

CHRISTIAN SERVICE UNIVERSITY COLLEGE
SCHOOL OF BUSINESS
DEPARTMENT OF ACCOUNTING AND FINANCE

**AN ASSESSMENT OF FACTORS THAT INFLUENCE CUSTOMERS SWITCHING
BEHAVIOUR IN THE BANKING INDUSTRY: A CASE STUDY IN KUMASI
METROPOLIS**

CHARLOTTE ADU OTCHERE
CONSTANCE ODURO AMOAH
ERNESTINA OWUSUAA
ESTER ASAMOAH
GABBY NSIAH

**A PROJECT SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND
FINANCE IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS FOR THE
YEAR AWARD OF DEGREE OF BACHELORS OF BUSINESS ADMINISTRATION.
(ACCOUNTING OPTION)**

JUNE, 2018

Head of Department

Signature

Date

ABSTRACT

The purpose of this paper is to assess the factors that influence customers switching behavior within the bank industry in Kumasi. Exploratory factor analysis was used to assess the factors that influence customer's behavior and tested empirically. Data were collected using questionnaires employed from Clemes et al. and administered to 200 banking customers within the Kumasi metropolis using purposive sampling. Data were analyzed quantitatively. Results indicated that service quality, price, advertising competition, service products, customer satisfaction, responses to service failure, reputation, customer loyalty and involuntary switching and their significant effect on customers' switching behavior. Ghanaian banks can use this present study in designing strategies for their products and services, marketing and customer service practices in order to reduce customer switching. It would help them in improving their service operations and also increasing customer satisfaction and loyalty by understanding the banking behavior of their customers.

ACKNOWLEDGEMENT

Our gratitude goes to God Almighty who has guided us throughout our studies in Christian Service University College.

Additionally, our gratitude goes to our supervisor Mr. Christopher Bright Daboug for his assistance in coming out with the final project.

Lastly we acknowledge all the team members for their efforts and contributions towards the success of this project.

DEDICATION

We dedicate this project to the department of Accounting and Finance for its enormous contribution since we entered this noble institution.

TABLE OF CONTENTS

Declaration.....	i
Abstract.....	ii
Acknowledgement.....	iii
Dedication.....	iv
Table of Contents.....	v

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background to the study.....	1
1.2 Research Problem.....	2
1.3 Objectives of the Study.....	3
1.4 Research questions.....	3
1.5 Significance of the Study.....	3
1.6 Scope of the Study.....	4
1.7 Limitations of the Study.....	4
1.9 Organization of the Study.....	5

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction.....	6
2.2 The History of Banking in Ghana.....	6
2.3 Switching Behaviour.....	10
2.4 Drivers of switching Behaviour.....	12
2.4.1 Service quality.....	13
2.4.2 Price.....	14
2.4.3 Reputation.....	14
2.4.4 Effective advertising competition.....	15
2.4.5 Responses to service failure.....	15
2.4.6 Customer satisfaction.....	16
2.4.7 Involuntary switching.....	16
2.4.8 Service products.....	17
2.4.9 Customer Loyalty.....	17

CHAPTER THREE

METHODOLOGY

3.1 Introduction.....	19
3.2 Research Design.....	19
3.3 Sample selection and data sources.....	19
3.4 Instruments.....	19
3.5 Population.....	20
3.6 Data analysis.....	20

CHAPTER FOUR

PRESENTATION OF FINDINGS AND ANALYSIS

4.1 Introduction.....	21
4.1.1 Service quality.....	27
4.1.2 Price.....	27
4.1.3 Effective advertising competition.....	28
4.1.4 Service product.....	28
4.1.5 Customer satisfaction.....	29
4.1.6 Responses to service failure.....	29
4.1.7 Reputation.....	30
4.1.9 Customers' loyalty.....	30
4.1.10 Involuntary switching.....	31

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary.....	32
5.1.2 Summary of Research Process.....	32
5.1.3 Summary of Key Findings.....	32
5.2 Conclusion.....	33
5.3.1 Recommendation.....	34
5.3.2 Suggestions for Further Research.....	34
References.....	36
Appendix.....	47

LIST OF TABLES

Table I. Definition of switching behaviour by various authors.....	10
Table 4.2.1: Gender information of the participants (n=190).....	21
Table 4.2.2: Age information of the participants (n=190).....	21
Table 4.2.3 Education information of the participants (n=190).....	22
Table 4.2.4 occupation information of the participants (n=190).....	23
Table 4.2.5 income information of the participants (n=190).....	24
Table 4.2.6 Descriptive statistics for each variable in order of importance.....	25

CHAPTER ONE

GENERAL INTRODUCTION

1.3 Background to the study

Business environment have significantly been transformed over the past two decades as a result of developments in information technology and globalization (Albrecht and Sack, 2000) for which the banking industry has seen no exception. Conventionally all the banking activities were carried out manually and always customers had to go from branch to branch to carry out their business. Problem of inefficiency and time wasting existed which made customer service very bad experience.

Technological advancement, liberalization and deregulation has brought a change in which customer's of banks are served. The competition among banks to introduce services like Mobile Banking, Internet Banking and Automated Teller Machines (ATMs) became one of the factors which motivating most of people to prefer banking service. In Ghana, customers are attracted to fast and convenient of executing transaction. Due to technology, banks can now transfer money from one bank to the other in a very short time. The sophisticated advancement in technology which has made banks to carry out their business in the easiest way has increased the quality of service to customers. Numerous banks offering related services to customers have resulted into customer switching behaviour.

Banks are in competition with each other to win and maintain customers in other to survive. Therefore it has become an area of much concern in building long term relationship with customers. Several researches disclose that the profitability of a bank is dependent on customers' loyalty and the bank's ability to retain its customers (Anderson et al., 1994; Jones and Farquhar, 2003; Reichheld and Sasser 1990). Farquhar (2004) posits that banks strive to minimize the

churn rate of profitable customers and reduce the cost of acquiring new customers. Lose of customers is a serious hindrance to current and future earnings (Sathish et al., 2011) and acquiring a new customer can cost five times or more than maintaining retaining an existing customer (Peters, 1987; Mittal and Lassar, 1998). Profitability and market share are adversely affected by customer switching behavior (Rust and Zahorik, 1993). Therefore customers switching behavior has become a serious issue to services providers.

1.4 Research Problem

The benefit of a single banking relationship over multiple ones is that, it can save overall monitoring costs (Diamond, 1984) and transaction costs. Single banking creates efficiency within the banking system due to non-duplication of certain service provision (for example, savings account passbook or sending out of regular account statements). However, Ernst and Young (2012) posit that Multi-banking (or sometimes called as split-banking) indicates customers desire to diversify the risk of bank failure. Customers may desire to operate multiple providers to gain extra experience, and this is often a hidden competition for providers (Sajtos and Kreis, 2010). Therefore, the factors of customers switching behaviour needs to be understood for banking people to stay competitive.

Many researchers have studied the switching behaviour for goods (Day et al., 1979; McAlister and Pessemier, 1982; Kumar and Shashi, 1989; Menon and Kahn, 1995; Heide and Weiss 1995; Hans et al., 1996; Shukla, 2004; Bernard et al., 2006; Adalet, 2009) but little has been done in the area of services particularly in the field financial services (Friedman and Smith, 1993; Keaveney, 1995; Mittal and Lassar, 1998; Grace and O’Cass, 2003). Nevertheless, difference exist between the switching behavior for goods and switching behaviour for services due to the distinguished characteristics between goods and services, that is, perish ability, heterogeneity,

intangibility, inseparability and ownership (Clemes et al., 2000). Significantly difference also exist in the service domain, thus services differs from each other based on the extent of customer participation (Grace and O’Cass, 2003). In Ghana little research has been done focusing on factors affecting the switching behaviour of banking customers. This research seeks to assess banking behaviour of customers in Kumasi.

1.3 Objectives of the Study

The objective of the study is to assess the factors that influence customers switching behavior in the banking industry. Specifically this research seeks to find out;

1. factors that influences customers’ switching behavior
2. the extent to which a customers’ switching behavior may be influence
3. the loyalty of the customers to their bank

1.4 Research questions

In order to investigate the problem, the following research questions have been formulated.

1. What factors influences customers’ switching behavior?
2. To what extent are customers’ switching behaviour influenced?
3. To what extent are customers loyal to their bank?

1.5 Significance of the Study

This study seeks to assess the factors that influence customers’ switching behavior and the extent to which customers are influenced. This will help bank executives and authorities with insights into the kinds of motive customers find most appropriate for their banking needs and assist bank

management to develop strategies to minimise the negative effects of defection and enhance long-term relationships with customers.

