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The impact of relationship marketing underpinnings on
customer's loyalty
Case study _ Bank of Palestine

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نتيجة الحكم على أطروحة ماجستير

بناءً على موافقة عمادة الدراسات العليا بالجامعة الإسلامية بغزة على تشكيل لجنة الحكم على أطروحة الباحثة/ رينا سمير محمود الحناوي لنيل درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال وموضوعها:

"The impact of Relationship marketing underpinnings on customer's loyalty" Case study - Bank of Palestine

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وبعد المداولة أوصت اللجنة بمنح الباحثة درجة الماجستير في كلية التجارة/قسم إدارة الأعمال.

واللجنة إذ تمنحها هذه الدرجة فإنها توصيها بتقوى الله ولزوم طاعته وأن تسخر علمها في خدمة دينها ووطنها.

والله ولي التوفيق ،،،

عميد الدراسات العليا

د. زياد إبراهيم مقداد



{ وَقُلِ اعْمَلُوا فَسَيَرَى اللَّهُ
عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ
وَسَتُرَدُّونَ إِلَىٰ عَالِمِ الْغَيْبِ
وَالشَّهَادَةِ فَيُنَبِّئُكُمْ بِمَا كُنْتُمْ
تَعْمَلُونَ } (105) سورة
التوبة

صدق الله العظيم

Abstract

This study aims to examine the impact of relationship marketing underpinnings on customer loyalty in Bank of Palestine. A questionnaire derived from previous studies and the relevant literature was completed by 400 business customers in West bank and Gaza Strip. Multiple regression analysis assessed the impact on customer loyalty of five constructs of relationship marketing (trust, commitment, conflict handling, values and empathy).

The study concluded that the level of relationship marketing underpinnings namely (Trust, commitment, conflict handling, values and empathy) is high from the perception of business customers of bank of Palestine in West bank with proportional mean of (88.16%) , where the level of relationship marketing underpinning is moderate (71.04%) in Gaza Strip, there is a significance difference in the loyalty level between Gaza Strip (68.36%) and West Bank (89.33%) , and there is a significant relationship between the relationship marketing underpinnings and customer's loyalty in bank of Palestine .

It is recommended, on this evidence, that customer loyalty can be created, reinforced and retained by marketing plans aimed at building trust, demonstrating commitment to service, handling conflict efficiently, improving values and dealing with customers in a timely, reliable and proactive fashion.

ملخص الدراسة

هدفت هذه الدراسة إلى التعرف على أثر مقومات تسويق العلاقات على مستوى ولاء العملاء في بنك فلسطين ، و بعد مراجعة أدبيات البحث و الدراسات ذات العلاقة تم صياغة و توزيع 400 استبانة على عينة من العملاء (رجال الأعمال و المستثمرين) في قطاع غزة و الضفة الغربية.

أوضح تحليل الانحدار الخطي المتعدد تأثير الخمس مقومات ألا و هي (الثقة ، الالتزام ، التعامل مع الصراعات، القيم ، و التعاطف) على مستوى ولاء العميل حيث خلصت الدراسة إلى أن مستوى أسس تسويق العلاقات و هي (الثقة،الالتزام ، والتعامل مع الصراع ، القيم، والتعاطف) مرتفعة من تصور العملاء في قطاع الأعمال لبنك فلسطين في الضفة الغربية (88.16 %) ، بينما مستوى أسس تسويق العلاقات معتدل (71.04 %) في قطاع غزة ، هناك اختلاف في مستوى ولاء العملاء بين قطاع غزة (68.36 %) والضفة الغربية (89.33 %) ، وهناك علاقة كبيرة بين مقومات تسويق العلاقات وولاء العملاء في بنك فلسطين.

ولقد تم التوصل إلى أهمية تعزيز ولاء العميل التي يمكن أن تنشأ من خلال إعداد خطط تسويقية فعالة و هادفة إلى بناء الثقة ، تطوير الالتزام بالخدمة ، التعامل مع الصراعات بكفاءة و بسرعة ، تحسين القيم المقدمة و التعاطف مع العملاء و التعامل معهم بطريقة لطيفة و موثوقة و في الوقت المناسب .

"You must be the change you want to see in the world"

(Mahatma Gandhi)

Dedication

To my father who emphasized the importance of education and helped me throughout my life, he is my role-model for hard work, persistence and personal sacrifices; he instilled in me the inspiration to set high goals and the confidence to achieve them. He is a man with a vision and good judgement.

My Mother; the unconditional love ,who taught me that the person who takes responsibility with courage, persistence and conviction and never compromises the quality of life is a person who is capable to make tomorrow better than today; for herself and for the people around, thank you.

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To my dear brother Mohammed and to my beloved sisters (Deema, Aseel and Laian).

To all relatives, neighbours and friends.

Life is a precious gift that we should cherish and invest well; to make it worth living for us and for the generations to come; we must do our best and then; leave the rest to God...

I dedicate this work to all of you and prayed God Almighty to be beneficial.

Researcher

Reena ES Hinnawi

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Chapter One

Introduction

1.1 Preface:

The marketplace today is very dynamic, vibrant and competitive. The customers are smarter, more informed, and have an access to many channels and choices which they take little time to exercise. Customer can easily defect to competitors who promise better offerings at lower prices (Bhardwaj, 2007).

Present day business environments are characterized by increasingly saturated markets, caused by changes in the nature of competition and an ever-growing imperative to attain a comprehensive appreciation of customer needs.

Matching the growing complexity of the business environment has led to an ever-more diversified and demanding customer base (Barnes et al., 2004).

Over the past years the interest in retaining customers increased considerably. Marketing attention shifted gradually but definitely from mutually independent transactions to loyalty based repeat purchases and cross-sell opportunities [e.g. Berry, 1995; Peterson, 1995; Peterson, 1995; Blattberg and Dayton, 1996; Fournier, 1998; Gruen et al., 2000; DeWulf et al., 2001; Winer, 2001; Lemon et al., 2002]. Berry (2005) perceived relationship marketing as a tool from which customer loyalty can be secured and, as a result, the attainment of higher competitiveness and enhanced customer satisfaction can be achieved. The empirical findings of Eisingerich and Bell, (2006) study suggests that, in managing client relationships, financial institutions should consider the relative effectiveness of individual relationship building strategies in fostering customer loyalty. Studies of financial services markets suggest that the use of relationship marketing can generate higher returns from customers (Greenbaum et al, 2003).

Chaston et al.'s (2004) find empirical support that the adoption of a relationship versus a transactional marketing orientation has influence on the market performance of small accountancy practices. Parvatiyar and Sheth (2000) consider relationship marketing to be the ongoing process of engaging in cooperative and collaborative activities and programs with immediate and end-user customers to create or enhance mutual Economic value at reduced cost.”

Badrinarayanan(2005)noted that the phenomenon described by this concept is strongly supported by on-going trends in modern business. Ndubisi (2004) reported that more and more firms are capitalising on strong firm-customer relationship to gain invaluable information on how best to serve customers and keep them from defecting to competing brands. Hence, customer relationship building creates mutual rewards Eisingerich and Bell (2006), which benefit both the firm and the customer. By building relationship with customers, an organisation can also gain quality sources of marketing intelligence for better planning of marketing strategy.

It is important, therefore, to empirically examine the actual impact of the underpinnings of relationship marketing on customer loyalty. Such understanding will assist in better management of bank-customer relationship and in achieving higher level of loyalty among customers. The study investigates the impact of five underpinnings of relationship marketing – trust, commitment, conflict handlings, value and empathy – on customer loyalty in Bank of Palestine. However, Palmatier and his colleagues (2006) have cautioned that: Relationship marketing means different things in different cultures and marketers should be as way of prescribing universal solutions for exchange bases as they are of developing universal product and promotion for all markets.

1.2 Why bank of Palestine? (B.O.P)

Bank of Palestine P.L.C. is an important national bank. It was founded in 1960 and commenced its operations on February 21, 1961 by giving small loans to projects and businesses and giving limited short-term personal loans. Bank of Palestine is the most geographically distributed bank with a banking network of 42 branches and sub-branches spreading from Jenin in the North to Rafah in the South, the bank customer's deposits has risen last years to reach by 2010 (\$1,251,482,935), the bank's net profit in 2010 equals (\$30,119,469), Whereas the market share of this bank grows to 17.95% . Bank of Palestine is considered as the first bank in terms of banking Facilities which amounted to 57.2% of the total volume of facilities and customer deposits which represents 50% of the level of the volume of deposits in the Gaza Strip, while Bank of Palestine takes the second place after the Arab bank with (17.7%, 19.79%) banking facilities and deposits volume (Monetary Policies and research unit, Palestinian monetary authority; December 2010).

Bank of Palestine offers many special banking services that meet the customers' needs and expectations; e.g., banking services for individuals, and companies. The Bank has a distinguished management team and a highly qualified professional working staff of 900 employees. In this year, Bank of Palestine is celebrated Golden Jubilee of the Bank to mark fifty years of construction under the slogan "Fifty years of Building" (Annual report of bank of Palestine, audited by the Palestinian monetary authority, 2010).

1.3 Statement of Problem

For Bank of Palestine to achieve, garner, keeping and maintain customer's loyalty in the complex and competitive market of today. Bank of Palestine should pay more attention to the underpinnings of relationship marketing of business customers who represent the lion share of the bank's transactions
So that the statement of the problem can be stated in the following questions:

What is the impact of relationship marketing underpinnings on customer's loyalty?

1.4 Research Questions

1.4.1 Main question:

* What is the impact of relationship marketing underpinnings on customer's loyalty?

1.4.2 Sub questions:

1. To what extent will the trust underpinning influence the customer's loyalty in Bank of Palestine?
2. To what extent will commitment underpinning influence the customer's loyalty in Bank of Palestine?
3. To what extent will conflict handlings underpinning influence the customer's loyalty in Bank of Palestine?
4. To what extent will values underpinning influence the customer's loyalty in Bank of Palestine?
5. To what extent will empathy underpinning influence the customer's loyalty in Bank of Palestine?

6. What are the most important and desirable underpinning which affect Customer's loyalty in Bank of Palestine?

1.5 Research Hypothesis:

1.5.1 Main hypothesis:

There is no statistical relationship at significant level $\alpha = 0.05$ between relationship marketing underpinnings and customer's loyalty in Bank of Palestine

1.5.2 Sub Hypothesis:

H1: There is no statistical relationship at significant level $\alpha = 0.05$ between customer trust and customer's loyalty in Bank of Palestine.

H2: There is no statistical relationship at significant level $\alpha = 0.05$ between customer commitment and customer's loyalty in Bank of Palestine.

H3: There is no statistical relationship at significant level $\alpha = 0.05$ between customer conflict handling and customer's loyalty in Bank of Palestine.

H4: There is no statistical relationship at significant level $\alpha = 0.05$ between customer values and customer's loyalty in Bank of Palestine.

H5: There is no statistical relationship at significant level $\alpha = 0.05$ between customer empathy and customer's loyalty in Bank of Palestine.

1.5.3 Second hypothesis:

There are no significant differences among respondents at level $\alpha = 0.05$ towards the impact of relationship marketing underpinnings on customer's loyalty due to personal traits (gender, age, qualifications and sectors).

