at the banking sector. Product reliability result is not significant so the bank management should modifie their management system to improve reliability for which customer loyalty can be possible to increase in the bank. Another aspect is switching cost the result of which was not so encouraging . Now customers are switching their account from this bank and the bank management should take decision so that switching over of accounts from the bank can be improved. If the bank management wants zero percent switching cost to their bank, they would improve reliability product*

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1.1 Statement of the problem

By providing better client services specially of banks which can create a positive image to the customer's mind. In the mean time, banking sector has introduced some modern banking schemes that has got high market demand. and the banking sector has got lot of competitiors . as well as bank account holders now have many alternatives to choose according to their need. To maintain the top position in the market, Banks have to analyze the factors that influence customer loyalty and word of mouth. The present study will throw lights on this issue

1.3 Objectives of the Study

The objective of the study was to analyse the relationship between switching cost and customer satisfaction (including all dimensions) with word of mouth and customer loyalty in FSIBL .

In specific tern, the objectives of the srudy are as follows:

To give an overview of First Security Islami Bank ltd.

To analyse the relationship among the variables

To suggest policy implications arising out of the study

2.0 Review of Related Literature:

2.1 Definition of Customer Satisfaction

Customer satisfaction is one of the core objectives of the Banksof Bangladesh. Taking decision to provide better facility to the customers is not easy in this fast changing environment especially in Bangladesh. So, before making a decision the every necessary information is carefully scrutinized by different departments and different people who have gained expertise in their related field. Thus, it helps both in making correct decision and smoothen the process to satisfy the customer need quickly. Customer Service is the set of behavior that a business man undertakes during its interaction with its customers. It can also refer to a specific person or desk which is set up to provide general assistance to customers. Gaining high levels of customer satisfaction is very important to a business because satisfaction customers are most likely to be loyal and to make repeat orders and to use a wide range of services offered by a business. Customer satisfaction is equivalent to making sure that product and service performance meets customer expectations. Customer satisfaction is the perception of the customer that the outcome of a business transaction is equal to or greater than his/her expectation. Customer satisfaction occurs when acquisition of products and/or services provides a minimum negative departure from expectations when compared with other acquisitions.In the era of the globalization, management of the companies is more concerned about Customer Satisfaction, which leads to profitability. Satisfied customers are central to optimal performance and financial returns. In many places in the world, business organizations have been elevating the role of the customer to that of a key stakeholder over the past twenty years. Customers are viewed as a group whose satisfaction with the enterprise must be incorporated in strategic planning efforts. Forward-looking companies are finding value in directly measuring and tracking customer satisfaction (CS) as an important strategic success indicator. Evidence is mounting that placing a high priority on CS is critical to improved organizational performance in a global marketplace.Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company.It is commonly known that customer satisfaction is related to customer loyalty, which in turn is related to profitability (Storbacka et al, 1994).

Customer satisfaction addresses the customers' overall feeling towards an organization. which included service quality, product quality.,etc .Customer satisfaction is a term used frequently in marketing. It is often seen as a key performance indicator within business. Cadotte and Turgeon (1996) defined satisfaction as an emotional post-consumption response that may occur as the result of comparing expected and actual performance (disconfirmation), or it can be an outcome that occurs without comparing expectations. It is however important to determine the satisfaction level of customers. Quality in service can be determined by the extent to which customer need and exception can be satisfied (Banerjee 2012).

Customer satisfaction is becoming an increasingly important topic in many firms and in academic research. According to Law, Hui, and Zhao (2004), since the customer's interaction with the service provider and the service-producing process have a significant impact on the customer's perception of service quality and subsequently influence customers' satisfaction. . The physical element of customer satisfaction is product related elements, which are, in fact, not considered as a source of competitive advantage for telecommunication providers, since the service providers are in a position to imitate their competitors' products (Ganesan, 1994).In the above definition the researchers tried to express the customer satisfaction which is now a days an important issue in many companies where they try to provide many better service by their own techniques . Bitner and Hubert (1994) used four items to measure the customers' overall satisfaction with the service provider. The writer explains the concept of satisfaction, i.e. the customers' satisfaction with a discrete service encounter.

Halstead *et al.*(1994) regard satisfaction as an effective response, focused on product performance compared with other product durability.