Moreover, that the study will aid policy formulators to improve their financial performance, lower operation costs, enhance image and reputation of their institutions. Heads of various departments will also use it as a guide to increase productivity, provide quality service, decrease liability, reduce regulatory oversight and opportunity to attract and retain customers. This study would contribute to knowledge by providing the marketing department of banks with in-depth understanding of motives and the factors which influence and discourage selection of bank users; this will enable them to tailor marketing efforts towards attracting such customers.

1.6 Scope of the Study

The study seeks to look at the assessment of factors that influence customers switching in the banking industry. For the basis of convenience and accessibility, the study will be confined customers of bank who operate more than one account.

1.7 Limitations of the Study

Several constraints were encountered by the researcher in the course of the project. They include;

- **Time;** There will be time constraint on the part of the researcher who had to combine both academic activities such as attending lectures, taking part in examination among other things, with moving up and down to collect information to accomplish the project.
- **Financial;** There will be also a constraint on financing the project work. This was to the extent that the researcher had to commit personal resources into the project for designing, typing and printing of questionnaire, transportation to the selected organization for information and the typesetting of the entire manuscript of this study.

- **Response:** There was also a constraint on getting respondents for the research. Since it was business hours some of the respondents were reluctant to spare the researcher their time.

1.9 Organization of the Study

This study is divided into five sections; the first section is on background to the study and cuts across a general introduction, problem statement, objective of the study, research questions, significance of the study, the scope of the study and limitations.

Chapter two reviews the work of others already in existence, both empirical and theoretical work of other people relating to the study was reviewed together to enable the researcher give a comprehensive work of the study.

Chapter three represents methodology of the study which includes the research design, sources of data, unit of analysis, population and sample frame, sample size, the sampling technique, data collection instrument employed for the study and brief profile of the case study. Findings, presentation and analyzing of data were in chapter four. Chapter five entails the summary of findings, conclusion and making recommendations base on the findings from the data collected.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature from articles, journals, books and publications on the motive and factors that influence customers switching behavior in the banking industry. The study takes into consideration the general overview and concept of the history of banking in Ghana and the switching behavior of customer.

2.2 The History of Banking in Ghana

In 1953 the Bank of the Gold Coast was set up by the then Government and Alfred Engleston, formerly of the Bank of England. With the passage of time, the Bank was split into two: the Bank of Ghana, operating as a bank of issue, to be developed into a complete central bank; and the Ghana Commercial Bank, to be developed into the largest commercial bank with a monopoly on the accounts of public corporation.

In July 1957, Alfred Engleston was appointed as the first Governor of the Bank of Ghana. As expected, the Bank of Ghana took over the management of the currency and in July 1958 it issued its first National Currency - the Cedi - to replace the old West African currency notes. The Ghana Commercial Bank assumed the role and functions of Government bankers and began to take over the finances of most Government departments and public corporations. The Bank of Ghana quickly developed into a strong competitor of the expatriate banks by opening branches in most of the towns and centres in which they had been operating as well as moving into new areas such as the Ashanti and the Northern Regions. The advent of the new Government, elected by popular vote in 1957, brought the establishment of more banks.

Banks incorporated by legislation between the periods 1957 to 1965 include: the Ghana Investment Bank as an Investment Banking Institution; the Agricultural Development Bank for the development of Agriculture; the Merchant Bank for merchant banking; and the Social Security Bank to encourage savings. In conformity with the economic policy of the time all these institutions were incorporated as state-owned banks.

By the early 1966, it has clear the country was experiencing economic difficulties that led to change of government. The year 1983 saw an attempt to reverse the situation, the Government, with the assistance and guidance of the International Monetary Fund (IMF), introduced the Economic Recovery Programme (ERP). This signaled the end of Socialism in Ghana and provided a useful tool for economic development by embracing the market economy; privatisation; the liberalisation of trade and financial restrictions; and the divestiture of Government interests in public corporations. Import licensing was quickly abandoned and exemptions were granted in relation to many of the restrictive clauses of the Exchange Control Act.

Furthermore, an Investment Code was enacted to make provision for the relaxation of many of the earlier restrictions in trade and finance and to encourage private investments. These newly adopted concepts were incorporated into legislation, particularly in regards to banking, non-banking financial institutions and securities. Thus, the Banking Law was enacted in 1989, enabling suitable locally incorporated bodies to file applications for licenses to operate as banking institutions. Subsequently, a number of corporate entities were licensed to operate as banks, including Meridian (BIAO) Trust Bank, CAL Merchant Bank, Allied and Metropolitan and ECOBANK.

Provision is made for the licensing of non-banking financial institutions under the Financial Institutions (Non-Banking) Law 1993 (P.N.D.C.L. 328). This legislation makes provision for the licensing of non-banking financial institutions seeking to operate as, inter alia, discount companies, finance houses, building societies, or leasing and hire-purchase companies. Such institutions now include the Home Finance Corporation which provides finance for the acquisition of houses and the City Savings and Loans Limited which grants various forms of financial assistance and accommodation to small scale business enterprises.

By the end of 1990, banks were able to meet the new capital adequacy requirements. In addition, the government announced the establishment of the First Finance Company in 1991 to help distressed but potentially viable companies to recapitalize. The company was established as part of the financial sector adjustment program in response to requests for easier access to credit for companies hit by ERP policies. The company was a joint venture between the Bank of Ghana and the Social Security and National Insurance Trust.

Despite offering some of the highest lending rates in West Africa, Ghana's banks enjoyed increased business in the early 1990s because of high deposit rates. The Bank of Ghana raised its rediscount rate in stages to around 35 percent by mid-1991, driving money market and commercial bank interest rates well above the rate of inflation, thus making real interest rates substantially positive. As inflation decelerated over the year, the rediscount rate was lowered in stages to 20 percent, bringing lending rates down accordingly.

At the same time, more money moved into the banking system in 1991 than in 1990; time and savings deposits grew by 45 percent to ₵94.6 billion and demand deposits rose to ₵118.7 billion. Loans also rose, with banks' claims on the private sector up by 24.1 percent, to ₵117.4 billion. Banks' claims on the central government continued to shrink in 1991, falling to a mere ₵860

million from ₵2.95 billion in 1990, a reflection of continued budget surpluses. Claims on nonfinancial public enterprises rose by 12.6 percent to ₵27.1 billion.

Foreign bank accounts, which were frozen shortly after the PNDC came to power, have been permitted since mid-1985, in a move to increase local supplies of foreign exchange. Foreign currency accounts may be held in any of seven authorized banks, with interest exempt from Ghanaian tax and with transfers abroad free from foreign exchange control restrictions. Foreign exchange earnings from exports, however, are specifically excluded from these arrangements.

The Ghana Stock Exchange began operations in November 1990, with twelve companies considered to be the best performers in the country. Although there were stringent minimum investment criteria for registration on the exchange, the government hoped that share ownership would encourage the formation of new companies and would increase savings and investment. After only one month in operation, however, the exchange lost a major French affiliate, which reduced the starting market capitalization to about US\$92.5 million.

By the end of 1990, the aggregate effect of price and volume movements had resulted in a further 10.8 percent decrease in market capitalization. Trading steadily increased, however, and by mid July 1992, 2.8 million shares were being traded with a value of ₵233 million, up from 1.7 million shares with a value of ₵145 million in November 1991. The market continued to be small, listing only thirteen companies, more than half in retailing and brewing. In June 1993, Accra removed exchange control restrictions and gave permission to non-resident Ghanaians and foreigners to invest on the exchange without prior approval from the Bank of Ghana. In April 1994, the exchange received a considerable boost after the government sold part of its holdings in Ashanti Goldfields Corporation.

2.3 Switching Behaviour

Attempt is being made by different authors in defining switching behaviour every now and then (see Table I). In the wake of breaking down these definitions one can infer that whether switching is a process or decision, it is definite that ending up a relationship with one service provider and establishing the same relationship with another service provider for whatever reason, is part of switching behavior. Garland (2002) found customer defection to be 5 percent in assessing customer defection in individual retail banking of New Zealand utilizing Juster scale's probabilistic measurement method. Trubik and Smith (2007) came up with a model for determining the probability of a customer to leave the bank in Australia after studying the factors that account for that. The study was done using a particular bank therefore the model was not generalized.

