



## International Journal of Research Publications

# Achieving customer loyalty through effective management of corporate image: an empirical framework for the banking industry

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### Abstract

Traditional banking services no longer position a bank considerably in a competitive space. Hence intangible attributes such as the corporate image that is intrinsic and cannot be copied become an infallible option. The purpose of this study was to explore how corporate image can be effectively managed to achieve loyalty. The research was carried out through a qualitative methodology and findings were arrived at from subjective facts provided by 7 participants in a multiple case study strategy. The findings of the study revealed that major factors that encourage loyalty were fair transaction fees, efficiency, trust, friendliness, respect, convenience, customer relationship, time-saving, security, and online banking services. The findings also established that achieving total loyalty would be relatively possible by constantly innovating and improving services thereby de-motivating customers to switch or split their loyalty thereby keeping customers sufficiently satisfied through the provision of key services that solves their eminent pain point.

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Keywords: customer loyalty; effective management; corporate image; banking industry; customers

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## 1. Introduction

It has been suggested by Abd-El-Salam et al. (2013) that in today's severe competitive markets, differentiation between organizations in terms of price, product and/or service characteristics and the value of the delivery system is difficult. This is true by reason of the fact that we live in a strong capitalist society that constantly presents an extremely competitive landscape for businesses to struggle and thrive so much so that over time, former tools and strategies that served as the bedrock for a business to differentiate itself or stand out from the pack have altogether almost become dated. This is by reason of the fact that these tools are fundamentally what almost every business has used and is still using. Hence the alternative way forward is, positioning your organization inside the customers' black box, (Andreassen & Lanseng 1997), i.e., customers' mind through communication channels such as advertising, promotion, postures, banner ads, publicity, public relations, personal selling etc. (Andreassen & Lindestad, 1998).

Corporate image and customer loyalty are the three variables or concepts to be effectively investigated in this research to establish a theory of their interdependency through which the research question and objectives that would be defined can be answered. As a starting point, the research builds on the premise that corporate image is linked in some way to customer loyalty by reason of having a direct and positive effect on it (Anderson & Weitz, 1989), in other words loyalty to a brand happens or is encouraged by reason of the positive impressions made upon the mind of the customer as he/she comes in contact or interacts with all the factors that make up the image of the company. Moving on that premise, effective management looks at how best to discover the positive impacts corporate image has on loyalty and encourage them.

The overall focus of this study is to examine ways at which a company can augment loyalty by the better management of the aspects of its corporate image that has been defined as a result of a formed impression in the psyche of its customers. Consequently, the focal aim would be to prove as to whether or not positive acuity of the brand (firm) would help position the company to encourage a strong customer loyalty.

It is anticipated that the outcomes and findings of this study would be helpful to firms, especially firms in the banking industry in achieving strong customer loyalty from their customers. In addition, it would serve as a reference guide for the marketing manager in any company to aid decision making on effective management strategies for a corporate image that will at the same time help create the right corporate reputé which is imperative for customer loyalty.

Within the context of the research topic, the objective of this study is to establish the relationship between corporate image and customer loyalty. It has been put forward that customers who perceive service quality over repeated service encounters have an overall favorable image of the organization, and this image helps form an emotional attachment (Aaker, 2004). In addition, Positive brand image (favorable image) is proposed to be a value-relevant intangible asset, specifically, a "structural asset" as described by Lev, (2000).

Based on what has been asserted above some critical questions can be drawn as to the relationship between a good corporate image and loyalty. These questions are stipulated and are aimed to be answered by this research: will a good corporate image of a bank actually influence the customers' loyalty to the bank? How can good corporate images be identified and reinforced to encourage customer loyalty? And what accounts for a good corporate image among bank customers?

## 2. Research Philosophy and Approach

Building off a theoretical framework that already establishes the fact that corporate image, depending on how it is managed, could influence customer loyalty, this more specifically, infers that a good corporate image could only bring the right loyalty and vice versa. Based on that, there remains to know the process of achieving this. Instrumental to doing so ties into exploring the level of influence good corporate images has in

bringing about an increase in loyalty and what these influences are from the perspective of emotional facets as defined by the conceptual framework.