2.2 Customer loyalty

Customers make decisions about where to spend their time,money and effort. Every day it makes differentiate then competitors.

There are different types of customer loyalty. Loyalty refers to a positive attitude towards a brand in addition to purchasing repeatedly (Day, 1969); a relationship between relative attitude towards an entity and repeat purchase behavior (Dick and Basu 1994); a situation when repeat purchase behavior is accompanied by psychological bond (Jarvis and Wilcox, 1977); and repeat purchase intention and behaviors. In the above definitions, customer loyalty has been generally described as occurring when customers:

Frequently purchase a good or service overtime; and

Take favorable attitudes towards good or service, or towards the company supplying the good or service.

Customer loyalty is purchase behavior like customer satisfaction. Customer loyalty, (Pritchard and Howard, 1997), is concerned with the likelihood of a customer returning, making business referrals, providing strong word-of-mouth, as well as providing references and publicity (Bowen and Shoemaker, 1998)

.Loyal customer increases the customer percentage, Loyal customers are less likely to switch to a competitor due to a given price inducement, and these customers make more purchases compare to less loyal customers (Baldinger and Rubinson, 1996). Although most research on loyalty has focused on frequently purchased packaged goods (brand loyalty), the loyalty concept is also important for industrial goods (vendor loyally), services (service loyalty), and retail establishments (store loyalty) (Dick and Basu, 1994). Accordingly, customer loyalty constitutes an underlying objective for strategic marketing and management planning (Kotler ,1984) and represents an important basis for developing a sustainable competitive advantage (Kotler and Singh, 1981). Many authors have suggested that loyalty is a relational construct (Jacoby and Kyner, 1973; Sheth and Parvatiyar, 1995). However, Dick and Basu (1994) argued that much of the existing research on customer loyalty has focused on measurement and segmentation issues, and that more emphasis should be placed on integrating loyalty into the longer body of marketing theory. The authors developed a framework for customer loyalty that combines both attitudinal and behavioral measures. The authors proposed that loyalty is determined by a combination of repeat purchase levels. (Repeat patronage behavior) and relative attitude (level of attachment). Relative attitude, which refers to "a favorable attitude that is high compared to potential alternatives", is determined by attitude strength and attitudinal differentiation. (Dick and Basu, 1994). The combination of the strength of individuals' repeat patronage behavior and relative attitude leads to four specific conditions of loyalty.

2.2.1 Two levels of customer loyalty

Researchers have shown that there are important conceptual differences between person to person (i.e. sales person loyalty) and person-to-firm (i.e. store loyalty). Indeed Beatty *et. al*. 1996 found that a customer's primary loyalty was to the sales associate, which passively influences a customer's loyalty to the store. In yet another study conducted, it was found that positive feelings towards the contact employee often carry relationship between sales person loyalty and store loyalty has been demonstrated, and the former is an antecedent to the latter (Macintosh and Lockshin, 1997). Hence, following the research findings put forth by Macintosh (1997), when a customer is highly to his/her sales person, he/she will also be highly loyal to the company and employees that sales person. This view is re-enforced by a study which found out that positive feelings about the sales person do translate into positive feelings about the company (Reynolds & Beatty, 1999), as a customer's loyalty to the company will be manifested through his or her loyalty to the contact employee.

2.3 Switching cost

Switching costs are the negative costs that a customer incurs as a result of changing suppliers, brands or product .Although most prevalent switching costs are monetary in nature, there also psychological, effort and time based switching costs.According to Porter (1998), switching cost is the cost involved in changing from one service provider to another. In addition to measurable monetary costs, switching costs also include time and psychological effort involved in facing the uncertainty of dealing with a new service provider (Dick and Basu, 1994; Guiltinan, 1989). According to Jackson (1985), it is the sum of economic, psychological cost, and physical costs. It includes the psychological cost of becoming a customer of a new firm, and the time effort involved in buying new brand

(Klemperer, 1995; Kim et al., 2003). Hence, switching cost varies from customer to customer (Shy, 2002). Psychological cost is a perceived cost stemming from social bonds that form in the course of time and the uncertainty and risk associated with switching to an unfamiliar brand (Patterson and Sharma, 2000; Sharma, 2003). Thus the switching cost can vary from customer to customer. The definition provided by Porter (1998) will be considered as switching cost in this study. Switching costs, which can be defined as the technical, financial or psychological factors which make it difficult or expensive for a customer to change brand (Selnes, 1993). According to AletiVilagine´s (1994), the switching costs can be broken down as follows:

The customer's personal costs, reference to tradition and the client's habits, to effort in terms of the time and commitment needed to evaluate new alternatives, to the economic advantages associated with loyalty, to the social and psychological risks stemming from making a wrong choice, and to the established contracts with the supplier company; and Costs associated with the product, such as the costs of redesigning the process of production or consumption, investment in related equipment, and contractual costs.