1.6 Research variables:

1.6.1 Independent:

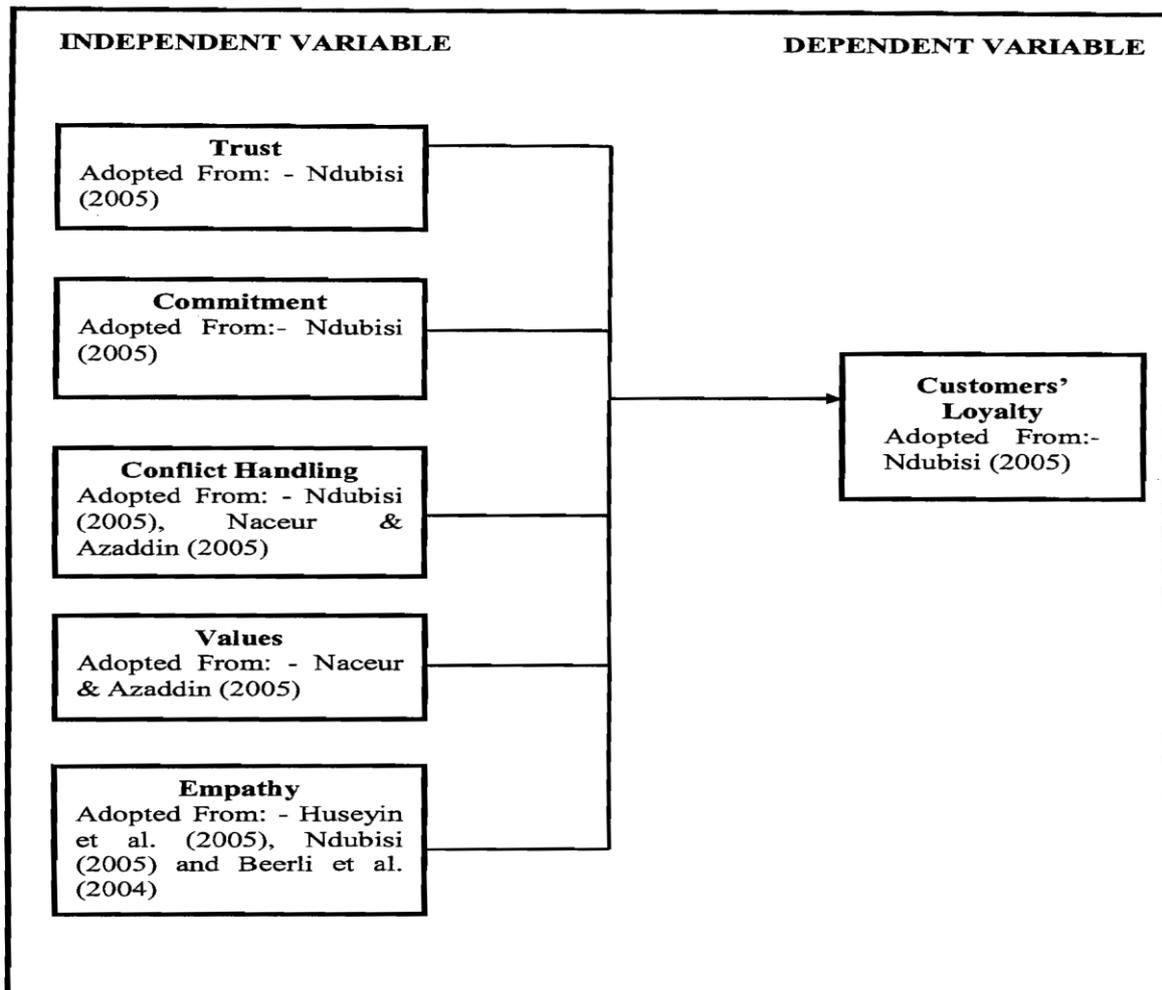
The relationship marketing underpinnings which are:

- _ Trust
- _ Commitment
- _ Conflict handling
- _ Values
- _ Empathy

1.6.2 Dependent

- _ Customer's loyalty

Figure 1.1 Conceptual framework of the study



Source: adopted from (Ndubisi,2005;Naceur &Azaddin,2005;Huseyin et. Al, 2005; and Beerli et.al, 2004)

1.7 Purpose of the study:

1.7.1 General purpose:

The study aims to examine the nature of relationship marketing underpinnings and how it will affect each of the customers to be loyal towards their banks.

1.7.2 Specific objectives:

1. To measure whether (trust, commitment, conflict handlings, values and empathy) have an impact on customer's loyalty of bank of Palestine.

2. To Assess what are the most important underpinnings which may affect customer's loyalty.
3. To measure the extent of the customer's loyalty in bank of Palestine
4. To recommend some solutions for service providers in bank of Palestine that may help in increasing customer's loyalty.

1.8 Significance of the study:

This study is the first one as the knowledge of the researcher which is done on relationship in the Palestinian banking sector; this study will contribute in evaluating the level of the customer's loyalty in bank of Palestine, which helps the bank to provide the best services in competition with others.

Customer's loyalty is important to any bank in term of enhancing their profit. Without customers it's impossible for the bank to enhance or grow their businesses. Observing and studying their customer's behavior, bank of Palestine can develop strategies which can give them more profit. It really needs to be more alert of their customer needs and wants. In order to sustain their competitiveness in the marketplace, each bank needs to provide the excellent service towards their entire customers. If the bank failed to maintain and enhance their services, it's impossible for them to achieve their targets. However, it's really difficult to achieve customer's loyalty.

This study reflects the relationship marketing underpinnings on customer's loyalty which stimulates many of the researchers to continue to study this topic from time to time in order to stand on the needs of the customers and meeting their expectations.

Chapter Two

Literature Review and Previous studies

2.0 Introduction

In this chapter, the researcher aimed to provide an overview of the literature regarding relationship marketing underpinnings namely (Trust, commitment, conflict handling, values and empathy) and the impact of these antecedents on customer's loyalty in Bank of Palestine.

2.1 The concept of relationship marketing:

In response to ever-increasing competitive pressures in the business environment, marketers are aggressive to attract customers and to get to know them in order to better meet their customers' needs, offer them new range of products/services, and strive to set up long-term relationships with them. Relationships have been considered to be the backbone of business activities and marketing by several researchers and practitioners over the last two decades and relationship marketing recently has become "the fashionable new topic" (Tynan, 2001).

With the research and interest in relationship marketing growing, four broad groups of researchers have emerged (Abratt & Russell, 2000), namely:

1. The Nordic School which focuses on service marketing and services quality (Berry & Parasuraman, 2003)
2. The Cranfield School which comprises the "Anglo-Australian" School of relationship marketing (Christopher, 2004)
3. The Industrial Marketing and Purchasing Group (IMP) which has been highly influential in the study of industrial markets (Hakansson, 2005)
4. The North American researchers who are active in both the industrial and service markets (Payne, 2005)

According to Grönroos (2000), relationship marketing is the process of identifying and establishing, maintaining, enhancing and when necessary terminating relationships with customers and the other stakeholders, at a profit so that the objectives of all parties involved are met where this is done by a ‘mutual exchange and fulfillment of promises’. Besides Gronroos’s definition, there exists “a plethora” of definitions of relationship marketing and O’Malley (2003) considers that the choice between definitions is often a matter of convenience or researcher’s orientation. In her paper, the author represents the Relationship Marketing definition of O’Malley, Patterson and Evans (1997:543) as below:

[T]he identification, specification, initiation, maintenance and (where appropriate) dissolution of long-term relationships with key customers and others parties, through mutual exchange, fulfilment of promises and adherence to relationship norms in order to satisfy the objectives and enhance the experience of the parties connected.

Gordon (2004) defines Relationship Marketing as the ongoing process of identifying and creating new value with individual customers and then sharing the benefits over a lifetime of association with customers. It involves focus on and management of the ongoing collaboration between suppliers and selected customers for mutual value creation and sharing through interdependence and organisational alignment. RM requires a company to focus on six areas: technology and individual customers, scope of the business, selecting and rejecting customers, a chain of relationships, rethinking the four Ps of marketing and using relationship managers to help companies build new value with others. Both Arias (2001) and Gronroos (1990, 1994,2000) describe RM as to identify, establish, maintain, and enhance relationships with customers and other stakeholders at a profit, so that the objectives of all parties involved are met;

this is achieved by a mutual exchange and fulfilment of promises. Gronroos (2000) emphasises internal marketing as a process that has to be integrated with the total marketing function – if internal marketing is neglected, external marketing suffers or fails. Gronroos (2000) outlines the strategic issues of RM to include defining the firm as a service business, managing the firm from a process management perspective, and developing partnerships and networks with customers. The key tactical elements are seeking direct contacts with customers, building a database, and developing a customer-oriented service system.

Sheth and Parvatiyar (2000) look at Relationship marketing as efforts to involve and integrate customers, suppliers and other infrastructural partners into a firm's developmental and marketing activities. It reflects interdependence rather than independence of choice among the parties and emphasizes cooperation rather than competition and conflict. They point out that a relational orientation to marketing existed until the early years of industrial development, and regard RM as a rebirth of pre-industrial practices. When mass production led to over-supply of goods, marketers became transaction oriented. They attribute the re-emergence of the relational perspective primarily to the return of direct producer to consumer marketing, resulting from changes in both environment and organizations, including rapid technological advancements, adoption of total quality programs, growth of the service economy, empowerment of individuals and teams, and an increase in competitive intensity leading to concern for customer retention (Gronroos 2000, Christopher, 2004).

The above overview reveals that Relationship marketing is clearly a multi-dimensional concept. While there is no agreement on a single definition of Relationship marketing, researchers seem to agree on common themes under RM, emphasizing (1) a selective target market approach, (2) process management, (3) service and service quality, (4) performance measures of

customer loyalty in addition to customer satisfaction level, and (5) internal marketing. Such emphasis highlights the importance of these themes and suggests that an effective Relationship marketing should address these factors well.

2.2 The development of relationship marketing- from transaction to relationship:

Change is a matter of fact in our society. The mix marketing management 4Ps showed its limitation after more than three decades dominance. Relationship marketing came out at the marketing strategy continuum to resolve the limitation of traditional marketing considering interpersonal relationships as centre to businesses (Ngo & O'cass, 2009).

According to Gronroos (2000), the traditional view of marketing as a function for specialists planning and executing a marketing mix may not be altogether true where services are concerned. The marketing mix approach is frequently too limited and does not cover all the activities that appear in customer relationships at various stages of the customer relationship lifecycle. Grönroos also explains the classical Four P's as a clinical approach to marketing where the seller is the active part and the buyer the passive. Further he states that the globalization trend and the individualization of the customers has lead to new marketing practices being introduced to complement the traditional marketing mix.(Zineldin ,2006).

Also claim that the traditional marketing process is not enough to create and build a long term relationship between the buyer and seller. Gummesson (2001) point out that in traditional marketing caring for existing customers used to be second to attracting new customers. Varey (2002), like Grönroos, refers to a new paradigm in marketing, relationship marketing, as a complement to the more traditional approach transaction marketing.

Doyle (2002) states that the three cornerstones of relationship marketing are: planning and controlling of customer satisfaction, building and maintaining stable relationships (customer loyalty) and customer value management. Customer satisfaction management includes the comparison between the expected delivered value and the actual delivered value as well as the image of the company, the readiness to reaction, the dependability and the product attributes (Kotler, 2000). Kotler et al (2001) also conclude that customer satisfaction is totally dependent of the customer expectation and how the customer's actual perception of the products performance matches the expectations. If the performance matches or exceeds the expectations, the customer will be satisfied, but if the performance falls short of the expectation, the customer will be dissatisfied. Egan (2001) further recognizes five drivers of customer satisfaction which all involve a more personal contact with the supplier:

- **Core product and service** – basic product or service and its characteristics
- **Support service and systems** – services around the core product that enhance the provision of the core product.
- **Technical Performance** – how the provider gets the basic product or service right and how it performs.
- **Elements of customer interaction** – how the customer is treated
- **Affective dimensions of service** – subtle or unintentional 'messages' sent to the customer.

In order to fulfil customer satisfaction, all five of the drivers must be equally weighted; if the company succeeds in delivering four of the factors but failing on one, they will still have an unsatisfied customer. It is also important to consider what 'total message' is being communicated to the customer – although the product and the service actually are fine, small details in how it is delivered and how it is perceived by the customer may

actually leave the company with an unhappy customer (Egan, 2001). Customer satisfaction is important because satisfied customers are less likely to switch to a competitor (Kotler, 2001). Customer loyalty and the ability to retain customers are therefore highly dependent on the customer's actual satisfaction; undoubtedly, customer service is a key ingredient in relationship marketing and therefore in customer retention.



Figure 2.1 Benefit of customer satisfaction (Adapted from Egan, (2001))

Doyle (2002) states the critical factor to attaining customer loyalty is customer satisfaction because a customer who is highly satisfied will exhibit the following characteristics:

1. Stays loyal longer
2. Buys more as the company introduces new products and upgrades existing Ones
3. Talks favourably about the company and its product (Word of Mouth)
4. Pay less attention to competing brands and advertising, and is less sensitive to price
5. Cost less to serve than new customers because transactions are routinized.

However, it might be much mistaken if organisations only use the consumers' purchasing records to tailor the loyalty of consumers thereby to monitor relationship marketing with them. Barnes (2003) points out those companies often delude themselves into thinking that they have a relationship with customers if those customers buy their products and services regularly. He argues: "customers understand the difference between repeat buying, which is often based on convenience, price or other non-emotive factors, and situations

where they go back to the same companies and brands again and again because they feel something special toward them” (Barnes, 2003:178). Barnes also compares this special feeling of consumers toward certain companies and brands with “the same kind of emotional attachment” toward their family members, friends, and colleagues. This relationship metaphor may hold true for durable goods with strong brands (Fournier 2005), or designer clothes and prestigious luxury cars (Doyle 2000; Piery 2001), yet it is problematic because no one can switch their parents. Barnes (2003) also suggests that considerable customer relationships can be learned by “studying more closely the principles of human relationships”.