This hopes to be carried out from a phenomenological basis of arriving at an understanding from the perspective or lived experiences of those who play a role or have a stake in the situation underpinning this research (Jankowicz, 2000). This is partly due to the fact that the writer holds the view that reality is co-constructed thereby making what could be seen as true subjective. This makes a case for subjectivism in terms of the nature of reality on ontological grounds which asserts that social phenomena are created from perceptions and consequent actions of those social actors concerned with their existence (Bryman, 2012). So in essence, this makes a case that the answers to how loyalty could be achieved through good corporate image rest on the analysis of the subjective views gotten from experiential perceptions that frame the realities of the social actors or experts of the situation been studied and which in the long run counts towards the fact.

On that basis, therefore, the epistemological belief of what constitutes acceptable knowledge or how truth/knowledge is discovered in this case stems from attitudes and feelings (Saunders, Lewis & Thornhill, 2007). In this case, knowledge and insights as to how loyalty could be influenced by good corporate image and managed are believed to not be easily measurable through statistical means. The answers rather stem from what the various social actors feel contributes to loyalty by reason of what they define as a good corporate image in relation to their attitudes formed from experiences with their bank. Hence the epistemological position evident in this research regarding the study undertaken can be formulated as follows: a) data are contained within the perspectives of people that are involved as customers with a bank and b) because of this the researcher is engaged with the participants in collecting the data.

From a holistic view, therefore, the positions asserted above in terms of the ontological and epistemological philosophy, therefore, provides evidence which suggests the overall research philosophy been Interpretivist oriented, in other words, it, in essence, constitutes a research paradigm that is phenomenological interpretivism. Crucial to the interpretivist epistemology is that the researcher has to adopt an empathetic stance. The challenge here is to enter the social world of our research subjects and understand their world from their point of view (Saunders, Lewis and Thornhill, 2007). Hence the researcher maintains an emic approach in terms interaction with the research.

Thus, in line with the established research philosophy, therefore, the methodology for the research design would be qualitative. Its focus is not on numbers but on words and observations: stories, visual portrayals, meaningful characterisations, interpretations and other expressive descriptions (Zikmund, 2003). This by characteristics makes it a good fit with an interpretivist paradigm, largely because, qualitative research draws on a constructivist(interpretivist) rather than a positivist ontology and epistemology (Jankowicz, 2000) – It is the nature and content of what is said, its meaning rather than the number of people who are saying it or the frequency with which it is been said, which matters (Jankowicz, 2000); thus this provides one justification for its use. The second justification for its use is that it could be observed as the main tool for complementing the exploratory research purpose; in relation to the fact that, much but certainly not all, exploratory research provides qualitative data (Zikmund, 2003).

In that vein therefore, since findings hoped to be reached from exploring the social context of a reality founded on attitudes and experiences of the social actors from a phenomenological standpoint, the research approach will be an inductive process with a view of gaining an understanding of the meanings humans attach to events as well as a close understanding of the research context (Saunders, Lewis & Thornhill, 2007) for the purpose of providing explanatory theories to understand the social phenomena (Collis & Hussey, 2009).

To put in perspective, therefore, a theory aims to be formed as to how customer loyalty can be increased by the effective management of the relevant aspects of a bank's corporate image as tying in with the conceptual framework. This is achieved through a qualitative process of gathering insights based on feelings and experiences from the bank customers who are the social actors in this context. Hence whose feelings and

experiences serve as a reference point by which an understanding can be formed upon qualitative analysis and meanings reached that is instrumental towards the formation of a theory. This, therefore, predicates an inductive approach.

### 3. Materials and Methods

The research seeks to establish theory based on insights from the comprehensive analysis of the data, hence the approach, therefore, is inductive. The responses from the interviews conducted on the various participants serve as the source from where the qualitative data is extracted. The audio-recorded interviews are then transcribed and hand-coded simultaneously in MS Office using a pre-defined coding scheme. The pre-defined coding scheme is not meant to be a conclusive scheme but it is a make-shift scheme, developed in line with the interview themes and the conceptual framework, to save time by quickly identifying parts in the interview carrying the relevant information during the transcription process.