Table I. Definition of switching behaviour by various authors

Bolton and Bronkhurst (1995) and Boote (1998)	Switching behaviour reflects the decision that a customer makes to stop purchasing a particular service or patronizing the service firm completely
Bejou and Palmer (1998), Hocutt (1998) and Stewart (1998)	Customer switching behaviour represents a dynamic process that develops over a particular period of time and results in relationship ending
Bansal and Taylor (1999)	The switching of service provider consists of replacing the current service provider with another service provider

Keaveny and Parthasarathy (2001) and Sathish et al. (2011)	Customer switching is defined as an act of being loyal to one service categories, but switch from one service provider to another, as a result of dissatisfaction or any other related problems A negative outcome of the buyer decision-making process and the then implementation of the decision in regard with a specific product or service selection
Oyeniya and Abiodun (2010)	Customer switching incurred by buyers for stop transaction relationships and initiating a new relation with some other business

Complaining behavior prior to switching have had a little attention by many studies, for example, Stewart (1998) revealed that respondents who lodged complain to the before switching were about 80%. Moreover, Colgate and Hedge (2001) contemplated switching as a dynamic process that develops gradually overtime and ends in exit through complaining. They found in their studies that some essential factors were influential over customers complaining behavior. While some researchers were concentrating their studies on drivers of switching behaviour, others endeavored to investigate post-switching behaviour in form of verbal exchange and look for new service (Keaveney, 1995).

Colgate and Lang (2001) researched on factors that may prevent customers form switching, the opposite to switching drivers. Empirically, it was found that the essential hindrance to switching

behavior in the financial institution were “apathy” and negativity. Likewise, Yanamandram and White (2006) used an alternative method to study switching barriers however in an alternate setting of business-to-business service. They brought forth that “the impact of alternative service” and “switching cost” were most influential in impeding dissatisfied customers from switching. Valenzuela (2010) explored the elements deciding switching hindrances and the impact of kind of bank, and demographic (gender and education) dispensation of the customer. Tesfom and Birch (2011) studied the linkages between age and switching barriers in commercial bank sector.

Customers switching behaviour in other service has received a lot of attention by many researchers. For example, Grace and O’Cass (2003) investigated switching behaviour in the provision of service in child-care, Inakura et al. (2005) and Anton et al. (2007) examined the probability of customers to switch in the insurance business. Edvardsson and Roos (2003) Shin and Kim (2007), Habib et al. (2011) and Sathish et al. (2011) analyzed switching behaviour in telecommunication industry. Aish et al. (2008) analyzed switching behaviour in B2B benefit industry.

2.4 Drivers of switching Behaviour

Bank customers usually switch as a result multiple incidents, unlike other service providers where single incident causes customer to switch because customers of banks are bolted in relationship with their bankers (Gerrard and Cunningham, 2004). The initial model of switching behavior in service industry was proposed by Keaveney (1995) where 800 vital switching incident were categorized eight switching incident including inconvenience, price , core service failures, service encounter failures, failed employee responses to service failures, involuntary

factors, ethical problems and competitive issues. This examination depended on 45 various services but Keaveney's model requires additionally testing of proposed switching factors on particular service industry (Andreasen, 1988; Keaveney, 1995; Mittal and Lassar, 1998).

The paragraphs below discuss the factors that are identified to influence the switching behavior of customers within banking business in Ghana.

2.4.1 Service quality

Services are not tangible that it can be seen or touched. They largely elusive present and they are felt together with the delivery of production and consumption. Often, the dealings between the consumer and the supplier render the service to customers (Gronroos, 2000). Since the dealings between a consumer and a service render yields opportunities for customers to assess services, service quality can be widely conceptualised as a customer's overall consciousness of the relative inferiority/superiority of the organisation and its service provisions (Bitner and Hubbert, 1994; Gronroos, 2000). Intention to switch and customer disloyalty are some outcomes of poor quality of service (Aydin and O zer, 2005; Zeithaml et al., 1996). The quality of service provided in the banking industry is somehow related switching responses of customers (Rust and Zahorik, 1993; Yavas et al., 2004). Good service quality is a panacea to customers switching behavior. (Clemes et al., 2007). Moreover, Chakravarty et al. (2004) analyzed the role of relationship in customer switching behaviour through different components with service quality dimension and relationship dimension inclusive. Mavri and Ioannou (2008) studied the switching behaviour of Greek customers to banks and inferred that service product and quality together with brand name positively affect in minimizing the churn behavior while demographic variable (gender and education had a less impact on customers switching behavior. In contrast with previous findings, Kura et al. (2012) concluded that there is insignificants impact of a service quality on switching

behaviour of customers in banking. Kaur et al. (2012) examined switching expectation through different social factors in Indian banks and uncovered that service quality, satisfaction and trust altogether influence switching barriers. Authors decided to use inconveniences, reliability and delivery of service by staff after thorough review of literature to represent the three dimensions of service quality

.

2.4.2 Price

From the buyer's point of view, cost is what is surrendered or relinquished to get goods or services (Zeithaml, 1988). Adverse price discernments can make customers switch banks (Clemes et al., 2007; Campbell, 1999). Gerrard and Cunningham (2004) approved Keaveney's (1995) proposed switching model within the banking service in Singapore and discovered price as the most persuasive factor among all. Clemes et al. (2010) investigated switching costs, price, service quality and found that they critical components affecting switching behaviour in the banking service in China. Their discoveries likewise uncovered that youthful age and high-wage group are more liable to switch banks.

2.4.3 Reputation

Bennett and Kottasz (2000) defined reputation Notoriety has been characterized as “an amalgamation of all expectations, perceptions and opinions of an organization developed over time by customers, employees, suppliers, investors and the public at large in relation to the organization’s qualities, characteristics and behaviour, based on personal experience, hearsay or organization’s observes past actions”. Trotta et al., (2011) described reputation to be a force of attraction which is exerted on the customer and has the potential to influence the trading processes. Notoriety is a key resource for firms as it is significant, particular, hard to copy, non-

substitutable and furnishes the firm with an economical upper hand (Wang et al., 2003; Hall, 1993). Gerrard and Cunningham (2004) found that reputation of banks is among the key factors that cause switching behaviour of customers.

2.4.4 Effective advertising competition.

Relationship amongst advertising and switching behaviour in the banking industry has received less attention from researchers, as marketing strategies have been their main focus at the expense of advertising (Zhang, 2009). Advertising relates to activities embraced to expand sales or improve the icon of an service, firm or business and the main role of advertising is to make known to the potential customer of the qualities of goods or service (Cengiz et al., 2007). There are controversies cycling around the part advertising plays in the banking industry. This can be attested when Hite and Fraser (1988) contended that advertising of professional service not excluding advertising of banks can change customers' states of attitude and perception towards the service received from the provider, while, a research carried out Balmer and Stotving (1997), blamed advertising of banks for strengthening the likeness of their service provided rather than stressing out their difference. Clemes et al. (2010) discovered negative connection between viable advertising rivalry and switching behaviour in Chinese commercial banks.

2.4.5 Responses to service failure.

It incorporates the issues emerging when managing service disappointments, conflicts circumstances, handling of complaints (involved negative response, no response or forced response) (Zikiene and Bakanauskas, 2009). Services provided by financial service are usually delivered directly by employees to customers on the counter, telephone or customers interaction with the automated teller machine (ATM) due to the characteristics of inseparability. Stefan

(2004), posit that banks endeavor to give services which are free from errors but service failure is unavoidable in light of the fact that the bank-customer connection is impacted by numerous irrepressible factors. Keaveney (1995) found that more than 17% of all service switching happenings were caused to some employee inability to effectively respond to customers' service failure.

2.4.6 Customer satisfaction.

The expected performance before purchases as compared to actual performance and cost of purchase yields customer satisfaction (Churchill and Surprenant, 1982) while total customer satisfaction is the general assessment in view of the aggregate purchase and utilization involvement with a product and service over a period (Aydin et al., 2005). Moutinho and Smith (2000), uncovered that bank customer dispositions towards the provision of service by human and the satisfaction derived will have influence on customers switching behavior more than the same service provider by automated machine. Athanassopoulos et al. (2001) dived into the effect of customer satisfaction and their intent to switch, negative relation existed between the two.

2.4.7 Involuntary switching.

Keaveney (1995) explains the variables that are out of control of the consumer or service render as involuntary switching variables. Unintentionally, switching may occur as a result of customer moving to different residence, changing job and the opening of new branch closer to the customer. Taylor et al., (2009) posit that satisfied customers may even switch banks due to variables out of the customers' control like changing of environment or other variables. Ganesh et al. (2000) noted that switching behavior is commonly influenced by involuntary or unavoidable switching. Customers may gain high level of satisfaction from the services of their

bank; however the bank stands at the point of losing a customer due to circumstances beyond the control of either party (Taylor et al., 2009). Service providers may have no control on some the involuntary switching. However, examining the importance of involuntary switching as a factor of switching behaviour and determining the marginal probability of involuntary switching is important strategic information for bank management.