2.3 Benefits of relationship marketing:

Addressing the benefits of Relationship marketing, researcher has outlined the benefits for not only businesses, but customers as following.

2.3.1 Benefits to company

One of the benefits of having long-term relationships with customers is that enables companies to better understand their customers’ needs and buying habits, which in turn enables them to improve and frequently customize their future marketing efforts. Webster (2006) explains to industrial marketers that the firm’s procurement strategy may be the most important ingredient in its ability to deliver superior value to its customers. Also, Gale (2007) described that companies succeed by providing superior customer value. In the business to customer context, partners that deliver superior benefits will be highly valued, and customers will commit themselves to establishing, developing, and maintaining relationships with such partners (Morgan and Hunt, 2000).

Therefore, it is important for customer retention that customers receive superior benefits from their partnership-relative to other options. For example on such dimensions as product price, service satisfaction, and product performance, then will be committed to the relationship. Specifically, implementing relationship

marketing that mainly focus on providing value to customers, emphasis on customer retention would bring to businesses the major following benefits that lead to their ultimate goal of profitability (Doyle, 2002; Christopher et al, 2002; Kotler et al, 2001):

- The method is an integrated approach to marketing, services and quality. Therefore it provides a better basis for achieving competitive advantage.
- Satisfied customers are often willing to pay a premium price to a supplier they know and trust
- Regular customers tend to place frequent, consistent orders and, therefore, usually cost less to serve
- Long-term customers may initiate free word of mouth promotion and referrals
- Long-term customers are less likely to switch to other competitors, making it more difficult for competitor to enter the market
- The cost of acquiring new customers can be substantial
- Happier customers may lead to happier employees.

2.3.2 Benefits to Customers

Besides the benefits to businesses, there is also much research highlighting the benefit of Relationship marketing to customers:

- Psychological benefits from close relationship (Sheth and Parvatiyar, 2005)
- Social benefits such as familiarity, personal recognition and friendships (Gwinmer 2008)
- Economics benefits such as discount, money-saving schemes from customer-loyalty programs (Peterson, 2009)
- Customisation benefits as service providers may tailor their services to meet customers' specifications, preferences and requirements (Gwinmer 2008).

In order to obtain and create these benefits, RM needs to be managed correctly in order to maintain, enhance and develop a long-term relationships between businesses and customers. Alexander and Colgate (2000) suggested that relationships exist and develop where there is commitment to the relationship by both parties, where mutual trust and respect exist, together with good communications, prioritisation of the other parties' interests, and support and assistance in the achievement of long-term goals. While some of the factors which build ideal relationships between individuals may be very difficult to achieve within the customers to business, there exists, nevertheless, the opportunity to establish trust and commitment (Alexander and Colgate, 2000). The authors also point out there is also a risk in creating a strong relationship that weakens the bond of both parties involved when expectations lead to undesirable consequences e.g. credit refusal in financial a services setting. From these perspectives, it is believed that trust and commitment hold important roles in building up a strong relationship that create both social and economic benefits mentioned above for both businesses and customers.

2.4 Relationship marketing in banking sector:

In the increasingly competitive global financial world, relationship marketing has been advocated as an excellent way for banks to establish a unique long-term relationship with their customers. Most of the core product/service in commercial banking is fairly generic, and it is difficult for most banks to compete purely on this core service (Panda, 2003). Thus, recognition of the importance of relationship marketing, especially in financial services sector (Alexander and Colgate, 2000; Ennew et al., 2006) has grown in recent years. Berry and Gresham (2007) noted that the practice of a relationship approach is most appropriate when 'the consumers require personal services and/or selling'. This is certainly the case for a range of the

more complex products in financial services sector, where the majority of customers still prefer to make buying decisions supported by the expertise of staff with appropriate knowledge (Dibb and Meadows, 2001). Prior to considering the case analysis and in order to obtain maximum insight from it, it is helpful to consider the literature on relationship marketing in banking.

Research on relationship marketing in the banking industry emerged in the early 1990s (Perrien, 2004; Keltner, 2005). Today, in the new competitive environment, the development of close, long-lasting relationships with selected target customer has been often advocated in the international literature as a major strategic tool to limit competition in markets and to defend bank profitability in the long run (Sharpe, 2007). Boot and Thakor (2000) also add that a relationship orientation can alleviate these competitive pressures because a relationship banking orientation can make a bank more unique relative to competitors. Thus a more competitive environment can encourage banks to become more client-driven and customize services, thus focusing more on relationship banking. Despite the absence of a unique definition of what relationship banking is, there is general consensus among authors that it is a great deal more than a way of selling; relationship banking represents a strategic choice with serious managerial implication. This means that its establishment requires the implementation of several elements (mission, policies, programs, strategies, organizational changes) that foster a customer-oriented culture, encourage mutual and continuous investment in the relationship and create a climate of trust and loyalty (Perrien et al., 2007; Ricard and Perrien, 2008). According to Moriarty "...relationship banking involves more than an emphasis on total customer profitability and cross-selling; it includes an acknowledged perception of mutual interdependence between the bank and the customer...The perceived interdependence of both parties is often based on mutual trust and openness, shared objectives, and a

commitment to doing business with each other on long-term basis” (Moriarty, 2003, p. 4). Boot (2000) also defines relationship banking “as the provision of financial services by a financial intermediary that invests in obtaining customer-specific information, often proprietary in nature and evaluate the profitability of these investments through multiple interactions with the same customer over time and/or across products” (see Boot 2000, p. 10). The combination of these definitions allows examining the principle elements characterizing relationship banking, which can be summarized as follow:

1. It is a personalised process as it is based on ongoing interaction between two parties and on a deep knowledge of customer’s financial needs
2. It is a long-term process: relationship banking implies multiple interactions with the same customer over time and/or across products, aiming at increasing customer loyalty and stabilizing the bank profitability in the long run
3. It must be profitable for both parties: a relationship can develop only if both the bank and the customer realize it adds value and seeks to foster their commitment and trust
4. It involves a number of client-specific information, often proprietary in nature
5. It tends to be asymmetric; according to the literature, in banking relationship the overall quality and effectiveness of the relationship generally rest on the service providers.

Dibb and Meadows (2001) cited that relationship marketing in commercial banking a range of issues must be addressed if the effectiveness of a relationship strategy is to be ensured:

- The organisation's structure must be designed or modified to fit the decentralized structure required by a relationship strategy
- The influence of human resources management policies on the effectiveness of relationships must be considered, particularly in view of potential gaps between sellers' and buyers' perceptions
- The best way to provide relationship managers with information and data about their customers must be identified, so that the best efforts are made to understand those customers and their environments
- The fit of pricing within the relationship must be considered
- The role of the sales-force in the development of the relationship must be considered and reflected in sales-force training.

2.5 Relationship marketing from managerial perspective:

From a managerial perspective, it is very important that both management and Marketing staff understand the dimensions of Relationship marketing as these will ultimately underpin the strength of relationship development between service provider and customer (Ward and Dagger, 2007). In this competitive environment, understanding the nature of these Relationship marketing constructs is vital for implementing effective Relationship marketing strategies. From the study of Relationship marketing and service customers, Ward and Dagger (2007) reported that organisations must undertake Relationship marketing activities at an appropriate level to remain competitive and those different levels applied to different services. Their study suggested that marketers should not expect customers' relationships to strengthen automatically due simply to duration or frequency of contact.

The strategic factors affecting relationship marketing or increasing relationship strength in terms of competitive advantage - differentiation, key industry success factors, market share and increased profitability - must be accounted for

in service quality. Relationship marketing forms the bridge between the organisation and its customers, with the organisation using it in reinforcing linkages, responding to customer needs and serving market micro-segments (Berry, 2002; Hennig-Thurau, 2000).

In summary, Relationship marketing involves sustaining long-term relationships with valuable customers, on the basis of mutual benefit and fulfilment. RM in the literature is about ‘win-win’ relationships where all parties involved benefit from entering into such associations (Tadajewski, 2009) Based on a content analysis of 117 different sources from Relationship marketing literature, Harker (2005, p. 16) stated that “an organisation engaged in proactively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers [partners] over time is engaged in relationship marketing”. Camarero (2007) referred to four types of relationship marketing investments – commitment trust, values and communication. Expenditures on all forms of Relationship marketing have proved useful and activities, involving interaction, feedback from customers and two-way communication, produced positive impacts and outcomes for the organisation (Bennett and Barkensjo, 2005). Relationship marketing practices and their association with these positive outcomes, particularly customer loyalty.

2.6 Business relationship marketing

Relationship marketing (RM) was known as a strategic approach to industrial And service markets, and was considered to be unsuitable in other marketing Contexts. (O’Malley and Tynan, 2000) Business-to-business marketing has been changed during the past thirty years both in the phenomenon studied and also in its conceptual process. Many such as International Marketing and Purchasing (IMP) Group has been active In B2B Marketing research believe that if B2B marketing research starts with relationships Between organizations

and networks it is a strong possibility that a new set of findings emerge, different set of assumptions be shaped and different processes be found (Leek et al. 2003).

There is no exact definition of relationship marketing, we can strongly say that it has flexible boundaries but many practitioners and academic people are continuing lecturing about the Relationship marketing. The core of relationship marketing is relations, maintenance of relations between the company and the actors in its micro -environment, such as suppliers, market intermediaries, the public and specially customers as the most important actor. The idea is first and for most to create customer loyalty so that a stable, mutually profitable and long-term relationship is enhanced (Ravald&Gronroos, 2006).

The idea of relationship and also relationship building being extended to other Areas such as distribution, service and consumers these are as the result of strong interest in relations between industrial companies. So we must also build relations to middlemen, service suppliers and end consumers. (Jørgensen, 2001) Relationships in the industrial marketing literature have been described as the Exchange between all mutually committed parties. In the service marketing the subject has not been clearly debated. The simplest form of a relationship is when the customer has purchased from the same service provider at least twice. In its simplest form, however, a relationship is characterized by positive commitment by both the service provider and the customer. Liljander and Strandvik(2008) proposed that a relationship term should be defined from the customer's point of view as this corresponds to a market oriented perspective. The customer can be committed both negatively and positively toward the service provider, or s/he can be indifferent. A negatively committed customer will try to end up the relationship as soon as possible, but is usually unable to do

so in the short period of time because of different bonds which serve as exit barriers (Liljander and Strandvik, 2008).

According to this marketing fact that customer retention is five times more important than attracting new customer, companies are adopting relationship marketing principles and designing strategies to develop close and long-lasting relationships with the most profitable customers. The long term-orientation which emphasizes commitment to customers is extremely important (Sheth and Parvatiyar, 2009).

2.7 Relationship Marketing Underpinnings:

2.7.1 First Dimension: Trust

Moorman et al (2003) define trust as ‘the willingness to rely on an exchange partner in whom one has confidence’. The nature of service offerings means that service consumers typically pay in advance to buy a firm’s promise and, therefore, must be willing to rely on the firm to deliver its promise (Berry, 2005). Trust is considered to be a pre-requisite for loyalty, especially in the risk-dominated cyberspace where transactions are conducted at a distance (Reichheld & Shefter, 2000). The maintenance of consumer trust in the retail banking industry is of considerable importance as it can impact on the likelihood of retaining existing customers (Morgan, 2002) and attaining new ones. Furthermore, trust in a bank can also be more important to a bank customer than price.

Customer perception of a firm’s trustworthiness is valuable not only in terms of satisfying and retaining existing customers but also in attracting new customers through word of mouth marketing. According to Vázquez-Casielles(2009), word of mouth marketing plays a major role in acquiring new customers. Because of the high level risk perception inherent in service offerings, potential

customers are more likely to seek personal recommendations when choosing service providers that relying on information provided by the firms. In many cases, recommendations given by a colleague can significantly reduce a person's perceived risk in selecting an unfamiliar service organization (Nguyen and Leblanc, 2001).

A customer, when recommending a service provider to a third party, undertakes a certain level of risk on his or her credibility toward the third party that is likely to erode if it fails to back up the recommendation (Foster & Cadogan, 2000). Therefore, customer perception of the firm's trustworthiness, which usually reduces the perceived risk of recommendation giving, will increase the likelihood of customers suggesting the firm to others (Wang, 2010).

2. 7.2 Attributes of trust

Bitner (2006) suggest that keeping promises is crucial to the development of a mutually beneficial relationship between customers and service providers. In order to build a trusting customer relationship, a service provider must demonstrate both its ability and willingness to deliver on what customer construe as has been promised, whether explicitly or implicitly (Bhatty et al, 2001). Therefore it is important that the firm can understand and manage the types of expectations that have been created in its customers (Bhatty et al, 2001). The firm then needs to consistently meet or exceed its customers' expectations with regards to its performance, at the same time promoting relationship building behaviors in order to win customer trust, which is the basis of true loyalty (Bhatty el al, 2001).