Data sources are predominantly primary in nature and it is sourced from the transcribed interviews of selected respondents cutting across business owners, students, and professionals. The respondents as earlier established consist of seven people. For easy and efficient analysis, they have attributed a code, a unique handler that distills the characteristics of each participant for quick representation and referencing by the computer-aided qualitative data analysis software (CAQDAS) that is proposed to be used. Below is a table describing the participants' distinguishing attributes, the criteria they fall into and the code developed to represent them.

After transcription, un-coded drafts of the interviews are sent to the corresponding participants who are interested, to review. New adjustments are made after the review and participants' feedback.

The adjusted data is then further analysed by a revised and comprehensive coding scheme done through NVivo, a computer-aided qualitative data analysis software (CAQDAS) to fit the research question and incorporate the new discoveries from the transcript after which theory can be arrived at, mirroring it with the established conceptual framework to substantiate relevance.).

Having previously established that the research methodology used will be qualitative involving an inductive approach to research analysis, the next step would be defining the research strategy.

To conduct a qualitative research, there are a number of research strategies that could be employed, and these strategies can be used regardless of the research purpose (Yin, 2003, p. 200) hence there is no affinity of one research strategy to a research purpose providing the possibility of using more than one strategy for the purpose of validity. However, for this research, a case study strategy will be the research strategy of choice and it will be a multiple case strategy. The case study strategy is a strategy that involves empirical investigation of a particular phenomenon within its real-life context using multiple sources of evidence (Robson, 2002).

Been an explorative research, based on an interpretivist study, the type of data to be collected will be qualitative in nature which can be said to be data that will exist in a nominal form whose emphasis is on the quality and depth about the phenomenon (Collis and Hussey, 2009).

Table 1. Interview Participants Overview

	Occupation	Age Range	Code	Years with Bank
Interviewee 1	Regional business analyst (Professional)	43	01RBA	16
Interviewee 2	Post-Graduate student	25	02GBS	5
Interviewee 3	CEO Runo (Business owner)	40-50	03CEOR	13
Interviewee 4	Design student	20-30	04DS	8
Interviewee 5	Law student	20-30	05LS	7
Interviewee 6	MBA Student	29	06MBA	14
Interviewee 7	CEO Maud Services (Business owner)	35-40	07CEOM	10

## 4. Findings

In view of arriving at a theoretical framework for answering the research questions that will thus aid in satisfying the overall objective of this research of establishing the process of increasing loyalty by effective management of corporate image, five themes or categories of information were developed from a comprehensive open coding process of the data both before and after the NVivo analysis. These themes as earlier attested were formulated in guidance with the underlying variables of the conceptual framework. The themes arrived at where:

- Pertinent factors for loyalty
- Influenced image motivators
- Image Dimensions Influencing Loyalty
- Good corporate image relevance on premium loyalty and
- Image feedback and management channels

### 4.1. Pertinent Factors for Loyalty

A claim could be made that apart from the general factors affecting the loyalty of customers to a bank, ATM branches, Time saving, Online/internet banking services and transaction fees could be said to be the most prominent factors for a customer in deciding his/her loyalty to a bank. From the comprehensive analysis of the data, 13 new factors in all were discovered outside those identified in the literature among of which 4 factors stood out, having a higher mention rate across the occupational spectrum of bank customers interviewed. In further analysis, the 13 factors yielded a classification into 4 parent categories. The table below provides an overview of the 13 extra factors of loyalty grouped under their categories and showing their mention rate. Mention rate is calculated over 7.