2.4 Definition of word of mouth

Oral or written recommendation by a satisfied customer to the prospective customer of a good or better service,consider to be the most effective form of promotion, Advertising is paid and non personal communicationRepeatedly, research has shown the importance of consumer word of mouth (WOM) in formation of attitudes (Bone, 1995), in a purchase decision-making context (BansalandVoyer, 2000) and in the reduction of risk associated with buying decisions (Murray, 1991). Scholars agree that WOM is especially critical for the success of service providers (Berry and Parasuraman, 1991). Word of mouth is referred to as product-related conversation, personal recommendations, informal communication, and interpersonal communication. Higie, Feick, and Price, 1987 instate two distinctions between word of mouth activities and commercial mass communication. First, the word of mouth communicator is in direct, face-to-face contact with the receiver while mass communication relies on different types of media to transmit information. Second, as word of mouth is a consumer-dominated channel of information, the communicator is thought to be independent of the marketer Mersha, and Adlaka, 1992. As a result, it is perceived as a more reliable, credible, and trustworthy source of information. All of above information provide that word of mouth means where customer provide promotion among the other customer, it can be occur face to face, they also take information from friend and relative.Word-of-mouth communication is defined by Kurtz, and Clow (1991) as the extent to which a customer informs friends, relatives and colleagues about an event that has created a certain level of satisfaction. Anderson (1986) defines Word-of-mouth communications as informal, person-to person communication between a perceived noncommercial communicator and a receiver regarding a brand, a product, an organization, or a service. Henthorne, and Henthorne *(1994), w*hile dealing with Telecommunication industry, explained that administrators can typically recount examples of customers' outcomes that result in favorable or unfavorable word of mouth. If the outcomes of the customer are positive, word of mouth will be favorable. But, if the outcomes are negative, word of mouth will be unfavorable. Even though the telecommunication provider may have quality service for his customers, the word of mouth generated from the customers can be extremely significant for the provider's image. The response of management will often dictate the duration of consumer reaction. Again, Managers have long acknowledged that positive word of mouth is good for business, often marketing considerable portions of the marketing budget for image-enhancement or public relations campaigns. Within the telecommunication industry, substantial numbers of consumers choose a particular provider on the basis of a positive word of mouth recommendation by a friend or family member (Reidenbach, and Sherrel, 1986).

2.5 Relationship between switching cost and customer loyalty

It has been suggested that the degree of switching costs may have an influence on customer loyalty in a given industry (Anderson and Fornell, 1994; Dick and Basu, 1994; Fornell, 1992; Gremler and Brown, 1996). Andreasen (1982; 1985) found empirical support for the effect of high switching costs on customer loyalty in relation to medical services. In addition to customer uncertainty and structure of the market, the level of competition and loyalty programmers (e.g. membership programmers, customer clubs, seasonal tickets in theatres and opera houses) may increase the perceived and actual cost of switching (Gruen and Fergusson, 1994; Gummesson, 1995). In other words, in the presence of switching cost, customers who might be expected to select from a number of functionally identical brands display brand loyalty (Klemperer, 1987).In conclusion, it appears that there is a positive relationship between the level of switching costs and customer loyalty in services.When the costs of switching brand are high for the customer, there is a greater probability that the customer will remain loyal in terms of repeat purchase behavior, because of the risk or expense involved in switching and because of the accompanying decrease in the appeal of other alternatives (Wernerfelt, 1991; Selnes, 1993; Klemperer, 1995; Ruyter et al., 1996; Anto´nMartı´n et al., 1998). However, if loyalty is defined as true loyalty, the relationship between this construct and the switching costs is not so simple. For example, it might easily be that the customer repurchases, but due to his dissatisfaction, he does not recommend the product or service to others. Moreover, the effect of switching costs on loyalty varies with the type of industry, the category of the product and the characteristics of the customer (Fornell, 1992). In the banking industry, Sheth and Parvatiyar (1995) found some factors that may inhibit customer exit in retail banking; for instance, the length of their relationships with the bank; the fact that they knew, and were known by, the branch staff; and the perception that closing/transferring accounts was difficult. These factors, whether real or perceived, act as exit barriers.