Given that the relationship between a business and its customers is formed and maintained, within a commercial context, the existence of the relationship depends, ultimately, on the commercial benefits that each party receives. Business organizations attract their customers by offering first of all, a bundle

of benefits that are built around their core competencies. Thus, a firm must be able to promise and deliver a desirable level of professionalism in order to encourage repeat patronage and to develop customer relationship and loyalty. Therefore, the professional aspect of a customer –service provider relationship is more important than its interpersonal element (Tutton, 2007; Bhattya et al, 2001).

An empirical study by Pressey & Mathews (2005) confirms that the level of professionalism a retailer can offer to its customers correlates positively with the level of trust the customers have on the firm's ability to deliver its promises. Therefore, it is important that a firm seeks to strengthen customer perception of its ability to perform as well as its reliability or, in other words, its ability to consistently satisfy the customers over a long time horizon. According to Brady & Cronin (2003), the importance of this reliability dimension of trust is that it can't be easily duplicated by competitors, thus can provide the firm with a more powerful competitive advantage.

From a relationship marketing perspective, a service provider's reliability reflects not only through its ability to deliver service but also through its ability to solve any problems with customers that are bound to occur from time to time. In a long term relationship, the existence of conflicts is inevitable. However, it is the resolution of such conflicts that can be constructive or destructive to the relationship. From a customer perspective, a strong relationship with a service provider offers the assurance that the firm will be accessible when something goes wrong (Kandampully, 2007). Loyal customers assume responsible behaviors from their firms, especially in unexpected circumstances (Selnes, 2004). Therefore, effective problem handling that satisfies the customers will increase their trust in service providers, while attempts to suppress conflict with customers will eventually lose out on the vitality and cooperativeness of customer relationships (Selnes, 2004).

Furthermore, Beerli et al (2002) express the view that trust only when a customer has confidence not only in a firm's ability to perform consistently but, also in its integrity. Hence, a firm's honesty, as perceived by its customers as honest in its dealings is more likely to enjoy strong and lasting relationship with the customers (Bhatty et al, 2001).

In summary, trust can be considered as a function of consumer perception of a retailer's integrity as well as its ability to perform its services, to keep its promises and commitment and in general to 'do the right things' consistently.

2. 8 Commitment

A study by Morris et al. (2001) indicates that the level of trust customers invest in a firm correlates positively with the level of commitment maintained by both parties through shared values and relationship termination costs. Commitment plays a central role in the relationship marketing paradigm (Ehigie, 2006), and has been identified as an important dimension of customer-service provider relationship quality (Wong & Sohal , 2002).

Conceptually, commitment differs from loyalty in that it is thought of in purely cognitive terms that describe a consumer's attitudinal attachment to a company (Gilbert and Choi, 2003). For example, Moorman et al, (2003) define commitment as 'an enduring desire to maintain a valued relationship '. Thus, commitment is enduring and implies a positive evaluation of a long term relationship (Moorman et al, 2003). Consequently, commitment is often seen as a key to long-term customer retention (Hennig,Thurau and Day, 2000).

Leverin and Liljander (2006) argue that relationship that customers maintain with a service provider can be constraint – based (having to), or dedication-based (wanting to), leading to different types of relationships to different natures and relationship outcomes. For example, a dedication based (committed) relationship Manifest itself through cooperation and advocacy (i.e.

recommendations), in addition to repeat patronage (Leverin and Liljander, 2006). Stobacka et al, (2002) suggest that commitment refers to adaption process resulting from relevant parties' intentions to act and positive attitudes toward each other. The notion of commitment entails the belief by both parties that a lasting relationship is important as to warrant the investment of efforts and resources, and the acceptance of short-term sacrifices in order to realize long term benefits and to ensure that the relationship endures in the long run (Schiffman and Kanuk, 2004). In this sense commitment can be considered as pledge of relational continuity (Oliver, 1999).

Commitment has also been shown to be a good predictor of customer future intentions and loyalty (Park & kim, 2003). According to Wong & Sohal (2002), a higher level of commitment leads to a compelling to make the relationship mutually satisfying and beneficial. These authors point out that committed customers tend to perceive more value in the relationship with the firms they patronize, thus are more willing to take actions in favour of these firms in return for the benefits received. Therefore, the behaviors of committed customers being more benefits to a firm than the behaviors of regular, but not committed customers. As such, commitment is often seen as the driving force behind many forms of customer behaviors.

Thus, by developing a high level of commitment among its customers, a firm can make their purchase patterns more predictable and improve customer retention (Bennett and Barkensjo, 2005). For example, Harwood and Garry (2006) found commitment to positively influence the incremental volume of business; a loyal customer is likely to bring to a service provider. Bennett and Barkensjo(2005) concludes that the notion of commitment is critical to a better understanding of the psychological processes underlying repurchase behavior, and is useful to distinguish true customer loyalty from other forms of repeat patronage. Moreover, while repurchase behaviour may be achieved through

satisfaction, it is commitment that leads to what is known as ‘partnership’ behaviors (Curasi& Kennedy, 2002; Heskett, 2002). Specifically, White & Schneider (2000) propose that commitment influences numerous consumer behaviors such as considering alternative firms before making purchase (Environmental scanning), purchasing exclusively from a firm (relationship enhancement), and providing word of mouth recommendations (advocacy).

Empirical research by Harwood and Garry (2006) identifies a strong and positive relationship between customer commitment and their willingness to perform such behaviors. Committed customers are also more willing to cooperate with their firms to resolve problems that might occur, as opposed to existing from the relationship, and to use such problems solving as a basis for new understanding (Harwood and Garry, 2006). Bennett and Barkensjo (2005) Postulate that commitment manifests itself through a resistance to change. Therefore, loyal customers who are committed to a firm become reluctant to consider other available alternatives. This is consistent with one of the findings in Bhattya et al. (2001) which indicate that 43% of loyal customers wouldn’t buy from their retailers’ competitors.

2. 8.1 Attributes of commitment

Christopher et al., (2002) contend that customer commitment may be caused by effective reasons, such as perceived value or switching costs. Park & Kim (2003) echo this view, suggesting that customer commitment to a business firm is influenced by both emotional (i.e. effective) and judgmental (i.e. calculative) elements. Effective commitment is considered to be more powerful than calculative commitment in the development of true loyalty, because it is less likely to be affected by contingent events that may hinder the short term benefits of repeat patronage (Christopher et al., 2002). Hence, effective commitment is more reliable as an indicator of true customer commitment.

Park & Kim (2003) further argue that customer satisfaction with service quality, which is part of overall satisfaction, and customer perception of relational benefits, which are the benefits received from long-term relationships over and above core service performance, are key to customer commitment to the retail banking, similarly, Eisingerich and Bell (2007) express the view that consistent purchasing behaviour is dependent primarily on consumer perceptions of the benefits that result from remaining in a relationship with a firm. On empirical study (Eriksson and Vaghult, 2000) confirm that benefits are one of the most important determinants of customer commitment to a service provider. Therefore, customer perception of relational benefits can be considered as an important dimension of their commitment to a business firm.

Commitment has also been found to be influenced by consumers' perceived differences among competing alternatives (Lam and Burton, 2006) observe that customers who are loyal to a firm hold a strong belief that the firm continues to represent the best alternative. To this extent, it can be argued that commitment is a function of consumer perceptions of the degree to which a firm represents the best available choice.

2. 8.2 The linkage between customer commitment and customer loyalty

The definition and conceptualist of customer loyalty in the previous section specifies commitment as a key characteristic of action loyalty. Conceptually commitment requires examination because of the long-standing issue of the link between commitment, behavioral intentions, and subsequent action, and their relationship with loyalty.

Loyalty and commitment are to some synonymous and represent each other. There is a distinction between loyalty and related concepts such as commitment. Commitment serves as a precursor to a loyal attitude. Commitment is the emotional or psychological attachment to a brand that develops before a

customer can determine that repeated purchase is the outcome of a sense of loyalty (Liang and Wang, 2007). Commitment ties an individual to a behavioral disposition. Commitment can also be conceptualized as a relationship. For example, an employee's commitment to a job is the relative strength of an individual's identification with, and involvement in a particular Organization. This implies intent to remain with the organization. Commitment consists of the employee's beliefs and opinions about the organization and also the level of intent to act in a particular way (Gounaris et al., 2003).

In summary, commitment can be considered as a function of customers' personal attachment to a retailer, as well as their perception of the company in relation to its competitors, and their orientation towards a long term relationship with the retailer.

2. 9 Conflict Handling

2. 9.1 Defining conflict

There are many misconceptions on the meaning of conflict and its possible consequences. It is important for researchers to clearly define their perceptions and definitions of conflict in order to prevent irregularities in solving conflicts.

The most influential definition of conflict is stated by Morton Deutsch (2001), who states that a conflict exists when incompatible activities occur. This means that the action of one group or person attempting to reach his or her goals prevents, obstructs, interferes with or injures the action of another group or person, or makes the action less likely or less effective, in attempting to reach his or her goals. Many theorists on conflict handling literature agree with this definition, although there are some differences. David Johnson and Roger Johnson (2003), for example, perceive the definition of Deutsch as the description of a conflict of interests in which incompatible interests exist. Allan

Filley (2003) also places an emphasis on interests by stating that in a conflict the interests of the parties are mutually exclusive. Kathy Bickmore (2004), on the other hand, focuses on the divergent wishes or needs of the conflicting parties which lead to disagreements and problems. Overall, many theories emphasize the interference of actions, interests, wishes or needs between parties which causes conflict to occur.

Conflicts can occur within one person (intrapersonal), group or nation or between two or more persons (interpersonal), groups or nations (Deutsch, 2001). Conflict is most often perceived as involving two or more parties. These parties are also interdependent of each other (Hocker & Wilmot, 1999; Johnson & Johnson, 2000) According to Joyce Hocker and William Wilmot (1999), conflict is a mutual activity in which the choices of each person affect the other person. A person who is not dependent upon another person's actions or interests has no reason for conflict with that other person. When the parties are interdependent, the differences in their actions and interests cannot coexist if both want to achieve their goals.

In sum, conflict entails the following elements: (1) there are incompatible actions, interests, wishes or needs which interfere with each other; (2) it includes two or more parties; (3) the parties are interdependent of each other; and (4) at least one of the parties perceives the situation as to be a conflict. Therefore, conflict can be defined as *a situation in which at least one of two or more interdependent parties perceives interfering and incompatible actions, interests, wishes or needs between them.*

2. 9.2 Different types of conflict

A conflict can either be destructive or constructive, according to the perception of the disputants (Deutsch, 2001). A conflict is destructive if its participants are dissatisfied with the outcomes and feel they have lost as a result of the conflict.

A conflict is constructive if the participants are all satisfied with the outcomes and feel that they have gained as a result of it. Johnson and Johnson (2000) state that, in addition to satisfaction with the outcomes, constructive conflict also improves the relationship between the disputants, as well as their ability to resolve future conflicts in a constructive manner. In reality, a conflict is rarely only destructive or constructive, but it seems preferable for both conflicting parties to strive for constructive consequences as much as possible.

Conflict can also be distinguished according to the relationship between the objective state of affairs and the state of affairs as perceived by the conflicting parties (Deutsch, 2001). In this sense, there are six different types of conflict: veridical, contingent, displaced, misattributed, latent, and false conflict. Veridical conflict, also called 'true conflict', exists objectively and is perceived accurately by the conflicting parties. It is not contingent upon an easily altered feature of the environment. For example, a child wants to read a certain book and another child wants to read that book at the same time as well. When there is not another copy of the book available, the children have a 'true conflict'. A contingent conflict exists when the conflict depends on readily rearranged circumstances, but these are not recognized by the conflicting parties. The contingent conflict would disappear if the available alternative resources for satisfying the conflicting needs were recognized. The preceding example of a veridical conflict will be classified as a contingent conflict when there is actually another copy of the book available, so both children can read the book at the same time. In displaced conflict, the parties are arguing about something else than the actual conflict. This relates to manifest conflict and underlying conflict in which the experienced conflict is a manifest conflict and the conflict that is not directly expressed is the underlying conflict. The manifest conflict usually expresses the underlying conflict in some form. In misattributed conflict, the conflict is between the wrong parties because one or both of the parties misattributes something to the other. As a result, the conflict is usually

about the wrong issues. Latent conflict is a conflict that should be occurring but is actually not, for example when a person is not yet consciously experiencing the situation as a conflict. False conflict is the occurrence of a conflict when there is no objective basis for it, because of misperception or misunderstanding (Deutsch, 2001).