Table 2. New Factors of Loyalty and their Mention Rate

Banking Technology		Customer Service		Financial Offerings		Service Value	
ATM Services	3	Friendliness	2	Loyalty & reward programs	2	Convenience	1
Internet banking	4	Respect	2	Interest rates	1	Efficiency	1
		Time saving	5	Transaction fees	4	Security	2
				Loans and overdraft	1		

From the above table, it is clear from identifying factors with the mentioned rate of 3 and above that ATM Services, internet banking, time-saving and transaction fees had a much higher representation of more than average than the rest factors. This could very well provide for the assumption that these factors could very much be of more relevance to customers in deciding to be loyal or not to a bank.

#### 4.2. Influenced Image Motivators

Many customers of a bank join or are influenced to become customers as a result of a communicated positive attribute or attributes connoted by the bank's image by customer advocacy (word-of-mouth) or by their publicity strategy. These customers are more likely to stay longer with a bank when the initial motivations for becoming a customer to the bank are continually offered by the bank and not changed over time.

From the data analysis, a number of factors, sometimes classified as "image motivators" for joining a bank were discovered to be the self-same factors keeping the customers with the banks regardless of whether the bank was doing well in other areas or not and when there were signs that the bank was relenting in those areas, the customers did express a desire to live. These factors, which is by no means conclusive were; professionalism, trust, branches, Care for the customer, and Low transaction fees. Some of which have been identified in the literature and others in the previously examined loyalty factors. An example could be seen in the excerpt of the following conversation between the interviewer and the interviewee;

*Interviewer:* What were your impressions prior to opening an account with them?

*Interviewee:* So basically, my impression was that it was a good bank, it's a bank that cares for its customers based on how much I have read.

*Interviewer:* So now what is your impression having been with them for a while?

*Interviewee:* They have kind of changed, well not too much; they are just business minded pretty much. I think all the care about is all the money they make or as much money they can make that's how I feel....they make you feel like [shit] using their customer services. The cost of switching is why I'm still reluctant to move.

In a similar vein, an MBA student who was a customer of a bank for 14 years was asked what was her motivation for joining the bank and what influenced her; she stated that though generally she doesn't like banks, she became a customer of her present bank because her parents advocated for the bank has been an established and trusted bank. She also stated that though there were issues she didn't like about them like the sudden introduction of transaction fees, and been too traditional or rather in her words, "not digitalised in their services" she would stay because they can be trusted to some extent. Even though she firmly states that banks generally can't be trusted.

This insight could be said to have a high level of reliability of 7 out of 7 by reason of the fact all the participants provided implied evidence in one way or another that the continuous provision or lack of thereof

of the factors that gave them the initial motivations to become customer more than likely was a deciding factor on the type of image they build up of the bank and which goes further to decide whether they stayed or left. In another excerpt from an interview, where a business owner was asked in essence; what motivations influenced his choice of bank, what was his impressions (image) of them where and if he would leave them for another bank, he had this to say in summary;

*“For me, it was about having a bank account for business as fast as possible. So I looked around for banks that could give an account as fast as possible..... I remember that I started off with trying to open an account with Ulster bank but there was a lot of paperwork involved and they made it clear that it will take a week or so to open an account, so I just dismissed them and finally settled for AIB who assured me of an account like tomorrow”..... Most of my activities with the bank are very straightforward. I just use them to perform speedy transactions so no I won't be going to any other bank”*

#### 4.3. Image Dimensions Influencing Loyalty

The factors that drive loyalty can also be said to be the factors that in the course of experiencing helps towards building an image in the mindset of the customer for the bank. From the conceptual framework, it was established that emotional dimensions of a bank's corporate image were much more likely to influence its customer's loyalty than any other dimensions. However, it could be said that though emotional dimensions have an impact on loyalty, functional dimensions play an equally important role too as the functional dimension of the corporate image is made up of some of the factors that drive loyalty.

Factors pertinent to loyalty arrived at from the data analysis, were sorted into the three dimensions of corporate image recognised in the literature i.e physical, functional and emotional. This was to get a snapshot of what activities, characteristics or services that are much likely to contribute to a dimension of a bank's image over time. The measure used for the classifying of the factors to the image dimensions was based on the measures used by Johnson and Gustafsson, (2000), Johnson et al. (2001), and Mandel, Lachman and Orgler (1981).