2.6 Relationship between customer satisfaction and customer loyalty

There has been a growing interest in recent years in analyzing the factors influencing customer loyalty. As a result, there are numerous works in marketing which have attempted to explain the relationships between customer loyalty and the various variables regarded as antecedents, the most significant of which are customer satisfaction, and, to a lesser degree, switching costs (Bearden and Teel, 1983; LaBarbera and Mazursky, 1983; Kasper, 1988; Bloemer and Lemmink, 1992; Cronin and Taylor, 1992; Fornell, 1992; Oliva*et al*., 1992; Anderson and Sullivan, 1993; Bloemer and Kasper, 1993, 1995; Boulding*et al.,* 1993; Berne´, 1997; Oliver, 1999) Wernerfelt (1991), Selnes (1993) and Klemperer (1995) consider that customer loyalty increases considerably when switching costs and customer satisfaction converge, although a competitor will find it more difficult to capture a customer of a rival brand when the customer's loyalty is based on satisfaction than when it is based on switching costs. Customer satisfaction together with barriers or the switching costs are the key factors affecting loyalty (Asuncio´nBeerli, 2001).

2.7 Relationship between customer satisfaction and word of mouth communication

When a customer praises the company, this behavioural response is indicative of the customer's decision to remain with the firm. Parasuraman*et al.*'s (1988, 1991b) results indicated that when consumers' perceptions of service quality are high, consumers are willing to recommend the company to others. Reichheld and Sasser (1990) also support this notion. Further, Boulding et al. (1993) found that service quality relates positively to saying positive things regarding the company to others. Other researchers (see Richins, 1983; Scaglione, 1988; Singh, 1988) have indicated that when consumers perceive to have experienced inferior service performance they are likely to engage in complaining behavioural responses to third parties (i.e. exhibiting negative word-of-mouth communications). In general, these negative communicational responses stem from the dissatisfaction felt by the consumers due to poor service quality.Finally, Zeithaml et al. (1996), in their multi company/multi-industry study of the relationship between customer satisfaction and behavioural intentions, inferred that customer satisfaction is positively associated with communicational behavioural intentions (e.g. intention to recommend the service producer and/or complainingUp-to-date information was not available. Don't give the data from there source document. The bank officer is very busy with their jobs, which lead a little time to consult with them

3.0 Operational Definition

Table 1: Operational Definitions of Measured Variables.

Measured Variable	Operational Definitions
Customer Satisfaction :	will be operationally defined by Ganesan, 1994 and Halstead *et al.* (1994)
Customer Loyalty :	will be operationally defined by Jarvis and Wilcox, 1977; Dick and Basu, 1994.
Switching cost :	will be operationally defined by Jackson (1985),Guiltinan, 1989
Word-of-Mouth :	will be operationally defined byHigie, Feick, and Price, 1987

3.1 Research Questions

This study proposes to investigate the following questions:

Is there a significant relationship between switching cost and customer loyalty in context of Bank FSIB Limited?

Is there a significant relationship between customer satisfaction and customer loyalty in context of Bank FSIB Limited?

Is there a significant relationship between customer satisfaction and word-of-mouth in context of Bank FSIB Limited?

3.2 Research Hypotheses

The hypotheses derived from research questions are as follows:
There is a significant relationship between switching cost and customer loyalty in context of Bank FSIBL.
There is a significant relationship between customer satisfaction and customer loyalty in context of Bank FSIBL.
There is a significant relationship between customer satisfaction and word-of-mouth in context of FSIBL