2. 9.3 What causes and increases conflict

Deutsch (2001) states that conflicts generally concern four types of issues. **First**, conflict can concern issues on control over resources which are perceived to be non-shareable, such as space, money, property, power, prestige, food, and so forth. **Second**, conflict can also arise over preferences and nuisances, which means that the activities or tastes of one person or group impinge upon another's preferences, sensitivities, or sensibilities. **Third**, values and beliefs can induce conflict. The claim that certain values should dominate or be applied in general, even by those who hold different values, can cause conflict. Beliefs are about what one perceives to be reality. If the perception of reality of one person differs from that of another person, this can cause conflict. **Finally**, the relationship between parties can evoke conflict when, for example, two people have opposing views and desires in their relationship (Deutsch, 2001).

According to Filley (2003), there are several conditions which can increase the occurrence of conflict in social relationships: ambiguity of the limits each party's jurisdiction, conflicting interests, separation of parties from each other either physically or with respect to time which causes communication barriers, dependency of one party upon the other, parties wanting to make joint decisions, a need for consensus, imposing behaviour regulation on one of the parties, and the presence of unresolved prior conflict. These conditions may not always lead directly to conflict, but they can create opportunities for conflict to arise.

According to Johnson and Johnson (2000) there is not enough information about the specific events that trigger conflict and the barriers that prevent it from occurring. There are not many studies about conflict in schools that, for example, examine the factors that influence aggressive behaviour, although it is generally agreed upon that the psychological experience of arousal contributes strongly to aggression, which can evoke destructive conflicts. Therefore, it seems important for researchers to also examine the possible factors that induce aggression in different sectors such as frustration and anger among clients and employees, and also factors like crowding, temperature and the presence of aggressive individuals who are perceived as role models (Johnson & Johnson, 2000).

2.9.4 The positive effects of conflict

Many people associate conflict with fighting, struggle, and violence. In this matter, it is important to be aware of the difference between a conflict issue and conflict behaviour (Van der Vliert, 2007). A conflict certainly contains some kind of social behaviour, but the conflict itself is not the same as its reaction towards it. Conflict behaviour leads to certain results, and the value of those results can be either favorable or unfavorable (Filley, 2003). Unfavorable results can be agitation, aggression, or violence. Unfavorable results of poorly managed conflicts may include lower achievement and detrimental effects on individual, such as stress, and challenges to self-esteem and self-efficacy (Johnson & Johnson, 2000).

Contrary to what many people think, conflict can also have favorable results. For example, it can stimulate group cohesiveness: conflict demarcates groups from one another and as such helps to establish group and personal identities. External conflict with another group therefore fosters internal cohesiveness

(Deutsch, 2001, Filley, 2003). Conflict also supports the balance of power between parties, stimulates creative approaches to problem solving, leads to the diffusion of more serious conflict by airing and handling problems in time and stimulates a search for new facts or solutions which fosters creativity (Deutsch, 2001; McFarland, 2000). Conflict is necessary for encouraging individuation, realigning relationships, and reducing anxieties (Johnson & Johnson, 2000). But above all, conflict is mainly a motor for personal and social change. For instance, conflict can help to establish social change by revitalizing existing norms and to contribute to the emergence of new norms (Deutsch, 2001; Filley, 2003).

2. 9.5 Conflict Handling

What is conflict handling?

Conflict handling or resolution entails the process of solving a conflict. The most preferable way to solve a conflict is through constructive conflict resolution, because then all the participants are satisfied with the outcomes of the resolution and feel they have gained something as a result of the conflict (Deutsch, 2001). In constructive conflict resolution, the conflict should not harm, but create benefits and positive outcomes for the relationship between the parties. In other words, the conflict should create a win-win solution (Davidson & Wood, 2004; Filley, 2003).

Win-win solutions are often possible given the fact that most conflicts involve disagreements of means rather than ends; the parties perceive the conflict to be ‘my way’ versus ‘your way’, while both parties strive for the same thing (Filley, 2003).

There are three possible processes for conflict handling. These are negotiation, mediation, and attribution. Negotiation is a process in which persons who have shared and opposed interests want to come to an agreement and try to work out a settlement (Johnson & Johnson, 2000). Negotiation can be handled in a

distributive or an integrative manner. The distributive approach is based on the belief that you can only maximize your own gain at the expense of the other. The integrative approach is based on maximizing the gains for both parties (Johnson & Johnson, 2000). In integrative negotiations, both the goal that one wants to reach and the relationship with the other party is highly valued.

Therefore, the parties seek to reach an agreement that ensures that both parties fully achieve their goals and that any tensions and negative feelings are resolved. Johnson and Johnson (2000) perceive this to be the most constructive strategy to resolve a conflict. This seems true, because the integrative approach is focused on maximizing the gain for both parties, which is also the goal of constructive conflict resolution.

When the disputing parties cannot resolve the conflict by negotiating themselves, mediation can be an option. Mediation is the process in which an unbiased third party (the mediator) assists disputants to negotiate an integrative resolution to their conflict (Bickmore, 2002; Johnson & Johnson, 2000). A common form of mediation is peer mediation in which the mediator is a peer of the conflicting parties. The peer mediator is responsible for guiding the resolution process, by assisting peers to communicate with one another and to negotiate a solution to their own problems (Bickmore, 2004).

The third process is arbitration. Arbitration is the submission of a dispute to a disinterested third party who makes a final and binding judgment as to how the conflict will be resolved. Arbitration is commonly used as a last resort when negotiation and mediation have failed to resolve the conflict. The process of arbitration is particularly applicable in schools: when mediation fails, the teacher or administrator often arbitrates the conflict (Johnson & Johnson, 2000; 1995). Learning how to arbitrate is, however, not a means of conflict resolution. In arbitration, the arbitrator decides who is right and who is wrong and decides

what the solution should be. Arbitration is also not a constructive approach to conflict resolution because it is likely that at least one of the disputing parties does not agree with the solution and feels that s/he has lost as a result of the conflict.

2. 9.6 Conflict Handling in Service industries:

In interpersonal communication, conflict occurs when an individual perceives incompatibility between his or her own personal goals, needs, or desires and those of the other party (Payne and Frow, 2005). In dealing with conflict, people use different strategies to accomplish their goals. Sweeney and Morrison (2004) defined conflict handling as the ability of each supplier's to minimize the negative consequences of manifest and potential conflicts.

Conflict handling reflects the supplier's ability to avoid any potential conflict, solve that particular conflict before they create problems and the ability to discuss the solutions openly when the problem arises. Conflict handling requires cooperative behavior from exchange partners. According to Evans and Beltramini (2002), in a negotiation setting, cooperative versus competitive intentions have been found to be linked to satisfactory problem solution. In short, good conflict resolution will result in a positive relationship quality. Conflict handling is an important relationship builder. Even though it is difficult to service industries especially in banking sector to achieve zero service failure all the time, but it is so important that the particular banks put in a place of an effective conflict resolution or problem solving machinery.

A major problem which had been resolved satisfactorily may leave in its wake a happy and loyal customer, but maybe minor issues if not handled carefully will result in defection. A more excellent approach, for example proactive in planning and implementations includes, identifying potential conflict, solving conflict before they manifest, avoiding potential conflict and blocking them.

Those efforts could bring the better relationship and loyalty to the particular bank or service firm (Ndubisi, 2007). Yavas et al., (2004) found a significant relationship between conflict handling and customer loyalty, indirectly through trust and perceived relationship quality. As mentioned earlier, the ability of the product or service provider to handle conflict well will also directly influence customer loyalty.

2.10 Values:

2.10.1 Definition of Values

By definition, “values are beliefs about what is right and wrong and what is important in life.”(Oxford Dictionary, 2005). Schein (2004) defines values as “basic assumptions because these tend to be taken for granted by group members and treated as non-negotiable. However, values can be open to discuss and people can agree to disagree upon them. Basic assumptions are so taken for granted that someone who does not hold them is viewed as a ‘foreigner’ or as ‘crazy’ and is automatically dismissed.”(Schein, 2004).

According to French and Bell (2006) values are set of, assumptions and beliefs constitutes an integral part of organization development, shaping the goals and methods of the field and distinguishing organization development for other improvement strategies⁵⁶. In fact, most of these beliefs and values should have been formulated early in the development of the field, and they continue to evolve as the field itself evolves. These values and assumptions can either be developed from research and theory by behavioral scientists or from the experiences and observations of practicing managers. French and Bell (2006) argue that values are beliefs and are defined as beliefs about what is desirable or good and what is undesirable or bad. As a matter of fact, values as well as

beliefs and assumptions provide people with structure and stability as they attempt to understand the world around them (Kennedy, 2002).

2.10.2 The Importance of Values

A key element in defining culture is to look at an organization's value system. Values guide employees in their daily life and Deal & Kennedy (2003) argue that companies often succeed because their employees identify, adopt and act upon the organization's values. Wiener (2005) argues that values are a core element of organizational culture and constitute an organizational value system. Furthermore, the values approach is independent of the cultural construct and is therefore useful as an explanatory system. The organizational value system should not only be seen as a way of identifying an organizational culture but can offer unique meaning and perspective to the understanding of organizational phenomena. (Cheney, 2004)

According to Wiener (2005), focusing on values leads to two issues:

- The cultural concept's integration with other aspects connected to the explanation of organizational phenomena
- Factors of cultural contribution relative to, for example, structure and technology (non -cultural variables) to various organizational outcomes.

2.10.3 The concept of Value:

Value is at the centre of marketing. Indeed, various definitions of marketing revolve around the creation and exchange of value (Eggert and Ulaga, 2002). According to Kotler and Keller (2006), for exchange, which is the core concept of marketing to take effect, there must be at least two parties and each party must have something of value to offer the other party.

Guenzi and Troilo (2006) observe that "most business schools teach that the purpose of a business is to create value for the shareholder. Shareholder value,

however, is really the outcome of the business organization's success- not its intrinsic reason for being. The real purpose is 'to create and provide products and services for customers that are of value of them '. In long run, a business organization can produce shareholder value only if it first provides competitive customer value added" (Page 158). Roig (2006) relate the financial services literature indicates that banks should focus on three fundamental types of value- Shareholder value, employee value, and customer value.

Kotler and Keller (2006) expound that value is marketed in ten forms; this includes goods, services, events, experiences, persons, places, properties, organizations, information and ideas. In the course of marketing a product or service, marketers pick and choose strategies that, in addition to the product or service, add accompanying value (Osterwalder and Pigneur, 2003). Consumer products are produced from a chain of activities, from primary industries to secondary industries, from one location to another and from one firm to another in what marketers describe as the value chain (Kotler and keller,2006) with each firm capturing part of the value chain (Osterwalder and Pigneur,2003).

Kotler and keller(2006) present a conceptual model for holistic marketing orientation that provides insight into creating and capturing value. This model integrates three key issues:

1. Value exploration
2. Value Creation
3. Value Delivery

Value exploration underscores the dynamic and competitive nature of value that flow within and across markets, and an understanding if the relationships and interactions among three spaces including:

1. The customer cognitive space which reflects existing and latent needs

2. The company's competence space referring to the overall capabilities and strategy of a firm.
3. The collaborator's resource space which involves how horizontal partnership can exploit market opportunities or how vertical partnership can integrate value creation

Value creation follows from value exploration by matching information about customer needs with the employable capabilities of the company and that of its collaborative networks to create value for the customers.

Value delivery further tasks the competences of the company and its networks. The company's customer relationship management, internal resource management and business partnership management must be well aligned to deliver and capture value.

Chaudhury and Kuilboer (2002) concur that all the activities of a company are coordinated to achieve and deliver some value. They draw an important dichotomy between business value and customer value. Business value includes the activities that, on the firm's side, help to achieve goals, namely, operational excellence, customer intimacy and product and service leadership. Customer value refers to the value that the customer gets in patronizing the product or service of a company.

According to Evans (2002), the term customer value also applies to the value that a customer brings to an organization or the worth that a firm places on a customer (Pease and Wright, 2001). This concept has given impetus to many models that have been adopted to maximize the value of customers to a firm such as customer lifetime value (Woodall, 2003), customer satisfaction (Modirghomi and Sarshar, 2005) and customer value management (Daniels, 2000; Evans, 2002).