The table below provides an overview of the elements that make up or contributes to each image dimension as seen from the result of the axial coded data.

Table 3. Corporate image dimensions sorting

Emotional Dimensions	Functional Dimensions	Physical Dimensions
Friendliness	Time Saving	Bank branches
Respect	Transaction fees	
Customer relationship	Efficiency	
Trust	Security	
Convenience	Digitalisation	

From the analysis presented in the table above, it is quite easy to see why physical dimension was not explored much in the relevant literature. Customers might form an image of a bank in relation to its physical assets such as buildings and number branches but ultimately from the data, it is evident that their experience with the bank in terms of service offered and the processes/mediums for offering the services is what will at the end of the day define what their loyalty level would be.

It seems evident to say also, that the factors highlighted under customer service in table 02 are what could constitute or would go towards building the emotional dimension of the bank's corporate image and financial offering and banking technology-related factors could constitute the functional dimension of the image.

So in essence, functional and emotional dimensions both influence loyalty by the reason of the core factors of loyalty that constitutes them. These core factors as established earlier are ATM Services, internet banking, time-saving and transaction fees all of which are certified to contribute to both the functional and emotional dimensions of the bank's corporate image.

#### 4.4. Corporate Image Relevance on Premium Loyalty

The good corporate image does have a level of relevance on customers' loyalty to a bank. However, it does not in itself guarantee complete or premium loyalty and neither can the lack of it completely hinder loyalty.

From the data analysis, it becomes evident that whilst a good corporate image is key in getting bank customers to continuously patronise the bank they hold an account with, the data provides that showing long-term loyalty for a bank is negligible and it's largely on a conditional basis that is value oriented. So in essence, 5 of the participants who attested to the fact that they were satisfied with their bank and had a good corporate image of it, affirmed by implication that they were likely to consider switching to another bank that offered much better services and value whilst also, three of which did say they held an account with another bank alongside their primary bank account. This in this sense could be termed split loyalty.

Speaking of split loyalty, two reasons were given for holding accounts outside a customer's primary bank. In an excerpt from an interview with a design student, when asked why she held another account when she had indicated that she was happy with her primary one, she said she did so for personal reasons –

*“Well, I wanted to get two banks because for me it's something personal because I have money coming indifferently”.*

In another interview, the respondent's reason was to diversify his account –

*“...it is because I want to diversify my profile; I did not want to depend on only one bank”.*

However, what was evident also, on the flip side, was that having a fairly positive image or negative image towards the bank by reason of their deteriorating service value and customer interaction didn't mean customers left or switched or considered themselves in the position to do so and one of the reasons was the switching cost taking into account. Two of the participants; one a business owner and the other a law student attested to the fact that though they had begun to have a less positive image and negative image of their banks respectively, they implied they were not in the best position or capable of switching. An excerpt from the interview with a business owner, when asked if she would switch her bank she said:

*“Well you see, I have a lot of ties with them. A lot of my clients... I have their direct debit payment going through the – Bank of Ireland. I am more likely going to stay with them because It will cost me a lot of money if I am to try to change them”.*

This, therefore, establishes a case that switching cost as a factor of itself could oddly bring about loyalty regardless of having a positive or negative image of the bank. But if the image is positive on the other hand, switching cost could be an asset in the positive light to deter customers from switching and hence indirectly encourage complete or premium loyalty.

#### 4.5. Image Feedback and Management Channel

One step in the process for banks to manage their image is to engage with their customers on a constant basis to get an inclination as to the residual image held by their customers towards them. To be able to compare it against what they hope to project and hence are in a position to take insightful actions. Engaging



with customers to solicit feedback as regards the image of the bank can be carried out through a number of channels, some of them are; social media, surveys, company-owned secured platforms, email marketing, account manager and one-to-one telephone call.