2.4.8 Service products

Service quality incorporates a center administration, in addition to extra particular highlights, benefit determinations and targets (Rust and Oliver, 1994). In spite of the fact that financial services and products are indistinguishable in nature (Beckett et al., 2000), numerous researchers have shown that products offered by bankers impact customer's choice to switch (Ogilvie, 1997; Kiser, 2002). In a technological application, fast-paced environment, conveying an extensive variety of products to customer is fundamental for organizations' prosperity and survival (Strieter et al., 1999). Cost of transaction and switching rates can be reduced through the application of advance technology in service delivery and technological advancement can also urge customers to create ends of service for themselves (Bitner et al., 2002). Banks which are technologically handicap cannot offer fast, suitable and higher quality services and this may influence customers switch banks (Zhang, 2009).

2.4.9 Customer Loyalty

The attitudinal definition of loyalty implies that loyalty is a state of mind. By this definition, a customer is "loyal" to a brand or a company if they have a positive, preferential attitude toward it. They like the company, its products or its brands, and they therefore prefer to buy from it, rather than from the company's competitors (Lewis 2009). In purely economic terms, the

attitudinal definition of customer loyalty would mean that someone who is willing to pay a premium for Brand A over Brand B, even when the products they represent are virtually equivalent, is "loyal" to Brand A (Khezer 2005). But the emphasis is on "willingness," rather than on actual behavior, per se. In terms of attitudes, then, increasing a customer's loyalty is virtually equivalent to increasing the customer's preference for the brand. It is closely tied to customer satisfaction, and any company wanting to increase loyalty, in attitudinal terms, will concentrate on improving its product, its image, or other elements of the customer experience, relative to its competitors (Burton 2005).

The behavioral definition of loyalty, on the other hand, relies on a customer's actual conduct, regardless of the attitudes or preferences that underlie that conduct (Fitts 2002). By this definition, a customer is "loyal" to a company if they buy from it and then continue to buy from it. Loyalty is concerned with re-purchase activity, regardless of any internally held attitudes or preferences. In the behavioral definition, loyalty is not the cause, but the result of brand preference. A company wanting to increase customer loyalty will focus on whatever tactics will in fact increase the amount of repurchase behavior - tactics that can easily include, without being limited to, improving brand preference, product quality, or customer satisfaction.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter concentrated on the method that used in this study. The methodology covered issues such as research design, population, the sample and sampling procedure, instrument used, data collection procedure and method of data analysis.

3.2 Research Design

This study investigated the factors that influence customers switching behaviour in the banking industry in the Kumasi metropolis. The research design considered appropriate for this research study was the descriptive survey. The descriptive survey is non experimental; in that it seeks to ascertain respondents' perspectives or experiences on a specified subject in a predetermined structured manner. This is because the phenomenon or conditions already exists and for that matter relevant variables are merely selected and observed for analysis of their status.

3.3 Sample selection and data sources

Non-probabilistic sampling technique was employed, precisely purposive sampling was used. Data used in this analysis were collected from various bank customers in Kumasi. In order to qualify, respondents had to have at least one saving account in any public or private sector bank.

3.4 Instruments

Questionnaires were used to gather data from our respondents. The questionnaire had two sections. The first section consisted of demographic information such as age, and monthly

income level of respondents. The second section dealt with factors that influence customers switching behaviour.

3.5 Population

For the purpose of this study, two hundred (200) customers of the various banks in Kumasi were targeted. For instant retrieval of questionnaires, the exit intercept survey method was used (Zhou, 2004). The questionnaires were distributed at the various banks premises in Kumasi, precisely Adum which is clouded with many banking halls. The study used face-to-face administration to enable the researcher to respond to queries and to ensure maximum response. Out of the 200 questionnaires, 190 completed questionnaires were used for the analysis. A total of 10 questionnaires discarded due to incomplete data questionnaire and/or high response bias.

3.6 Data analysis

Data were analyzed through the identification of themes and trend analysis in line with the research questions. Data collected were analyzed quantitatively. The quantitative data shows numerical representation of vital variables with the aid of Statistical Product for Service Solution (SPSS).

CHAPTER FOUR

PRESENTATION OF FINDINGS AND ANALYSIS

4.1 Introduction

This chapter present analysis on the data collected on the sample of 190 respondents. First would be analysis on the demographic properties such as gender, age, education and income of the respondents with the percentage, mode and median being the descriptive statistics considered.

Table 4.2.1: Gender information of the participants (n=190)

GENDER	Frequency	Percentage (%)
Male	104	54.74
Female	86	45.26
Total	190	100.00

From table 4.2.1, 104 from the total respondent of 190 were males which represent 54.74% and 86 which also represents 45.26% were females. This distribution may be attributed to the fact that the work force population is dominated by males.

Table 4.2.2: Age information of the participants (n=190)

AGE	Frequency	Percentage (%)
18-25	12	6.32
26-35	77	40.53
36-45	70	36.84
46-55	21	11.05
56 and above	10	5.26
Total	190	100.00

From table 4.2.2, the majority of the respondents were between the ages of 26 – 35 and 36 – 45 which represent 40.53% and 36.84% respectively. The dominance of these age groups may be due to the fact that they are the active work force in most population structures and more responsible as their contribution is great for improving the performance of the bank. The age group of 56 and above represented 5.26% of the total respondents. Most of them were pensioners who have stayed with a particular bank for more than 7 years. From the table, a total number of 12 of the respondents which represent and 6.32% were between the ages of 18 – 25 years. The smaller proportion of this group may be attributed to the fact that most people around that age are still students and not working to earning salaries.

Table 4.2.3 Education information of the participants (n=190)

EDUCATION		
Primary	11	5.79
Middle School (J. H. S.)	25	13.16
Senior high (S. H. S.)	41	21.58
Diploma	36	18.95
Degree	61	32.11
Post graduate	13	6.84
PhD	3	1.58
Total	190	100.00

From the table 4.2.3, it can be attested that 32.11% of the respondents were degree holders, 21.58% were senior high certificates holders, 18.95% were diploma certificate holders, 13.16% also represents middle school certificates holders, 6.84% were also post graduate and PhD holders were 1.58%. A total of 94.21% had had formal education and can read, understand and

evaluate the terms and conditions of services they receive from their providers. It can be attested that they form the majority of the customers who easily switch from one bank to another or decide to practice multiple banking when they are not satisfied with their current service providers.

Table 4.2.4 below shows the occupation of respondents. Majority of the respondents which represent 41.58% were civil servants who receive their salary through banks. They are unlikely to switch banks because of the inconvenience that may occur before they receive their salary. However, because of loan accessibility, quality of service, high bank charges and convenient location of the banks, they easily switch banks. Self employed respondents were about 27.37%. They are influence to switch banks by the service quality, price, location and service product of the banks.

Table 4.2.4 occupation information of the participants (n=190)

OCCUPATION	Frequency	Percentage %
Students	10	5.26
Unemployed	6	3.16
Self-Employed	52	27.37
Civil servant	79	41.58
Professional	15	7.89
Retired	21	11.05
Others	7	3.68
TOTAL	190	100.00

From table 4.2.5 below, showed that out of the 190 customers who responded to the questionnaire, 71 (37.37%) of them were earning GH¢1,000 to GH¢1,499 per month, 49 (25.79%) of them were also earning between GH¢1,500 to GH¢1,999 each monthly, 31 (16.32%) of them were earning GH¢2,000 each monthly, 29 (15.26%) of them were earning between GH¢ 500 to GH¢ 999 monthly, 7 representing 3.68% of them were earning GH¢100 to GH¢ 999 and finally 1.58% were earning below GH¢100. This shows clearly that respondent below 500 were unlikely to switch bank as compared to the respondents earning above GH¢ 500.

Table 4.2.5 income information of the participants (n=190)

INCOME	Frequency	Percentage (%)
Less than GH¢ 100	3	1.58
GH¢ 100- GH¢ 499	7	3.68
GH¢ 500-GH¢ 999	29	15.26
GH¢ 1,000-GH¢ 1,499	71	37.37
GH¢ 1,500-GH¢ 1,999	49	25.79
GH¢ 2,000 and above	31	16.32
TOTAL	190	100.00

Table 4.2.6 below shows the factors of customers switching behavior in the banking industry, in descending order in as per their mean estimation of significance on a scale of 1-5. It is clear that respondents considered the greater part of the recommended factors to be of some importance (mean qualities running from 1.79 to 2.20), however none of the factors was considered extra important (no mean values was nearer to highest value of five-point scale). The factors that were

thought to be of major importance were mainly concerned with service quality, price, and effective advertising competition customer commitment.