4.0 Methodology

4.1 Research Design

The purpose of the study was to measure correlations among the variables.
The current study research wants to show the relationships among switching cost, customer satisfaction (employee competence, reliability, product innovation, pricing, physical evidence, convenience), customer loyalty and word of mouth in the context of FSIB Limited. There switching cost, customer satisfaction (including all dimensions) will act as independent variable, and customer loyalty and word of mouth will act as dependent variables. This research used a correlational study to investigate the existence of relationships between measured variables. When the researchers investigate the effects of measured variables and analyses the relationships among the variables, the design is known as co-relational (Graziano Raulin 1997); Zikmund, 2000). Leedy and Ormrod (2001) state that "a correlational study examines the extent to which differences in characteristics in variable are related to differences in once or more other characteristics or variables. A correlation exists if, when one variable increases, another variable either increases or decreases in a somewhat predictable fashion". In correlational analysis, the researcher has no control over the values of the variables under study. Instead the researcher merely observes how the variables of interest vary in the natural environment. As the current study was carried out in the natural environment of the organization, the researcher interfered minimally with the normal flow of the events. With this in mind, the present study uses correlational study to discover or establish the existence of relationship, interdependence between the measured variables.Theresearcher also used step-wise regression analysis for finding which independent variable(s) individually and collectively provide a meaningful contribution towards the explanation of the dependent variable.

4.2. Sampling Method

In this research, the researchers gather information's from the account holders of FSIB Limited. The study was conducted only in Savar due to time and budget constraints. The sample frame for this study was the account holders of city university branch provided by the bank. Through systematic sampling a sufficient number of 80 out of 4000 population

were obtained to meet the requirements of the statistical techniques. So the researcher selects 1 respondent to every 50 respondent.
K=N/n so 4000/50 =80

4.3 Survey Instrument

Due to lack of secondary data (e.g. articles, journals, and banking publications) in the case of FSIB Limited, it was required to investigate primary data's for analyzing the problem. To collect data's from primary sources, a set of structured questionnaire was distributed among the account holders during office hours. The questionnaire was a useful method to collect data's from the account holders for the following reasons-

The researchers conducted survey on 80 respondents. To interview such a large sample of account holders would have been time consuming and difficult. For this reason the survey was conducted through a structured questionnaire rather than direct interview.

The postal system of our country is very slow. Hence, mail survey will be too time consuming to be feasible for this country.

The internet facility is not widespread in our country aspects .online survey will also be in-appropriate for this study.

Earlier studies conducted on the variables of the current study, the researcher used questionnaire for their study.

A 5 point Liker scale was used for all research variables.

4.4 Data Collection

Due to lack of journals, year book and banking publications, it was required to analyze primary data to investigate the research questions. Researcher used a set of structured questionnaire to collect data's from the primary sources.

Secondary Sources

Monthly transaction record of the bank.

Annual Reports.

Web Sites FSIB published documents.

Primary Sources:

Study area: First security Islami Bank Limited, City University Branch,Ashulia,Savar , .

sample: The account holders of FSIB Limited , City University Branch.(n=80)

Data collection instrument: Questioner survey based on five point Likert scale.

Face to face conversation with bank officers

Questionnaire survey.

Personal observation – during bank hour.

Discussion with the bank personnel.

Work in different departments of the bank- accounts opening, accounts, clearing, foreign exchange & remittance departments.

Face to face conversation with the client.

Facing some practical situation related with the day to day banking activity.

4.5 Data Analysis

The study was a co-relational study. After collecting data's from the respondents, researcher used co-relational matrix to identify whether relationships exist between the measured variable or not. Then, the researcher calculated the mean and standard deviation of all customer satisfaction dimensions to identify the variable having most influence on customer loyalty. For this research SPSS version 21 was being used as the statistical data analysis instrument as it present better flexibility in data analysis.

5.0 Findings from Questionnaires

5.1Reliability Coefficient and Descriptive Statistics

The reliability coefficients, means and standard deviations of all the constructs in the current study are displayed in Table 2.The coefficient alphas for the different constructs were computed using the reliability procedure in SPSS (version 21.0). Nunnally (1978) suggested that for early stages of any research the reliability of .50 -.60 is sufficient. The reliabilities of all the constructs in this study found to be above the standard set by Nunnally (1978).

Table: 1

Descriptive statistics, and Reliability Coefficient of Switching cost, Customer Satisfaction(Employeecommitment,,reliability,productinnovation,pricing,physicalevidence,convenience),swicthing cost, word of mouth and customer loyalty.