From the analysis of the data, codes were generated for the image feedback section that aimed to explore the optimum channels by which banks can engage with their customers and ultimately be able to improve based on feedback, their image so as to be able to retain them. Six suggestions were gotten from the seven participants when asked what their preference was concerning the channels a bank should use to engage with them, especially to obtain their feedbacks. All the mentioned channels had a single representation with one participant suggesting one channel different from the other, i.e. social media, company-owned secured platforms, email marketing, account manager and one-to-one telephone call, however with the exception of Survey having two mentions. I must say it was surprising to see as I was hoping social media mentions would be off the chart which I must say of a fact, I was certainly biased towards.

## 5. Discussion

The developed themes from the research formed the background upon which the data was analysed. These themes which were also formed on the basis of the research questions were so framed to guide the discovery of information in form of findings that would ultimately be used to answer the research questions. Therefore, with the laying out of the findings above, answers to the research questions posed at the beginning of the dissertation will be inductively answered and discussed in line with the findings.

### 5.1. Implications of Findings for the Research Questions

#### **What accounts for a good corporate image among bank customers?**

An image in itself occurs as a result of accumulated impressions overtime towards the services offered by the bank and the way it engages with its customers and it can be communicated through customer advocacy or by publicity of the bank. From inductive synthesis of the findings, specially associated with the Influenced image motivators theme, it has been established that customers are willing to identify with a bank and would advocate for it to other potential customers when the initial motivations promised by the bank at the initial stage prior to becoming a customer improves or at least still remains the same after been a customer for a long time; this creates a positive/a good corporate image, especially one that is concrete.

Then with the addition of other services that further caters to the pain point of the customer efficiently, the positive feelings and impressions grows exponentially and adds up further into a much stronger corporate image of the bank

Hence, keeping the status quo in services to the customer's initial motivation for joining the bank, or at best improving on it by adding value through introduction of more services to better serve the customer or generally increase the motivations to be much more invested in the bank would be a gradual step towards building a good corporate image in the mindset of the customer, as good corporate image building is a gradual process.

#### **Will a good corporate image of a bank actually influence the customers' loyalty to the bank?**

It has been established that positive image/good corporate image arises as a result of continuous satisfaction of the pain points that initiated the customer patronising the bank in the first place, and improving on it or creating value through innovation that will be relevant to the customer. This, in turn, encourages them to be loyal to the bank if they are of a view that their banking needs are reasonably satisfied.

However, whilst it is possible to get customers to form a positive image about the bank, it is not an uttermost guarantee that it will be a formidable tool to get them to be loyal at least completely. From the findings arrived at, synthesised from the good corporate image relevance on loyalty theme, it was evident that good corporate image of a bank has a rather fair relevance on the loyalty of customers. The relevance which could also be described as conditional arises from the fact that customers are not unwilling to switch to another bank if they find it has better services or offers more value and benefits. The evidence of this claim is supported by almost 80% of responses from the interview cases conducted. For instance, in an excerpt from interview with a design student who attested that she was satisfied with and had a positive image her bank, she had this to say when asked whether things she liked about her bank were likely to make her remain loyal;

*“Yea, well as a student yes. But if I get to change my account from a student to a professional I will do some research to see how they are in terms of transaction charges but for now no complaint, I’m loyal them so far”.*

This evidently showed that her loyalty was conditional even though she attested to the fact that she had no problems with her bank.

### **How can good corporate images be identified and reinforced to encourage customer loyalty?**

Abratt (1989) stated that before the corporate image can be managed, it must be understood. Moreover, to be able to identify positive images existing in the customer space in pursuant of encouraging it to increase loyalty, the bank needs to have channels and mediums by which it can engage with its customers to be able to solicit feedback and get a feel for how they (the bank) is viewed in eyes of its customer base. Bringing into view, the findings from the data analysed under the image feedback channels theme; there are a number of channels and mediums recommended by the respondents of the interview by which the banks can interact with their customers and be able to get a feel of what their image is. Among them is social media – a law student, in support of social media had this to say in summary:

*“...this is the age where we are all on social media right and it has become a thing. They should just try to engage with customers online.... I think if they have their presence on social media it would be great, where they can post real-time updates”.*

Other channels as mentioned by the interview respondents includes survey, company-owned secured platforms, email marketing, account manager and one-to-one telephone call.