Table 4.2.6 Descriptive statistics for each variable in order of importance

Description of variable	Mean	SD
1. The bank's opening hours were inconvenient (SQ2)	2.209	1.504
2. Accessing automatic teller machines was inconvenient (SQ3)	2.162	1.410
3. Bank staff did not readily respond to my requests (SQ7)	2.147	1.406
4. The bank charged high interest for loans (P2)	2.141	1.509
Description of variable	Mean	SD
5. The bank charged high fees (P1)	2.126	1.474
6. Bank staff were impolite and rude (SQ6)	2.115	1.432
7. The bank charged high interest for mortgages (P3)	2.109	1.415
8. Bank staff did not have the competence to solve problems (SQ8)	2.099	1.375
9. The bank provided services that were not as promised (SQ4)	2.078	1.556
10. The bank moved to a new geographic location (IS2)	2.063	1.485
11. The bank provided low interest rates on savings accounts (P4)	2.047	1.533
12. The bank branch locations were inconvenient (SQ1)	2.047	1.577
13. The bank did not inform me of changes in services (SQ5)	2.047	1.470
14. The competing bank's advertising content influenced my decision to switch bank (COM1)	2.037	1.509
15. The bank did not offer a wide range of service products (e.g. loans, mortgages, credit cards) (SP)	2.010	1.465

16. The competing bank's advertising humour influenced my decision to switch banks(COM3)	2.005	1.471
17. The bank was financially unstable (REP3)	1.989	1.539
18. I was not satisfied with my banking experience (CS2)	1.974	1.389
19. The bank was unreliable (REP1)	1.953	1.378
20. The bank corrected mistakes slowly (RES1)	1.942	1.396
21. I will not stay with the bank as a customer (CS3)	1.942	1.377
22. I would not recommend the bank to others (CS1)	1.932	1.494
23. You wanted to continue a relationship with the bank (CL3)	1.916	1.484
Description of variable	Mean	SD
24. The service products offered did not satisfy my specific needs (SP2)	1.911	1.364
25. Bank staff did not make any extra effort to solve problems (RES2)	1.900	1.467
26. The competing bank's advertising words influenced my decision to switch banks (COM2)	1.890	1.509
27. You were very committed to the bank (CL1)	1.838	1.497
28. Bank branches in my area were closed (IS1)	1.827	1.517
29. I moved to a new geographic location (IS3)	1.811	1.359
30. You intended to remain a customer of the bank (CL2)	1.806	1.596
31. The bank was untrustworthy (REP2)	1.791	1.521

Table III. Descriptive statistics for each variable in order of importance

4.1.1 Service quality

Variables grouped under this factor include convenient bank's opening hours and access to ATMs, reliable bank service, staffs who deliver the services behaviour. The results show that service quality is an important factor that influences a customers' switching behaviour in the banking industry. Service quality has been identified by several researchers as an important factor that supports business growth and has a positive impact on customer satisfaction; repurchase behaviour, and business profitability (Gronroos, 2000; Julian and Ramaseshan, 1994; Zeithaml et al., 1996). In order to remain competitive banks management needs to deliver an optimum service quality.

4.1.2 Price

The result disclose price as another important factor that influences customers switching behavior. The result confirms the findings of Garrard and Cunningham (2004) and Zeithaml (1998). In banking, price includes bank charges, interest rates charges and payment and fees implementation (Gerrard and Cunningham, 2004). Price is an essential factor that directly affects customers' satisfaction and behavioural intention (Cronin and Taylor, 1992; Varki and Colgate, 2001). Several past researchers found that price is among the key factors that influences customer's switching behavior (Keaveney, 1995; Colgate et al., 1996; Stewart, 1998; Campbell, 1999; Colgate and Hedge, 2001; Dawes, 2004; Anjum et al., 2011). In other to remain competitive, pricing strategy should be a major concern. Simply offering high deposit rates, imposing minimum charges on customers, and increasing fee rates at the same time is not an effective way to reduce customer defection rates (Gerrard and Cunningham, 2004). High bank

charges may adversely affect the bank by encouraging customers to switch to another bank that offers a relatively lower price (Gerrard and Cunningham, 2004).

4.1.3 Effective advertising competition

The study revealed that advertising also plays an important role in determining customers' switching behavior. It includes questions regarding the impression of advertising content, words or humour in the mind of customer and its relation with their decision to switch. Effective advertising strategies should be developed by bank managers to enhance the transfer of message between customers and their bank and win new customers from other banks. The probability of customers switching to another bank may be reduced if they understand the product they are offered (Clemes et al., 2007a). Emergence of technology has provided divergent ways by which the services the bank offers can be communicated to the public. The internet, television and radio may not be the only way to advertise and communicate to the public. However, television and radio may still be the most effective method to advertise banking services to the older age segment. The internet also helps to communicate the bank services to customers and potential customers globally. Therefore, the banks need to develop multiple advertising channel and attractive message to target people in various demographic locations.

4.1.4 Service product

This factor includes variety of products offered by the bank to satisfy the needs of their customers and potential customers. In technology-driven environment, providing a variety of products is vital for survival and success of any business (Strieter et al., 1999). Service product is an important component of service quality (Sweeney et al., 2007; Clemes et al., 2007) and when associated with technology can reduce transaction as well as switching rates (Bitner et al., 2002).

Less innovative banks which cannot offer service products combined with high technology effectively may cause switching by customers (Gerrard and Cunningham, 2004).

4.1.5 Customer satisfaction

The satisfactions customers gain through their dealing with their bank were measured with variables under this factor. Satisfaction is derived from the cost and reward of purchased item as compared to the expected consequence of the customer (Churchill and Surprenant, 1982). Consumers are likely to engage in adverse behavioural response when they have substandard perceptions of customer satisfaction (Athanasopoulos et al., 2001). Customer satisfaction may influence customers to quit the use of item, a critical strategies put in place will helps organization in customer retention and leads to repeat purchase (Fornell, 1992; Taylor and Baker, 1994).

4.1.6 Responses to service failure

The variables constituting this factor are identified with the status of bank employees to take care of the issues or right their mistakes and how fast they respond to any sort of service failure. Service failure result in two unfavourable outcomes: exit and voice, Hirschman (1970). Stewart (1998) stated switching behaviour is encouraged when there is a frequent occurrence of the same problem or incident but not a “one time” occurrence of dissatisfaction related to a particular incident. Service failure being part responsible for customer was empirically demonstrated by Keaveney (1995). But Clemes et al. (2007) contended that there is no significant impact.

4.1.7 Reputation

From the analysis reputation was identified as one the customers switching antecedent. Good image is created in the public domain about a firm reliability and capability due to its reputation (Vendelo, 1998). Thus, bank managers must use a relationship marketing approach to deliver reliable services and honest communication that will help to encourage building trust between customers and banks (Clemes et al., 2007a; Gill et al., 2006; Gronroos, 2000). This may eventually create customer loyalty which will be beneficial to the bank and customer. In addition to providing timely and accurate services that reduce risk, managers need to encourage their employees to communicate with customers in a manner that inspires trust and confidence and enhances the reputation of their banks.

4.1.9 Customers' loyalty

Customers attitude to maintain and continue to transact business with their provider were used as variables to measure this factor. Flexible accessibility to accounts, provision of financial information, and introducing innovative products, can enhance customers' loyalty (Moutinho and Smith, 2000; Nguyen and Leblanc, 1998). Not focusing on the service product alone, but the employees who are delivering the service should be a major concern to the bank management (Gerrard and Cunningham, 2004). Numerous Inter-actions are created between customers and employees. This is a major characteristics associated with provision of service within the banking industry. Therefore, good banking knowledge, courteous attitude and professionalism should be a pre-requisite for bank staffs. Choosing the right is necessary in order for professional service staff to consistently deliver high-quality services (Gronroos, 2000)

4.1.10 Involuntary switching

The results affirm that involuntary switching, (for example, moving house, changing jobs, and the opening or closing of a bank office) is an important factor that impacts the minimal likelihood of a customer switching banks. To counter involuntary switching, bank administrators may utilize electronic keeping money administrations, for example, automated telling machines (ATMs) and phone and web managing an account to help bring down rates of defection (Dutta and Segev, 2001). Electronic managing an account can effectively and efficiently enhance the primitive marketing functions of financial institutions, particularly when there is a limited time or geographical constraints (Gan et al., 2006; Polatoglu and Ekin, 2001).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary

This part is divided into two sections. The first section summarizes the process of the research, and the second presents summarized findings of the study.