2.10.4 Customer perceived value:

Roig (2006), Lin(2005), Salem Khalifa(2004) observe that customer perceived value is of high strategic relevance to organizations but marketers and researchers are hard-pressed for a common operational definition of the term. The term value, customer value and customer perceived value are used interchangeably by scholars and marketers to refer to the value that a customer is said to perceive and derive from a product (Woodall,2003), as will be examined in the following. One of the theories about customer value is that it leads to customer loyalty. (Woodruff, 2004).

Business Dictionary.com (2007-2008) defines the value offered by a firm as: “ extent to which a good or service is perceived by its customer to meet his or her needs or wants, measured by customer’s willingness to pay for it. It commonly depends more on the customer’s perception of the worth of the product than on its intrinsic value”.

Kotler and Keller (2006) define customer perceived value as “ the difference between the prospective customer’s evaluation of all the benefits and all the costs of an offering and the perceived alternatives” (Page 141). They further develop that total customer value is the perceived monetary value of the bundle of economic, functional, and Psychological benefits customers expect from a given market” (Page 141) and that total customer cost is “ the bundle of costs consumers expect to incur in evaluating , obtaining , using and disposing of the given market offering, including monetary , time ,energy, and psychic costs” (Page 141). Desarbo (2001) observe that perceived value as a function of perceived quality and perceived price has been widely recognized.

2.10.5 Value Perception

In a hyper-dynamic and competitive marketplace, increasingly demanding consumers expect their firm to deliver ever-increasing value at lower process

(Hooi Ting, 2004). Camarero(2007) contends that the notion of customer value is dynamic because the criteria that consumers use to judge value are likely to change over time and over the various stages of a customer's relationship with a company (e.g, first time Vs. Long term customers). Consistent with this view, Vandermerwe (2003) argues that customer value should be defined by the customers, rather than by the firm. Furer et al. (2002) argue that the importance and the perception of service quality are highly dependent on customer's values and beliefs that might change from one cultural to another. Banks service quality is commonly noted as a critical prerequisite for satisfying and retaining valued customer (Aldlaigan and Buttle, 2005; Liljander and Roos, 2002; Reinartz and Kumar, 2002).

Customer value perception is also regarded as a key determinant of overall satisfaction (Cronin et al., 2000) as well as customer loyalty (Parasuraman & Grewall, 2000). Bhatta et al. (2001) conclude that firms need to continuously seek ways to improve their value propositions in order to ensure customer satisfaction, loyalty, and to encourage repeat patronage.

2.10.6 Attributes of customer value perception

From a customer perspective, value is the benefits, such as quality merchandise and caring service that are received in relation to the total cost of acquisition , which includes monetary cost (e.g. , price) and non-monetary costs (e.g. , shopping time) (Bennett and Rundle-Thiele, 2004). Another explanation of the importance of values in judging the level of service quality comes from means-ends models of customer value. These models are based on the assumption that customers acquire and use products or services to accomplish favorable ends. Values are defined in terms of personal values, mental images, or cognitive representation underlying customers' needs and goals (Pont and McQuilken, 2005)

Huber et al. (2001) , for example , state that the means-ends theory postulate that linkages between product attributes , consequences produced through consumption and personal values on consumers underlie their decision making process (Gutman , 2004) . Products and services are the means while customers' personal values are the ends. An individual's evaluation of the quality of a product or service is partly based on whether the product or service enables him or her to achieve his or her desired and states.

Naceur and Azaddin (2005) have mentioned in their article that values and images were the most important dimensions of service quality in UAE conventional banks. On the other hand, personal skills and values were the only significant service quality dimension among the customers of Islamic banks. Customers of Islamic banks are most concerned with the impression of sincerity, trust and caring given to them by their service providers.

2.11 Empathy

Empathy is the ‘capacity’ to share and understand another's 'state of mind' or emotion. It is often characterized as the ability to ' put oneself into another shoes “or in some way experience the outlook or emotions of another being within oneself. The basic idea of empathy should be characterized is that be looking expressions of the people facial or body movement , or by hearing their tone of voice , which will immediate sense on how they feel (Bolton et al., 2000; Verhoef, 2003) . Empathy has the added value of reducing reliance on legal governance, since exchange partners who are governed by the principle of empathy are more likely to treat others in the manner they would like to be treated.

The importance of relationships for collectivist countries and countries with a long-term orientation, empathy is important for services providers to build long-term relationships (Silvestro and Cross, 2000). Furthermore, Hofstede’s,

masculine or feminine dimensions is closely linked to the empathy dimension of service quality. Because empathy is considered a feminine trait (Kunyik & Olsen , 2001) feminine cultures are likely to place higher value on empathy , for example in US services advertising is more likely to communicate the empathy dimension of service quality than Korea service advertising .

SERVQUAL (Parasuraman, Zeithmal & Berry, 1988, Ndubisi, Chan, & Chukwunonso, 2004) is the most widely used measure of service quality within service industries .SERVQUAL consists of five dimensions:

- (1) Tangibles – physical facilities, equipment and appearance of personnel.
- (2) Reliability _ ability to perform the promised service dependably and accurately.
- (3) Responsiveness _ willingness to help customers and provide prompt service.
- (4) Assurance _ knowledge and courtesy of employees and their ability to inspire trust and confidence.
- (5) Empathy _ caring, the individualized attention the firm provides its customers.

As mentioned by the (Parasuraman, Zeithmal & Berry, 1988, Ndubisi, Chan, & Chukwunonso, 2004) empathy is one of the important elements to measure the service quality in service industries area. It is so important to the each banks manager to recruit staff with social skills that will assist the development of long-standing relationship with customers. And the most important thing is that bank should provide reliable services in order to achieve high level of customer satisfaction, an antecedent of sustainable competitive advantage.

Empathy also is very higher significant associated with willingness to recommend after allowing for the effects due to overall satisfaction and

effective attitude (Buamann et al., 2007) . In this case , It has seen that once the customers feel satisfied with the services which provided to them , they will recommend to the others about the particular firm , especially in banking sector which really need high level of customer satisfaction to ensure that the bank can enhance their business . High satisfaction and effective attitudes is in turn strongly associated with customer's future behavioral intentions in terms of willingness to recommend and willingness to remain a customer. If the company needs to grow is a customer's willingness to recommend, as suggested by Reichheld (2003), then effective attitudes, overall satisfaction.

Naceur & Hussein (2003) have stated that the human skill dimensions were found to be more significant than the dimensions of tangibles and empathy. In short, its means that people more prefer to look on the human skills in the service quality. For example, in Thailand, Korea and Indonesia, customer place greater emphasis on the quality of contact than on the product quality (Bang et al., 2005).

In summary , empathy not only increase the level and quality of relationship between customers and the organization , but also empowers the relationship to deliver superior value , which in result customer's repeat purchase , customer retention and sustained loyalty .

2.12 Why is customer loyalty?

2.12.1 The definition of customer loyalty:

The concept of customer loyalty emerged 1980s. It is quite a new concept, and therefore, there are many definitions within this field. Sällberg (2004) describes some earlier definitions about customer loyalty. All of them are showed in the following table.

Table 2.2: Definitions of customer loyalty (Sällberg, 2004)

Source	Definition
Kumar et.al,1992	Behavioural attraction to a brand
East et.al,1995	Proportion of total spending, a consumer's loyalty percentage
Mittal and Lassar,1998	Continuing customers
Dick and Basu, 1994	Favourable correspondence between relative attitude and repeat patronage
Kendrick,1998	Purchase frequency and amount spent per order or visit
Liljander and strandvik, 1995	Purchase behaviour

In this table, there are six different definitions of customer loyalty. According to Sällberg's (2004) suggestion, the similarity in the six definitions is purchasing. In these definitions it is argued that customer purchasing frequency is high and they always continually purchase products of companies. Some factors are mentioned in these six definitions, for example, continuing customers, repeating purchasing and purchasing frequency, all of these refer to the amount of purchasing. Besides these, there are differences in these definitions (Sällberg, 2004). In Dick and Basu's (1994) opinion the factor of attitude is mentioned as a difference, but is not mentioned by others. And there are other ideas that continuing purchasing and purchasing frequency are different. More specifically, Sällberg (2004) suggests that for a brand or company, customers' continuing purchasing and how often you continue purchase are different. Furthermore, as shown in the table above, Kumar mentioned loyalty to a brand in 1992 and Mittal and Lassar suggest continuing customers are more important in 1998.

For example, for a grocery shop, customer may be loyal to either the shop or a certain brand in the store. Therefore, it is reasonable that customers can be loyal to brand as well as products (Zhou, 2005).

Besides Sällberg's idea, in Torres-Moraga study, brand loyalty and product loyalty are researched more deeply. They argue that product and brand are two stages in the development to satisfy customers' needs and preferences, and satisfaction and loyalty are two stages in the customers' response, according to the study, in the process of gaining customer satisfaction and generating customer loyalty, brand and product should be separately researched. It has more influence on innovative products, such as automobiles and electronic equipment, than traditional products such as fresh food and drinks. The advantages of doing this include market pioneering, first mover advantages, low-cost proactive innovation, and industry redefinition. On the other hand, the disadvantages of ignoring the product as an initial stage include loss of market opportunities or market leadership, high-cost innovation and brand development. (Torres-Moraga , 2008) Besides the definitions mentioned above, there are also some other articles and books discuss about what is customer loyalty. In Ball's book (2004), two factors are found: active loyalty and passive loyalty. Active loyalty refers to word- of-mouth and intention to use and passive loyalty means not switching even under less positive conditions (Ball, 2004). Furthermore, Oliver (2004) found four stages of loyalty, which are cognitive, affective, conative, and action loyalty. Besides these definitions, there are many other studies of customer loyalty.

The main theme in customer relationship marketing is 'to get and keep customers' (Grönroos, 2000). Peng and Wang (2006) define relationship marketing as all marketing activities directed towards building customer loyalty

(keeping and winning customers) by providing value to all the parties involved in the relational exchanges". Customer loyalty is defined by Sheth and Parvatiyar (2000) as a deeply held commitment to buy or patronize a preferred product or service in the future despite there are situational influence and marketing efforts having the potential to cause switching behavior " (Yim et al.,2008). Loyalty may mean quite a passive improvement of situation. One hopes that bad things will change for the better in the future. A loyal customer has tolerance to approve for a while also inconvenient situation, for example bad price-quality relations. Patterson (2004).thinks that loyalty is the function of satisfaction, switching barriers and voice. Loyal customers may not be always satisfied, but satisfied customers are apt to be loyal (Zins, 2001).

Frempong(2002) describes loyalty as a process. At the end of the process, satisfaction has effects to perceived quality, which could cause loyalty and intention to certain behavior.

The following table, shows the differences between transaction marketing and relationship marketing (Gronoos, 2000)

Figure 2.3 Comparison between transaction marketing and relationship marketing

The strategy continuum	Transaction Marketing	Relationship Marketing
Time perspective	Short-term focus	Long-term focus
Dominating marketing function	Marketing Mix	Integrated marketing (supported by marketing mix activities)
Price elasticity	Customers tend to be more sensitive to price	Customer tend to be less sensitive to price
Dominating quality dimension	Quality of output (technical quality dimension) is dominating	Quality of interaction (functional quality dimension) grows in importance and may become dominating
Measurement of customer satisfaction	Monitoring of market share (indirect approach)	Managing the customer base (direct approach)
Customer information system	Ad hoc customer satisfaction surveys	Real-time customer feedback system
Interdependency between marketing, operation and personnel	Interface of no or limited strategic importance	Interface of substantial strategic importance
The role of internal marketing	Internal marketing of no or limited importance to success	Internal marketing of no or limited importance to success

Source: Adapted from Gronroos (2000)

2.13 Two dimensions – Behaviour/Attitude loyalty:

Loyalty is commonly perceived as having two dimensions - behavioural and attitudinal (Lam and Burton, 2006; East et al., 2000; Dick and Basu, 1994). The degree of loyalty is often measured by behaviours such as frequency of purchase or word-of-mouth (Lam and Burton, 2006; Dekimpe, et al., 1997).

The attitudinal approach views a loyal customer as someone attached to a brand and who will, when positively reinforced, buy that brand more often (Lam and Burton, 2006). Attitudinal loyalty is the feeling of attachment, psychological bonding, linkage to one provider and consistent regard of that provider as the preferred choice. It is assumed that customers who are behaviourally loyal to a firm display more favourable attitudes towards it, in comparison to its competitors. However, in some cases, behavioural loyalty does not necessarily reflect attitudinal loyalty, since there might be other factors (for example, availability) that prevent customers from defecting to a brand or company (Aldlaigan and Buttle, 2005; Liljander and Roos, 2002; Reinartz and Kumar, 2002). In addition to behavioural loyalty, Liang, Wang and Farquhar (2009) argued that a customer's behavioural loyalty in financial services positively and significantly affects the firm's financial performance.