	No of item	Mean	SD	Alpha
Emp_com	5	4.39	.43	.63
Pro _relia	4	4.30	.50	.55
Pro _inn	4	4.18	.63	.58
Pro _Price	3	4.46	.44	.51
Phy _Evi	5	4.37	.49	.76
Conv	3	4.55	.44	.63
Swt_C	3	4.49	.51	.69
Cutt_loy	3	4.27	.61	.55
WOM	3	4.20	.52	.69

Note: n =80

Mean scores have been computed by equally weighting the mean scores of all items.On a five point scale mean score for Employee competence is 4.39 (sd = .43). The mean score for Reliability is 4.30 (sd = .50). The mean score for Product innovation is 4.18 (sd = .63). The mean score for Pricing is 4.46 (sd =.44). The mean score for Physical evidence is 4.37 (sd=.49) and the mean score for Convenience is 4.55 (sd= .44). The mean scores of customer satisfaction of FSIB Ltd. range from 4.18-4.55 indicating that account holders are quite satisfied with the quality of services provided by the bank. The mean score for Switching costs is 4.49 (sd = .51). The mean score for Customer Loyalty is 4.27 (sd = .61). The mean score for Word of Mouth is 4.20 (sd =.52).

5.2 Correlation analysis:

A correlation analysis was conducted on all the variables to explore the relationship between variables.In interpreting the strength of relationships between variables, the guidelines suggested by Rowntree (1981) were followed his classification of the correlation coefficient (r) is as follows:

to 0.2	Very weak, negligible
0.2 to 0.4	Weak, low
0.4 to 0.7	Moderate
0.7 to 0.9	Strong, high marked
0.9 to 1.0	Very strong, very high

The bivariate correlation procedure was a subject to a two tailed test of statistical significance at two different levels highly significant ($p<.001$) and significant ($p<.01$) or ($p<.05$). The results

Table 2

Correlation Matrix for Switching cost, Customer Satisfaction (Employee competence, reliability, product innovation, pricing, physical evidence, convenience), word of mouth and customer loyalty

	Emp_c	Pro_reli	Pro_inn	P_price	Phy.evi	conv
Emp_Com	____	.51**	.58**	.51**	.40**	.44**
Pro reli		____	.52**	.45**	.51**	.38**
Pro _Inn			____	.56**	.41**	.27**
Pro _Price				____	.51**	.34**
Phy_Evi					____	.51**
Conv						____
Swt_C						
Cust_Loy						
WOM						

Note: $^{**}p<.01$

Word of Mouth

Correlation analysis for all the variables is shown in Table 2.The result shows that the correlation among Switching cost, Customer Satisfaction (Employee competence, reliability, product innovation, pricing, physical evidence, convenience), word of mouth and customer loyalty. The variables significantly and positively correlated with customer loyalty were Employee competence ($r= .62$, $p<.01$), Reliability ($r=.70$, $p<.01$), product innovation (r=.82, p<.01), pricing (r=.62, p<.01), physical evidence (r=.53, p<.01), convenience (r=.43, p<.01) and switching cost (r=.70, p<.01).

The variables significantly and positively correlated with word of mouth were Employee competence (r= .50, p<.01), Reliability (r=.23, p<.01), product innovation (r=.31, p<.01), pricing (r=.33, p<.01), physical evidence (r=.35, p<.01), convenience (r=.26, p<.01) and switching cost (r=.52, p<.01).

5.3 Stepwise regression

Two Stepwise regression analyses were performed to identify the relationship betweenSwitching cost, Customer Satisfaction (Employee competence, reliability, product innovation, pricing, physical evidence, convenience), word of mouth and customer loyalty FSIB L.

Table 3A Stepwise Regression on Customer Loyalty

Variable	B	SEB	β	R2	∆ **R2**
.				685	
Step 1					
Product innovation	.796	.061	.828***		
Step 2		.		. 786	.101
Product innovation	.605	.060	.629***		
Reliability	.454	.075	.375***		
Step 3			.	.806	.02
Product innovation	.526	.064	.548***		
Reliability	.376	.077	.311**		
Switching cost	.224	.082	.189		

**p<.01, ***p<.001

Table 3A Explain that in banking sector Product innovation (p <.001), Reliability (p <.01) and switching cost (p <.01) were found to be statistically significantly related with customer loyalty. Employee competence, pricing, physical evidence and Convenience fail to enter into the regression equation, that shows it was not that significantly related with customer loyalty like the other variables. These results provided a partial support for hypotheses .These three predictor variables together explained 81% of the variance in Customer loyalty, Product innovation, reliability and switching cost explain about 69%, 10% and 2% of the variance in customer loyalty.