5.1.2 Summary of Research Process

The study was undertaken to assess the factors that influence customers switching behaviour in the banking industry in Kumasi metropolis. The study was guided by the following research questions:

4. What factors influences customers' switching behavior?
5. To what extent are customers' switching behaviour influenced?
6. To what extent are customers loyal to their bank?

The descriptive survey was used as our research design. Questionnaire was used as the instrument for the data collection. In all, 200 questionnaires were distributed using purposive sampling and 190 were retrieved. Frequency distribution, percentages mean and standard deviation were the statistical methods employed to analyze the resulting data.

5.1.3 Summary of Key Findings

The following key findings were obtained after a thorough discussion of the results:

1. It was established service quality, price, effective advertising competition, response to service failure, service product, customer satisfaction, reputation, Involuntary switching and customer loyalty were factors which affect customers switching behavior. The

income and age group were also identified as factors affecting customers switching behaviour.

2. it was also established that service quality, price, effective advertising competition, service product, customer satisfaction, response service failure and reputation, (in order of importance) were most influential in customers switching behaviour while and involuntary switching, less influential.
3. Customer loyalty was identified as a factor affecting customers switching behavior but it was less influential.

5.2 Conclusion

The principle conclusion drawn from this study is that the nine factors of customers switching behavior identified do not work in isolation. Managers of banks should develop strategies to deal with these factors in order to maintain existing customers and attract new customers. These nine factors were recognized as fundamental in estimating factors indicated to measure the switching behaviour of customers and require to be considered to maintain existing customers. The study established that the most influential factors of customer switching behavior were (in order of importance);

1. Service Quality
2. Price
3. Response Service Failure
4. Reputation
5. Effective Advertising Competition
6. Customer Loyalty

Involuntary switching and switching cost were less influential. The income and age group were also influential on customers switching behaviour. Considering these contributing factors, it is evident that banks require shaping their plans of actions around customers needs and concentrating operational enhancements on customers interaction with the bank.

5.3.2 Recommendation

Due to the findings obtained from the study, the following recommendations have been made basing on the objectives of the study.

There is a need for banks to improve their service quality and review their bank charges since the quality of service and transaction fees have an impact on customer switching behaviour. In addition good and effective advertising message should be carried out to communicate the services and capabilities of the bank to the public. Also, management should make banking hall closer to valuable customers since customers switch in the inception of convenience in the services and location of the banks. Moreover, banks should regularly update their system and also employed well trained staff who will respond to system failure quickly. Bank managers should work on their reputation which will eventually to winning the customers loyalty.

5.3.1 Suggestions for Further Research

The study assess the factors that influence customers switching behaviour in the banking industry in Kumasi metropolis

- Further studies should look at the customers switching behaviour on the performance of banks.

- The study dealt with customer of banks in the Kumasi Metropolis. It is therefore recommended that future research efforts should be concentrated on other parts of the country.

- Adalet, M. (2009), "Multi-product exporters and product turnover behaviour of new Zealand firms", Working Paper No. 09/01, New Zealand Treasury, Wellington, 24 April.
- Aish, E.M., Kortam, W.A. and Hassan, S.S. (2008), "Using agency theory in understanding switching behavior in b2b service industries 'I' ", Working Paper No. 6, Faculty of Management Technology, German University in Cairo, Cairo.
- Albrecht, W. S. & Sack, R. J. (2000). *Accounting education: Charting the course through a perilous accounting education series*. Chicago: American Accounting Association
- Anderson, E., Fornell, C. and Lehmann, D.R. (1994), "Customer satisfaction, market share, and profitability: finding from Sweden", *Journal of Marketing*, Vol. 58, pp. 53-66.
- Andreasen, A.R. (1988), "Consumer complaints and redress: what we know and what we don't know", in Maynes, E.S. (Ed.), *The Frontier of Research in the Consumer Interest*, University of Columbia and American Council of Consumer Interest, Columbia, MO, pp. 675-721.
- Anjum, A., Ghouri, A.M. and Malik, M.A. (2011), "Determinants analysis of customer switching behavior in private banking sector of India", *International Journal of Information, Business and Management*, Vol. 3 No. 2, pp. 156-177.
- Anton, C., Camarero, C. and Carrero, M. (2007), "The mediating effect of satisfaction on consumers' switching intention", *Psychology & Marketing*, Vol. 24 No. 6, pp. 511-538.
- Athanassopoulos, A., Gounaris, S. and Stathakopoulos, V. (2001), "Behavioural responses to customer satisfaction: an empirical study", *European Journal of Marketing*, Vol. 35 Nos 5/6, pp. 687-707.

- Aydin, S. and Ozer, G. (2005), "An analysis of antecedents of customer loyalty in the Turkish mobile communication market", *European Journal of Marketing*, Vol. 39 Nos 7/8, pp. 910-23.
- Aydin, S., Ozer, G. and Arasil, O. (2005), "Customer loyalty and the effect of switching costs as a moderator variable: a case in the Turkish mobile phone market", *Marketing Intelligence & Planning*, Vol. 23 No. 1, pp. 89-103.
- Balmer, J.M.T. and Stotving, S. (1997), "Corporate identity and private banking: a review and casestudy", *International Journal of Bank Marketing*, Vol. 15 No. 5, pp. 169-184.
- Bansal, H. and Taylor, S. (1999), "The Service Provider Switching Model (SPSM): a model of consumer switching behavior in the service industry", *Journal of Service Research*, Vol. 2 No. 2, pp. 200-218.
- Beckett, A., Hewer, P. and Howcraft, B. (2000), "An exposition of consumer behaviour in the financial services industry", *International Journal of Bank Marketing*, Vol. 18 No. 1, pp. 15-26.
- Bejou, D. and Palmer, A. (1998), "Service failure and loyalty: an exploratory empirical study of airline customers", *Journal of Services Marketing*, Vol. 12 No. 1, pp. 7-22.
- Bennett, R. and Kottasz, R. (2000), "Practitioner perceptions of corporate reputation: an empirical investigation", *Corporate Communications: An International Journal*, Vol. 5 No. 4, pp. 224-234.
- Bernard, A.B., Redding, S.J. and Schott, P.K. (2006), "Multi-product firms and product switching", Working Paper No. 12293, National Bureau of Economic Research (NBER), Cambridge, MA, 12 June.

- Bitner, M.J. and Hubbert, A.R. (1994), "Encounter satisfaction versus overall satisfaction versus quality", in Rust, R.T. and Oliver, R.L. (Eds), *Service Quality: New Directions in Theory and Practice*, Sage Publications, London.
- Bitner, M.J., Ostrom, A.L. and Meuter, M.L. (2002), "Implementing successful self-service technologies", *The Academy of Management Executive*, Vol. 16 No. 4, pp. 96-109.
- Bolton, R.N. and Bronkhurst, T.M. (1995), "The relationship between customer complaints to the firm and subsequent exist behavior", in Kardes, F.R. and Sujan, M. (Eds), *Advances in Consumer Research*, Vol. 22 Association for Consumer Research, Provo, UT, pp. 92-100.
- Boote, J. (1998), "Towards a comprehensive taxonomy and model of consumer complaining behavior", *Journal of Consume Satisfaction, Dissatisfaction and Complaining Behaviour*, Vol. 11 pp. 141-149.
- Campbell, M.C. (1999), "Perceptions of price unfairness: antecedents and consequences", *Journal of Marketing Research*, Vol. 36 No. 2, pp. 187-199.
- Cengiz, E., Ayyildiz, H. and Er, B. (2007), "Effects of image and adverting efficiency on customer loyalty and antecedents of loyalty: Turkish banks sample", *Banks and Bank Systems*, Vol. 2 No. 1, pp. 56-80.
- Chakravarty, S., Feinberg, R. and Rhee, E.Y. (2004), "Relationships and individuals bank switching behavior", *Journal of Economic Psychology*, Vol. 25 No. 4, pp. 507-527
- Churchill, G. and Surprenant, C. (1982), "An investigation into the determinants of customer satisfaction", *Journal of Marketing Research*, Vol. 19 No. 4, pp. 491-504.
- Clemes, M., Mollenkoph, D. and Burn, D. (2000), "An investigation of marketing problems across service typologies", *Journal of Services Marketing*, Vol. 14 No. 7, pp. 573-594.