Attitudinal loyalty measurements are based on the definition of the level of psychological attachment to a service provider. Five items, adapted from Zeithaml, et al. (2004), Beatty, et al. (2003), Parasuraman, et al. (2000, 1994), Sirdeshmukh, et al. (2002) and Liang, Wang and Farquhar (2009), have been selected: declaring loyalty to the provider, willingness to recommend, positive word-of-mouth, encouraging others to use a service and regarding the provider as a first choice.

2.14 Loyalty Ladder:

Turning to the concept of the loyalty ladder (Christopher et al., 1991; Payne et al., 1995; McDonald and Christopher, 2003). Lacey and Morgan (2009) noted that relationship building is, by definition, a long-term process. Consequently, marketers must extend the long-established concept of a “ladder of loyalty” by adding a few rungs to create a “relationship ladder”. The relationship ladder includes distinct stages in the development of a long-term customer relationship, as described in Figure 2.4

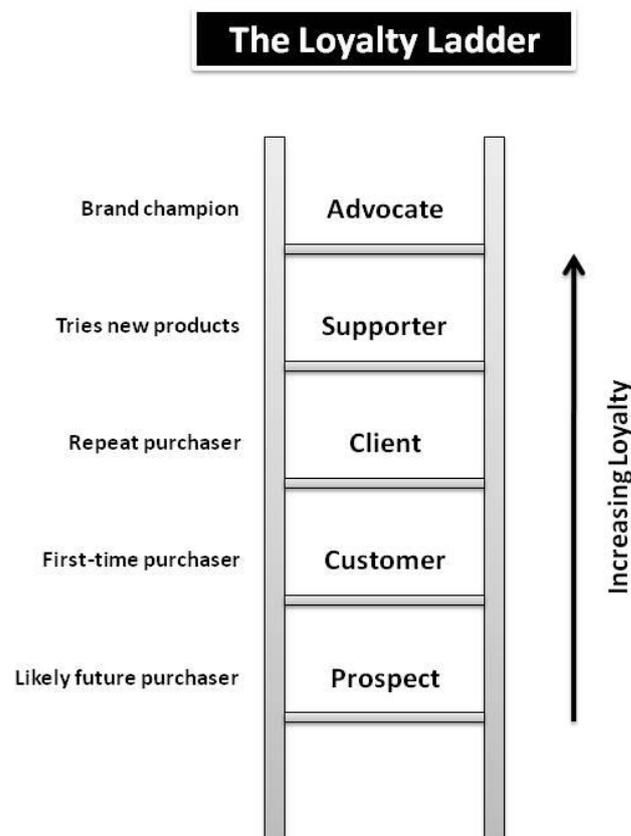


Figure 2.4: the loyalty ladder Adapted from Payne et al. (1995), McDonald and Christopher (2003) And Lacey and Morgan (2009)

This figure implies that the marketer should develop those “suspects” and “prospects” at the lowest rungs of the ladder into “customers”. In relationship marketing terms, a customer is someone who has done business with the company only once or occasionally. When customers start to acknowledge a

Product's benefits and do business on a repetitive basis, they become "clients". At this stage, Relationship marketing is crucial in transforming clients into "supporters" (McDonald and Chirstopher, 2003). At the "supporter" stage, a special relationship between the firm and the person becomes apparent. Supporters enjoy being associated with the company and they may even be persuaded to become "advocates". At the "advocate" stage, positive word-of-mouth about the organisation will occur. Lacey and Morgan 2009 added that, advocacy customers exhibit not only repeat business, positive word-of-mount and referrals but, also, a comprehensive willingness to help the business grow. Finally, at the top level, the customer becomes a "partner" and will find ways in which both parties can gain mutual benefit from the relationship. This model demonstrates that RM is based upon finding the appropriate means to move target customers up the extended loyalty ladder and to keep them there.

2.15 What is the benefit of customer loyalty?

From traditional perspective market share is the most important determinant of companies' profit. Many companies have been involved in mergers and takeovers so that they can obtain economies of scale. In this way, they can reduce cost and increase profit (Hill & Alexander, 2000). However, there are also some companies to be exceptions. According to Hill and Alexander (2000), some companies who do not have the largest market share are more profitable than those with a bigger share. The reason of this is that they found customer loyalty is more profitable than market share. As mentioned above, satisfaction and loyalty are two stages in the customer's response to the company offerings (Torres-Moraga, 2009). Furthermore, satisfaction is found to be a necessary antecedent of customer loyalty (Zeithaml , 2002). First, customer satisfaction makes customer have a higher likelihood of repeating purchase; second, recommend others to try the source of satisfaction; third, become less receptive to the competitors' offerings(Torres-Moraga , 2008). There is a lot of literature

that states that satisfaction and loyalty are strongly related and this relationship between satisfaction and loyalty can be interchangeable. On the other hand, others claim it to be unidirectional (Torres-Moraga , 2008). In this thesis, the second idea will be adopted to build the theoretical framework. From the companies' perspective, implementing customer loyalty strategy is helpful for companies' profit. It is claimed that 5% increase in customer retention leads to an increase of profits by 25% to 95% (Sällberg, 2004). Customer loyalty strategy can help companies to save money on a variety of costs (Sällberg, 2004), for instance:

- Costs of advertising to attract new customers;
- Costs of personal selling effort to new prospects;
- Costs of setting up new accounts for new customers;
- Costs of explaining business procedures to new clients;
- Costs of inefficient behavior during the customers' learning process.

Moreover, in Nykamp's (2001) book, he mentions that customers' loyalty strategy has other advantages. The first is that companies will have customers on their side. The second is that successfully managing customers different is the key to success in modern business. Besides that, in Duffy's (2003), he also mentions that a customer loyalty strategy can save money for companies. Furthermore, there are five more benefits of customer loyalty strategy to be mentioned in his article (Duffy, 2003).

□ *The first is "referrals"*. It means that customers who become familiar with your brand will not hesitate to recommend the brand to friends and neighbors.

□ *The second is "complain rather than defect"*. It means that loyal customer will view the brand as theirs. When there are problems, thus they will contact with the company to make sure problems will be solved, but not defect.

- *The third is “Channel migration”*. It means loyal customers are more willing to purchase a brand through multiple channels, for example, the internet. Doing this can increase their total consumption and reduce your cost of doing business with them.

- *The fourth is “Unaided awareness”*. It means that loyal customers are much more likely to have your brand top of mind. it also helps with “referrals” and it helps bring other customers to your brand.

- *The fifth is “greater awareness of brand assets”*. It means that loyal customers tend to be more aware of some of the auxiliary benefits a brand offers. Greater awareness of customer has impact on retaining customer loyalty. These customers tended to stay with the brand longer because they felt they received better value For instance, a retailer found that loyal customers were more familiar with their free delivery service. This familiarity led to greater sales as a result of taking advantage of the free delivery.

2.16 How to obtain customer loyalty??

2.16.1 Why my organization?

As discussed above, implementing a customer loyalty strategy can bring benefits for companies. Especially in the following three cases, companies should adopt customer loyalty strategy so that obtain more advantages (Nykamp, 2001).

Case1. Competitive differentiation suggests that it is difficult to compete in the business world on any other basis. For instance, when product, price, promotion strategy, and place of distribution can all be matched or bettered by competitors;

or in some industries where the price of entry is high, you may not have the upper hand on one of these factors.

Case2. Heightened customer expectations are also difficult to ignore. The innovations quickly become the norm, and the barrier continues to be raised for those who seek to compete. For instance, those who maintain the status will find that they are increasingly disappointing their customer, as well as failing to attract new customer.

Case3. Adopting new technology, for example, the Internet, databases, analysis engines, make implementing of customer loyalty strategy easier and with more Efficiency

More and more companies or organizations will implement customer loyalty strategy and these tools. Those companies that don't adopt those tools will fall behind its competitors. According to Nykamp's (2001) book, successfully implementing customer loyalty strategy have two key points. First, companies should recognize the potential value of current customer relationship. Second, companies should identify more opportunities to meet customers' need. In this case, companies tend to be tied more closely with customers. And customers view companies as trustworthy providers. In Duffy's (2003) book, there are two factors that have impact on customer loyalty strategy to be mentioned. The first is High involvement. It has impact on customers' choice and continuance on a brand. Before analyzing loyalty, companies must understand what facilitates the beginning of the relationship. Determine the extent to which the choice is a high involvement decision (Duffy, 2003). Moreover, when continuing to utilize a brand customers there will be habit. It can keep customer from defect. High involvement will make the habit stronger. The second is bad service experience. Deal with the factor correctly can bring companies valuable experience when dealing with customer relationship. Otherwise, customers may defect from companies or give up the brand (Duffy, 2003).

2.17 Loyalty in Services Industries

In service industries, the intangibility of services complicates the evaluation of Service quality and satisfaction which are the leading determinants of loyalty (Lam and Burton, 2006). Peng and Wang (2006) stated that service loyalty is unique, should be considered separately from brand loyalty and has different determinants. Since services are intangible and heterogeneous, most consumers perceive a higher risk in purchasing services than goods. Consequently, consumers depend on evidence of credibility to evaluate services (Beerli, 2002).

In addition, intangibility makes it more difficult and expensive to gather information. Consequently, Beerli (2002) noted that loyalty is more important for services than for products and concludes that service loyalty remains a significant area requiring further research. ‘Services loyalty’ is expressed as an intended behaviour related to a service or company (Reichheld , 2000). These authors suggested four dimensions for measuring loyalty in the services industry: positive word-of-mouth, propensity to switch, identification with the service and a preference for a particular service provider.

Others (Kandampully, 2004) argued that service loyalty is the assurance of a consistent and superior quality of service. This concept stems from Berry (1987)’s concept of earning customers’ loyalty by being loyal to customers.

Developing and maintaining customer loyalty, or creating long-term relationships with customers, is the key to a firm’s survival and growth, particularly for service companies (McMullen and Gilmore, 2003). Loyalty in services industries or service loyalty is defined as the assurance of a consistent and superior quality of service (Kandampully, 2004).

2.18 Loyalty in Financial Services Industry

Loyalty is a vital instrument for financial institutions. In a highly competitive environment, keeping current customers is an essential marketing aim for all financial institutions. Ndubisi (2007)'s study of Malaysian bank customers suggested that customers tend to be loyal if the bank is trustworthy, committed to providing good service, reliable and efficient in communicating with customers and able to handle conflicts well. His study provided empirical evidence of the influence on customer loyalty of relationship marketing's four keystones: trust, commitment, communications and conflict handling. He explained that banks aiming to develop loyal customers should be trustworthy, committed to the service ethic and communicate promptly and accurately. Moreover, companies must resolve conflict in a manner that minimises loss and inconvenience to customers.

Ndubisi (2004) also pointed out that loyal customers are valuable communicators of positive word-of-mouth about the services and products of the organisation. They attract new customers to the organisation and may increase their own consumption, thus expanding sales and revenues. Finally, loyal customers can also be useful sources of new product/service ideas (Ndubisi, 2004, 2007). In global financial services, the study of Eisingerich and Bell (2007) found that customers' willingness to trust or recommend service providers resulted from how well they were treated by advisors, and how much they perceived that an organisation was taking 'very special care' of them.

In B2B, an increasingly common initiative taken by marketers in building and maintaining customer's cooperative behaviours is the customer loyalty programme. These programmes are useful and important, not only in consumer markets, but also in the financial services industry. Loyalty programmes are designed to enhance closer and more cooperative relationships among pre-identified customers towards special products and services (Lacey, 2007).

In studying loyalty in the financial services industry, the unique characteristics of customer loyalty in the services industry need to be accounted for. One notable result from the study of Lam and Burton (2006) was that loyalty in financial services may simply mean increased usage of services or increased probability of a firm being considered as a main service provider, while disloyalty stems from the unique advantages of different providers and the perceived risks of relying exclusively on one institution (Lam and Burton, 2006).

2.19 Relationship marketing and its Impact on Customer Loyalty

As noted, the ultimate goal of RM is to bolster already strong relationships and Convert indifferent customers into loyal ones (Ndubisi, 2007; Ndubisi and Chan, 2005; Hennig-Thurau et al., 2002). It is considered an effective strategy, not only for promoting loyalty and retaining customers, but is also crucial in moving target customers up the ladder of loyalty (Juhl , 2002).

Relationship marketing brings stability and decreased uncertainty to the company by acting as a barrier to competitor entry and by keeping a stable and solid base of customers (Alexander and Colgate, 2000). For customers, close and long-term relationships yield three types of benefits:

- 1) Psychological or social benefits (familiarity, friendship and information-sharing).
- 2) Economic benefits (discount or other money-saving benefits) .
- 3) Customisation benefits (tailor-made services/products), as noted by Simon, Seigyoung and Karen (2005).