Identifying the good corporate image held by the banks’ public is one, reinforcing it so as to encourage loyalty is another. To be able to reinforce, it is important to deconstruct the customer defined corporate image of the bank into its emotional and functional dimensions and analyse based on customer feedbacks, what services the bank provides or value they offer that influences the image conceptualisation by their customers and focus on those key aspects that have a general significance in relation to affecting customers’ pain point.

Technically, as observed from the findings under the image dimensions influencing loyalty theme, there are generally 12 issues spelled out by participants, they are friendliness of customer service, respect, customer relationship, trust, and convenience; (which tie into the emotional dimension); time saving, transaction fees, efficiency, security, digitalisation and internet banking, loyalty and reward programs, (tying into functional dimension), and bank branches and ATM services (tying into physical dimensions). These variables can be grouped under banking technology, customer service, financial offerings and service value, all of which has been established as important factors for loyalty. Hence, analysing the strength or weakness of these factors in regard to how customers view or rate them gives a perspective on what to improve upon or maintain so that in that way build a favourable image that will encourage a much longer patronage and loyalty to the bank and its services.

It is noteworthy to recall that it has been established in the findings that complete/guaranteed loyalty which could otherwise be seen as premium loyalty cannot truly be achieved, more especially in the retail banking.

This is partly due to fact that there will always be a bank out there offering services and customer value that might rival that of a customer's primary bank or might be a niche not handled by said bank and depending on the switching costs involved, the customer could either make a switch or split his/her loyalty by holding accounts with both banks.

More so, it has been established that most customers might most likely split loyalty with another bank rather switch completely for the purpose of either enjoying a niche service or just so as to diversify their accounts. But in any case, they will still conduct more than 80% of their transactions with their primary account as long they remain satisfactory to them. an excerpt from an interview held with an MBA student gives backing to the claim. Been a customer for up to 15 years with her current bank, she had the following to say when asked if she was likely to stay loyal to our bank;

*"....and I also have bank accounts from banking start-ups. Erm, I really love it because everything is digitalized and very easy to use and they don't have any fees for credit cards and whatever but I still don't trust to give them all my money that I have in my bank account so yes I will be loyal to my traditional bank account".*

## 6. Conclusions

Emotional facets plays little part in achieving loyalty, rather in the real sense, a bank can only hope to achieve premium loyalty if they able to build an image through a number of factors which incorporates both emotional and functional facets; such are online banking services, lower transaction rates and better customer service customer especially in the area of customer relationship i.e. friendliness, respect and individual treatment. with all that in place followed by the bank engaging with its customers actively via a number of channels like social media, email marketing, surveys and the rest, the bank would be able gain feedbacks and perspectives that will enable them to build a favourable image in the minds of its customer as they gradually form positive impressions of value as they engage with the services of the bank and with the bank which will in course of time keep them loyal.

Switching costs have been discovered to be one of the unrecognised reasons why customers decide to stay put or remain loyal to a bank at least for the time being, even when they are not satisfied the services or other things in terms of affairs of the bank. This is primarily because many see it as burdensome and an activity-laden paperwork with so many formalities to open a new account or switch to a new bank especially when, as a business owner, your business is fully entrenched in the services of the bank you are with. This factor, however, can be capitalized on by banks; when they offer good enough services and build good impressions in areas they have capabilities to, this will help them build loyalty as customers, having the cost of switching at the back of their mind will more likely stay on longer regardless of other better alternatives. A good corporate image could only guarantee loyalty when there is perhaps a high level of switching cost. Hence banks should be looking to keep their customers sufficiently satisfied by providing the key services and solutions that solves their eminent pain point. By constantly improving and innovating services, banks can have their customers more invested and deeply dependent on their services thereby slimming the chances and gradually eliminating the drive to switch or at the least, split loyalty with other banks.

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