- Clemes, M.D., Gan, C. and Zhang, D. (2010), "Customer switching behaviour in the Chinese retail banking industry", *International Journal of Bank Marketing*, Vol. 28 No. 7, pp. 519-546.
- Clemes, M.D., Gan, C. and Zheng, L.Y. (2007), "Customer switching behaviour in the New Zealand banking industry", *Banks and Bank Systems*, Vol. 2 No. 4, pp. 50-65.
- Colgate, M. and Hedge, R. (2001), "An investigation into the switching process in retail banking services", *International Journal of Bank Marketing*, Vol. 19 No. 5, pp. 201-212.
- Colgate, M. and Lang, B. (2001), "Switching barriers in consumer markets: an investigation of the financial services industry", *Journal of Consumer Marketing*, Vol. 18 No. 4, pp. 332-347.
- Cronin Jr, J.J. and Taylor, S.A. (1992), "Measuring service quality: a reexamination and extension", *Journal of Marketing*, Vol. 56 No. 3, pp. 55-68.
- Day, G.S., Shocker, A.D. and Srivastava, R.K. (1979), "Customer-oriented approach to identifying product-market", *Journal of Marketing*, Vol. 43 No. 4, pp. 8-19.
- Diamond, D.W. (1984), Financial intermediation and delegated monitoring. *Review of Economic Studies*, Vol. 51, No.3, pp.393-414.
- Dutta, S. and Segev, A. (2001), *Business Transformation on the Internet. E-commerce and V-commerce: Business Models for Global Success*, Butterworth-Heinemann, Oxford.
- Edvardsson, B. and Roos, I. (2003), "Customer complaints and switching behaviour", *Journal of Relationship Marketing*, Vol. 2 Nos 1/2, pp. 43-68.
- Ernst & Young (2012), "The customer takes control", *Global Banking Consumer Survey*, Ernst & Young, pp. 1-60, available at: www.ey.com/Publication/vwLUAssets/Global

- Consumer_Banking_Survey_2012_The_customer_takes_control/\$FILE/Global_Consumer_Banking_Survey_2012.pdf (accessed 20 January 2013)
- Farquhar, J. (2004), "Retention in retail financial services: an employee perspective", *International Journal of Bank Marketing*, Vol. 22 Nos 2/3, pp. 86-99.
- Fornell, C. (1992), "A national customer satisfaction barometer: the Swedish experience", *The Journal of Marketing*, Vol. 56 No. 1, pp. 6-21.
- Friedman, M.L. and Smith, L.J. (1993), "Consumer evaluation processes in a service setting", *Journal of Services Marketing*, Vol. 7 No. 2, pp. 47-61.
- Gan, C., Clemes, M., Limsombunchai, V. and Weng, A. (2006), "A logit analysis of electronic banking in New Zealand", *International Journal of Bank Marketing*, Vol. 24 No. 6, pp. 360-83.
- Ganesh, J., Arnold, M.J. and Reynolds, K.E. (2000), "Understanding the customer base of service providers: an examination of the differences between switchers and stayers", *Journal of Marketing*, Vol. 64 No. 3, pp. 65-87.
- Garland, R. (2002), "Estimating customer defection in personal retail banking", *International Journal of Bank Marketing*, Vol. 20 No. 7, pp. 317-324.
- Gerrard, P. and Cunningham, J.B. (2004), "Consumer switching behavior in the Asian banking market", *Journal of Services Marketing*, Vol. 18 No. 3, pp. 215-223.
- Grace, D. and O'Cass, A. (2003), "Child care services: an exploratory study of choice, switching and search behaviour", *European Journal of Marketing*, Vol. 37 No. 1, pp. 107-132.
- Gronroos, C. (2000), *Service Management and Marketing*, 2nd ed., Wiley, Chichester.

- Habib, F.Q., Salleh, A.H. and Abdullah, N.R. (2011), "Service switching behaviour among mobile phone users", paper presented at the 2nd International Research Symposium in Service Management, Yogyakarta, 26-30 July
- Hall, R. (1993), "A framework linking intangible resources and capabilities to sustainable advantage", *Strategic Management Journal*, Vol. 14 No. 8, pp. 607-618.
- Hans, C.M., Hoyer, W.D. and Inman, J.J. (1996), "Why switch? Product category: level explanations for true variety-seeking behavior", *Journal of Marketing Research*, Vol. 33 No. 3, pp. 281-292.
- Heide, J.B. and Weiss, A.M. (1995), "Vendor consideration and switching behaviour for buyers in high-technology markets", *Journal of Marketing*, Vol. 59 No. 3, pp. 30-43.
- Hirschman, A.O. (1970), *Exit, Voice and Loyalty*, Harvard University Press, Cambridge, MA.
- Hite, R.E. and Fraser, C. (1988), "Meta-analyses of attitudes toward advertising by professionals", *Journal of Marketing*, Vol. 52 No. 3, pp. 95-105.
- Hocutt, M. (1998), "Relationship dissolution model: antecedents of relationship commitment and the likelihood of dissolving a relationship", *International Journal of Service Industry Management*, Vol. 9 No. 2, pp. 189-200.
- Inakura, N., Shimizutani, S. and Paprzycki, R. (2005), "Deposit insurance and depositor discipline: direct evidence on bank switching behaviour in Japan", Discussion Paper No. 125, Institute of Economic Research, Hitotsubashi University, Hitotsubashi, October.
- Jones, H. and Farquhar, J.D. (2003), "Contact management and customer loyalty", *Journal of Financial Services Marketing*, Vol. 8 No. 1, pp. 71-8.

- Julian, C.C. and Ramaseshan, B. (1994), "The role of customer-contact personnel in the marketing of a retail bank's services", *International Journal of Retail and Distribution*, Vol. 22 No. 5, pp. 29-35
- Keaveney, S.M. (1995), "Customer switching behavior in service industries: an exploratory study", *Journal of Marketing*, Vol. 59 No. 2, pp. 71-82.
- Keaveney, S. and Parthasarathy, M. (2001), "Customer switching behaviour in online services: an exploratory study of the role of selected attitudinal behaviour, and demographic factors", *Journal of Academy of Marketing Science*, Vol. 29 No. 4, pp. 374-390.
- Khazeh, K. and Decker, W.H. (1992), How customers choose banks. *Journal of Retail Banking*, Vol. 14, No.4, pp. 41-44.
- Kiser, E.K. (2002), "Household switching behaviour at depository institutions: evidence from survey DATA", *Antitrust Bulletin*, Vol. 47 No. 4, pp. 619-640.
- Kumar, A. and Shashi, C.M. (1989), "Confirmatory analysis of aggregate hierarchical market structures: inferences from brand switching behavior", *Journal of Marketing Research*, Vol. 26 No. 4, pp. 444-453.
- Kura, K.M., Mat, N.K.N., Gorondutse, A.H., Magaji, A.M. and Yusuf, A. (2012), "Modeling the antecedents of customer switching behaviour in Nigerian banking industry", *American Journal of Economics*, Special Issue, pp. 29-36.
- Lewis, B. and Bingham, G.H. (1991), The youth market for financial services. *International Journal of Bank Marketing*, vol. 9, No.5, pp. 3-11.
- Mavri, M. and Ioannou, G. (2008), "Customer switching behaviour in Greek banking services using survival analysis", *Managerial Finance*, Vol. 34 No. 3, pp. 186-197.

- McAlister, L. and Pessemier, E.A. (1982), "Variety seeking behavior: an interdisciplinary review", *Journal of Consumer Research*, **9**(3), pp. 311-322.
- Menon, S. and Kahn, B.E. (1995), "The impact of context on variety-seeking in product choices", *Journal of Consumer Research*, **22**(3), pp. 285-295.
- Mittal, B. and Lassar, W.M. (1998), "Why do customers switch? The dynamics of satisfaction versus loyalty", *The Journal of Services Marketing*, **12**(3), pp. 177-194.
- Moutinho, L. and Smith, A. (2000), "Modelling bank customer satisfaction through mediation of attitudes towards human and automated banking", *International Journal of Bank Marketing*, **18**(3), pp. 124-134.
- Nguyen, N. and Leblanc, G. (1998), "The mediating role of corporate image on customers' retention decisions: an investigation in financial services", *International Journal of Bank Marketing*, **16** (2), pp. 52-65.
- Ogilvie, D.G. (1997), "Losing customers the old fashioned way", *Banker News*, **5** (13), p. 6.
- Oyeniya, O. and Abiodun, A.J. (2010), "Switching cost and customers loyalty in the mobile phone market: the Nigerian experience", *Business Intelligence Journal*, **3** (1), pp. 111-121.
- Peters, T. (1987), *Thriving on Chaos*, Alfred A. Knopf Inc., New York, NY
- Polatoglu, V.N. and Ekin, S. (2001), "An empirical investigation of the Turkish customers' acceptance of internet banking services", *International Journal of Bank Marketing*, **19** (4), pp. 156-65.
- Reichheld, F.F. and Sasser, W.E. Jr (1990), "Zero defections: quality comes to services", *Harvard Business Review*, Vol. 68, September/October, pp. 105-11.