Table 3B Stepwise Regression on Word of Mouth

Variable	B	SEB	β	R2
Step 1				.279
Switching Cost	.538	.098	.528***	

***p<.001

Table 3B depicts that in banking sector switching cost ($p < .001$) was found to be statistically significantly related with word of mouth. Employee competence, Reliability, product innovation, pricing, physical evidence and Convenience failed to enter into the regression equation, which indicates it was not that significantly related with word of mouth.These results provided a partial support for hypothesis. Switching cost explained 28% of the variance in word of mouth.

6.0 Assessment of research hypotheses:

Hypotheses 1

There is a significant relationship between switching cost and customer loyalty in context of FIB Limited. From the bivariate correlation analysis (Table, 2), it has been found that switching cost and customer loyalty are significantly correlated ($r= .70$, $p<.01$). This result shows full support to research hypotheses 1.

In the case of regression analysis (table 3A), switching cost ($p <.01$) was found to be statistically and significantly related with customer loyalty. Switching cost explained 2% variance in customer loyalty, which provides support to research hypothesis 1.

Hypotheses 2

There is a significant relationship between customer satisfaction and customer loyalty in context of FSIBL.From the bivariate correlation analysis (Table. 2), it has been found that customer satisfaction (including all dimensions) and customer loyalty are significantly correlated .The variables significantly and positively correlated with customer loyalty were Employee competence ($r= .62$, $p<.01$), Reliability ($r=.70$, $p<.01$), product innovation ($r=.82$, $p<.01$), pricing ($r=.62$, $p<.01$), physical evidence ($r=.53$, $p<.01$), convenience ($r=.43$, $p<.01$)These result shows full support to research hypotheses 2.

In the case of regression analysis (table 3A) Product innovation and Reliability were found to be statistically significantly related with customer loyalty.Employee competence, pricing, physical evidence and Convenience failed to enter into the regression equation, which indicates it was not that significantly related with customer loyalty like the other variables.

Hypotheses 3

There is a significant relationship between customer satisfaction and word-of-mouth in context of FSIB Limited. From the bivariate correlation analysis (Table. 3), it has been found that customer satisfaction (including all dimensions) and word of mouth are significantly correlated. Employee competence ($r= .50$, $p<.01$), Reliability ($r=.23$, $p<.01$),

product innovation (r=.31, p<.01), pricing (r=.33, p<.01), physical evidence (r=.35, p<.01), convenience (r=.26, p<.01The variables (customer satisfaction dimensions) significantly and positively correlated with word of mouth were Employee competence. This result shows full support to research hypotheses 3.
In the case of regression analysis (table 3B) Employee Competence, Reliability, product innovation, pricing, physical evidence and convenience were not found to be statistically significantly related with word of mouth

Recommendations and Conclusion

Recommendations
From above discussions, it was found that FSIB Ltd. needs to pay more attention in some of the areas like customer satisfaction (employee commitment, reliability, product innovation, pricing, physical evidence, convenience), and switching costs to ensure more customer loyalty and to achieve more recognition from them through word-of-mouth. Therefore, FSIB Ltd can improve its physical facilities, increase the intensity of dependable services in case of reliability and provide more efficiency in identifying and solving the problems of the account holders.
To increase the satisfaction level of the account holders; FSIBL should provide emphasis in some promotional activities. In the current market, consumers have the perception that the other banks (i.e. Standard Chartered, SIBL,EBL) are providing extra facilities compared to FSIBL . To take the top position in the market, FSIBL has to provide different types of consumer promotions such as- introduce loans with low interest, and they can introduce innovative online banking systems. Now-a-days the other banks are focusing on these types of promotional activities. FSIB also need to this types of step, it can be recommended that the bank also take care to improve Product reliability and switching cost to gain top position in society.

Conclusions:
The study proves that the correlation between customer loyalty and word of mouth corelated with Customer satisfaction (Employee competence, reliability, product innovation, pricing, physical evidence, convenience) and switching cost (independent variable). But stepwise regression shows only three independent variables that is product innovation, product reliability and switching cost are related to the customer satisfaction of FSIBL, City University branch.

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