- Rust, R. and Zahorik, A. (1993), "Customer satisfaction, customer retention, and market share", *Journal of Retailing*, Vol. 69 No. 2, pp. 193-215.
- Rust, R.T. and Oliver, R.L. (1994), "Service quality: insights and managerial implications from the frontier", in Rust, R.T. and Oliver, R.L. (Eds), *Service Quality: New Direction in Theory and Practice*, Sage Publications, Thousand Oaks, CA, pp. 1-19.
- Sajtos, L. and Kreis, H. (2010), "Diagnosing the impact of patronage concentration and cross-buying in retail banking", *Journal of Business Market Management*, Vol. 4 No. 39, pp. 151-165.
- Sathish, M., Kumar, K.S., Naveen, K.J. and Jeevanantham, V. (2011), "A study on consumer switching behaviour in cellular service provider: a study with reference to Chennai", *Far East Journal of Psychology and Business*, Vol. 2 No. 2, pp. 71-81.
- Shin, D.H. and Kim, W.Y. (2007), "Mobile number portability on customer switching behavior: in the case of the Korean mobile market", *info*, Vol. 9 No. 4, pp. 38-54.
- Shukla, P. (2004), "Effect of product usage, satisfaction and involvement on brand switching behaviour", *Asia Pacific Journal of Marketing and Logistics*, Vol. 16 No. 4, pp. 82-104.
- Stefan, M. (2004), "Consequences of perceived acceptability of a bank's service failures", *Journal of Financial Services Marketing*, Vol. 8 No. 4, pp. 367-377.
- Stewart, K. (1998), "An exploration of customer exit in retail banking", *International Journal of Bank Marketing*, Vol. 16 No. 1, pp. 6-14.
- Strieter, J., Gupta, A.K., Raj, S.P. and Wilemon, D. (1999), "Product management and marketing of financial services", *The International Journal of Bank Marketing*, Vol. 17 No. 7, pp. 342-355.

- Sweeney, J.C., Dagger, T. and Johnson, L.W. (2007), "A hierarchical model of health service quality: scale development and investigation of an integrated model", *Journal of Service Research*, Vol. 10 No. 2, pp. 123-142.
- Taylor, S.A. and Baker, T.L. (1994), "An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions", *Journal of Retailing*, Vol. 70 No. 2, pp. 163-178.
- Tesfom, G. and Birch, N.J. (2011), "Do switching barriers in the retail banking industry influence bank customers in different age groups differently?", *Journal of Services Marketing*, Vol. 25 No. 5, pp. 371-380.
- Trotta, A., Iannuzzi, A., Cavallaro, G. and Dell'Atti, S. (2011), "Banking reputation and CSR: a stakeholder value approach", in Gummesson, E., Cristina, M. and Francesco, P. (Eds), *Proceedings of The Naples Forum on Service 2011 – Service Dominant Logic, Network & System Theory and Service Science: Integrating Three Perspectives for a New Service Agenda*, ISBN: 978 88-7431-525-3 Giannini, Napoli.
- Trubik, E. and Smith, M. (2007), "Developing a model of customer defection in the Australian banking industry", *Managerial Auditing Journal*, Vol. 15 No. 5, pp. 199-208.
- Valenzuela, F. (2010), "Switching barriers used to retain retail banking customers: some empirical evidence from a South American country", *Management Research Review*, Vol. 33 No. 7, pp. 749-766.
- Vendelo, M.T. (1998), "Narrating corporate reputation", *International Studies of Management and Organization*, Vol. 28 No. 3, pp. 120-37.

- Wang, Y.G., Lo, H.P. and Hui, Y.V. (2003), "The antecedents of service quality and product quality and their influences on bank reputation: evidence from the banking industry in china", *Managing Service Quality*, Vol. 13 No. 1, pp. 72-83.
- Yanamandram, V. and White, L. (2006), "Switching barriers in business-to-business services: a qualitative study", *International Journal of Service Industry Management*, Vol. 17 No. 2, pp. 158-192.
- Yavas, U., Benkenstein, M. and Stuhldreier, U. (2004), "Relationships between service quality and behavioral outcomes", *The International Journal of Bank Marketing*, Vol. 22 No. 2, pp. 144-157.
- Zeithaml, V.A. (1988), "Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence", *Journal of Marketing*, Vol. 52 No. 3, pp. 2-22.
- Zeithaml, V.A., Berry, L. and Parasuraman, A. (1996), "The behavioural consequences of service quality", *Journal of Marketing*, Vol. 60 No. 2, pp. 31-46.
- Zhang, D. (2009), "Customer switching behaviour in the Chinese retail banking industry", dissertation for the Master of Commerce and Management, Lincoln University, Canterbury.
- Zhou, L. (2004), "A dimension-specific analysis of performance-only measurement of service quality and satisfaction in China's retail banking", *The Journal of Services Marketing*, Vol. 18 Nos 6/7, pp 534-546.

APPENDIX

QUESTIONNAIRE FOR RESPONDENTS The purpose of this questionnaire is to gather data for “AN ASSESSMENT OF FACTORS THAT INFLUENCE CUSTOMERS SWITCHING BEHAVIOUR IN THE BANKING INDUSTRY”. Data collected would be used solely for academic purpose and respondents are assured of confidentiality of information provided.

SECTION A

BACKGROUND OF INFORMATION

1. **Gender:** Male [] Female []
2. **Age (Years):** 18 – 25 [] 26 – 35 [] 36 – 45 [] 46 – 55 [] 41- 45 []
56 and above []
3. **Education:** Primary [] Middle School (JHS) [] Senior High []
Diploma [] Bachelor’s Degree [] Post graduate [] PhD []
Others []
4. **Occupation:** Student [] Unemployed [] Self-employed []
Civil servant [] Professional [] Retired []
Others []
5. **Income:** Less than GHC100 [] GHC 100 - GHC499 []
GHC 500 - GHC 999 [] GHC 1,000 - GHC1,499 []
GHC 1,500 - GHC 1,999 [] GHC 2,000 and above []

1 = Strongly disagree, 2 = Disagree, 3= Neutral, 4 = Agree, 5= Strong agree

Please tick (√)

Service quality	1	2	3	4	5
1. The bank branch locations were inconvenient					
2. The bank's opening hours were inconvenient					
3. Accessing automatic teller machines was inconvenient					
4. The bank provided services that were not as promised					
5. The bank did not inform me of changes in services					
6. Bank staff were impolite and rude					
7. Bank staff did not readily respond to my requests					
8. Bank staff did not have the competence to solve problems					
Price					
9. The bank charged high fees					
10. The bank charged high interest for loans					
11. The bank charged low interest for mortgages					
12. The bank provided high interest rates on savings accounts					
Reputation					
13. The bank was unreliable					
14. The bank was untrustworthy					
15. The bank was financially unstable					

Effective advertising competition					
16. The competing bank's advertising content influenced my decision to switch bank					
17. The competing bank's advertising words influenced my decision to switch banks					
18. The competing bank's advertising humour influenced my decision to switch banks					
Responses to service failure					
19. The bank corrected mistakes slowly					
20. Bank staff did not make any extra effort to solve problems					
Customer satisfaction					
21. I was not satisfied with my banking experience					
22. I will not stay with the bank as a customer					
Involuntary switching					
23. Bank branches in my area were closed					
24. I moved to a new geographic location					
25. I did not change banks because my principal bank is my employer's salary bank					
Service products					

26. The bank did not offer a wide range of service products (e.g. loans, mortgages, credit cards)					
27. The service products offered did not satisfied my specific needs					
28. The bank's consulting service did not satisfied my specific needs					
Customer loyalty					
29. You intended to remain a customer of the bank					
30. You wanted to continue a relationship with the bank					
31. You want recommend the bank to others					

32. Do you have an account with any other bank? **Yes** [] **No** []

33. How many years have you stayed with your current?