In studying the Relationship marketing underpinnings and its impact on customer loyalty, both behavioural and attitudinal loyalty (Wan-Jin, 2009) is considered. Behavioural studies emphasise, for example, frequency of purchase (Keiningham , 2007), while the attitudinal approach emphasises a loyal customer's attachment to a brand as a precondition which, when positively

reinforced, will increase purchase behaviour (Lam and Burton, 2006; Riley, 1997), for example, positive word-of-mouth, low propensity to switch, a preference for a particular service provider, etc. (Sirdeshmukh et al., 2002).

2.20 How to retain customer loyalty?

Definitions of customer loyalty have been studied. In Sällberg's (2004) book, some early definitions about customer loyalty are mentioned. In these definitions, customer loyalty is regarded to be related with "purchasing". It is argued that loyal customers' purchasing frequency or amount of purchasing is high and they always continually purchase products of companies. Besides that, customer attitude is important for customer loyalty. In these definitions, there are some opinions argue that purchasing frequency and continue purchase are different and continuing customer is important for company's customer loyalty strategy.

Besides, in Torres-Moraga and his partners' (Torres-Moraga et al., 2009) article, they argue that product and brand are two stages in the development to satisfy customers' needs and preferences. According to them, in the process of gaining customer satisfaction and generating customer loyalty, brand and product should be separately researched. It has more influence on innovative products. It has some advantages, such as first mover advantages, low-cost proactive innovation. Before knowing how to retain customer loyalty, company must know if customers are loyal to it, which means company must measure customer loyalty. The factors mentioned in Sällberg's (2004) definitions, such as "purchasing", "frequency" and "amount" are important for company to pay attention to.

In Ball and his partners' (Ball. et. al., 2004) article, there are two customer loyalty dimensions to be discussed, which are behavior loyalty and attitude loyalty. Behavior loyalty is defined as repeated purchase, which is the same with purchasing amount/ frequency. Therefore it will not be discussed in the

following part. Attitude loyalty is defined as positive affect for relationship and a desire for retaining relationship continuance (Dick and Basu, 2002). Attitude loyalty reflects customer's cognitive, affective, and co-native predispositions to continue relating to the brand or company. In this process often involve customer commitment (Oliver, 2000).

In Nykamp's (2001) book, customer loyalty strategy can help companies to obtain more advantages in three cases. In another word, companies should pay more attention on customer loyalty strategy in the following three cases. First, competitive differentiation suggests that it is difficult to compete in the business world on any other basis. Second, heightened customer expectations are also difficult to ignore. Third, adopting new technology, for example, the Internet, databases, analysis engines, make implementing of customer loyalty strategy easier and with more efficiency.

2.21 Palestinian banking sector

Palestinian banking system was established in the last decade of the last century. There were only two banks in Gaza Strip and West bank at the end of the era of direct Israeli military occupation, which is the period that preceded the national authority directly; Palestine limited bank in Gaza Strip, which was opened in 1981.

After 1994 (the advent of the Palestinian authority), the Palestinian economy started to show signs of new growth and improvements, and the number of the banks increased (Alwazir, 2010).

2.21.1 Operating banks in Gaza Strip

Currently, there are 13 banks operating in Gaza Strip. Of this total, there are eight local banks (Five are commercial and three are Islamic banks) and the reminder five are regional commercial banks. The Palestinian banking sector is well- regulated and operates in an efficient and effective manner (Palestine monetary authority, 2010).

Recently, banks in Gaza Strip are experiencing more challenges and difficulties as a result of the Israeli Siege, where Gaza Strip is still waiting for reconstruction, banks' customers are divided into several categories, employees who are the most numerous, businessmen and traders who are the most in touch, as well as customers with saving accounts, depositors, and those with limited dealings such as recipients of aids (annual report of bank of Palestine, 2010).

2.21.2 Service provided by Palestinian banks

Operating banks provide all banking services known in the world, offering; current and futures accounts in different currencies, provide loans and remittances, documentary credits and bank guarantees, Islamic banking services, banking online services and other services. This has made the competition look strong between banks, but where what distinguishes a bank for another is the quality of service provided to customers and not the service itself, since the services are almost the same (Wady&Ashour, 2005).

2.21.3 Major indicators in Bank of Palestine:

Figure 2.5 Major indicators 2006-2010

	2006	2007	2008	2009	2010
Assets	602,555,348	847,650,800	1,046,832,914	1,283,017,502	1,545,038,022
Customer Deposits	480,821,032	679,633,662	840,497,297	1,016,683,776	1,251,482,935
Market share of customer deposit	11.30%	12.93%	14.03%	16.71%	18.44%
Paid in Capital	36,299,146	59,769,737	81,404,137	100,000,000	100,000,000
Net credit Facilities	260,492,883	243,587,513	285,337,011	343,311,230	545,026,391
Market share of credit facilities	14.32%	14.84%	17.61%	17.26%	19.19%
Net Profit	13,903,924	20,579,398	23,610,956	26,929,168	30,119,469
Net income interests and commissions	30,582,345	35,532,393	48,419,463	52,865,829	61,843,054
Equity	56,252,148	90,218,428	123,169,873	150,822,464	163,884,250
Number of Branches	29	30	32	40	42
Number of employees	635	695	752	864	943

2.22 Previous studies

2.22.1 Introduction:

The following studies were reviewed to familiarize the topic of relationship marketing to demonstrate the originality of this study and to reveal the gap it will fill in the customer's loyalty research. The studies have been divided in to three categories which are the local, regional and foreign studies.

2.22.2 Local studies:

1. El - Khaldy (2006)

(Measuring the level of service quality of the Islamic Banks Operating in Palestine: from customer's perspective).

This study has aimed to measure the level of services quality of the Islamic banks operating in Palestine, from customer's perspective. The study adapted the gap approach in measuring of the level of services quality of the Islamic banks, by depending on the SERVQUAL model to compare between the actual performance of the provided service and its Perceptive performance. Depending on five dimensions for the services quality (reliability, responsiveness, empathy, assurance and tangibility), which is compliance to comply with the working nature of the Islamic banks. 865 questionnaires were randomly distributed on the Islamic banks customers, 622 of them were retrieved and eligible for analysis (72% of the questionnaires).

The results showed a gap between the expected services and the actual Performance, The dimensions where categorized according to the results as in firstly responsiveness (85.4), secondly assurance (84.6), thirdly reliability (83.9), fourthly empathy (81.3), and Fifthly tangibility (80.1).

The study has recommended that the banks should work on improving and developing their services to reach the customers' expectations, these banks

should concentrate on training their employees especially those who are in direct contact with the customers.

2. Wady & Ashour (2005)

(Measuring Banking Service Quality in Gaza Strip: A customers' Perspective)

The aim of this study is to measure banking service quality in Gaza Strip from customers' point of view. The study investigates the existence of service quality gaps through applying the SERVQUAL model. 500 questionnaires were distributed and 280 of them were returned back i.e. 56%.

The results showed a gap between the expected services and the actual Performance, The dimensions were categorized according to the results as in firstly assurance (0.82), secondly reliability (0.69), thirdly responsiveness (0.68), fourthly tangibility (0.57), and Fifthly empathy (0.49).

The study recommended the need to take customer expectations and aspirations into account when providing services or developing standards for the provision of banking services and to be aware that there are dimensions that require more focus and attention and thus should be among the priorities for improvement.

3. Abu Mo'mar (2005)

(Measuring the level of service quality in the operating banks in Gaza Strip: customer's perspective)

This study has aimed to measure the level of services quality of banks operating in Gaza Strip, from customer's perspective. The study adapted the gap approach in measuring of the level of services quality in banks, by depending on the SERVQUAL model to compare between the actual performance of the provided service and its Perceptive performance. Depending on five dimensions for the services quality (reliability, responsiveness, empathy, assurance and tangibility), 200 questionnaires were randomly distributed on the banks customers, 166 of them were retrieved and eligible for analysis (83% of the questionnaires).

The results showed a gap between the expected services and the actual Performance, The dimensions where categorized according to the results as in firstly reliability (0.88), secondly assurance (0.84), thirdly tangibility (0.81), fourthly responsiveness (0.80), and Fifthly empathy (0.73).

The study recommended to focus on strengthening of the trust between the bank and its customers, and to improve the empathy dimensions by training employees to put the customer's best interest at heart.

4. Shu'shaa (2005)

(Measuring the level of quality service in the working banks in Palestine: customer's perspective)

This study has aimed to measure the level of services quality of Bank of Palestine in Gaza Strip and West Bank, from customer's perspective. The study adapted the gap approach in measuring of the level of services quality in banks, by depending on the SERVQUAL model to compare between the actual performance of the provided service and its Perceptive performance. Depending on five dimensions for the services quality (reliability, responsiveness, empathy, assurance and tangibility), 1249 questionnaires were randomly distributed on the banks customers, 1000 of them were retrieved and eligible for analysis

The results showed a gap between the expected services and the actual Performance, The dimensions where categorized according to the results as in firstly reliability (0.84), secondly responsiveness (0.81), thirdly assurance (0.80), fourthly empathy (0.78), and Fifthly tangibility (0.75).

The study recommended the need to improve the quality of services provided by Bank of Palestine to reach or exceed customer's expectations level, and to adopt the service quality as a strategy for competition and improvements.

2.22.3 Regional studies:

1. Chaker, Jabnoun (2010)

(Barriers to service quality in Islamic banks in Qatar)

The Islamic banking sector has been growing rapidly, particularly in the Gulf region. The purpose of this paper is to examine major barriers to service quality in Islamic banks in Qatar and the impact of demographic variables on the perceptions of these barriers.

120 questionnaires are distributed to employees of Islamic banks in Qatar.

Factor analysis resulted in three dimensions namely: lack of empowerment, lack of centralization, and lack of handling conflicts effectively were found to be significant barriers to service quality in Islamic banks in Qatar .The Cronbach alpha coefficients of these factors were 0.80, 0.72, and 0.64

The study recommends that barriers can be eliminated or reduced easily through training which has been proven to be effective in improving performance and finding quick solutions before the conflicts become dilemma.

2. Al-Ajmi et al. (2009)

(Clients of conventional and Islamic banks in Bahrain: How they choose which bank to patronize)

The purpose of this study is to report a study into: the motives that dispose customers in Bahrain to choose a specific bank; the level of commitment of customers with the most widely used services/products offered by Islamic banks; and the extent of use of those services

The study conducted in Bahrain to include three types of bank clients: those who bank with conventional banks, those who bank with Islamic banks, and who use both kinds of banks. The results are based on a response rate of 65.5 percent from 300 questionnaires distributed.

It is found that: Islamic religious values (0.70) and social responsibility (0.69) are the two most important factors that determine bank selection. Commitment (0.64) is the third most important factor considered in bank selection.

The study recommends that the most of banks, should reinforce the level of commitment and values when setting and implementing their marketing strategies.

3. Sadeeq (2008)

(Relationship marketing: the vision of integrative philosophy, concepts and principles)

This study aims to provide a conceptual framework and an integrated view of relationship marketing in terms of concept, importance and differentiation from traditional marketing and to understand how this concept began equivalent and achieve competitive advantage for many organizations when adopted. The objective of this research is to show that relationship marketing is not applied in one sector and not in the others but it would be applied in all sectors, especially service ones, 200 questionnaires were distributed to managers in different sectors (banks and ministries in Syria)

The results of this study were as follow:

1. Relationship marketing theory offers a conceptual basis for the marketing as it emphasizes improving the customer service through customer knowledge
2. Implementing relationship marketing in an effective way will make the customer trust the organization and build long lasting relationship with it
3. Many of the academic people in marketing agreed that marketing conflict handling is a basis for the development of the relationship.

4. Relationship marketing requires work from all the departments of the company together with marketing team to serve the customer, and it includes building relationships at multiple levels (economic - social - technical - legal), which result in a loyal customers

5. There is a positive relationship between relationship marketing and the organization productivity with its ability to solve conflict and problems.

4. Jabnoun, Khalifa (2005)

(A customized measure of service quality in the UAE)

The concerns of service quality may differ from one country to another. It is therefore crucial to develop measures of service quality that are pertinent to the country and culture where the service is offered. This study aims to develop a measure of service quality in the UAE and then testing this measure in UAE conventional and Islamic banks.

The components of service quality were developed through a brainstorming and sorting exercise. Based on the results of this exercise, the researchers developed a 30-item questionnaire comprising the five dimensions of SERVQUAL and two other dimensions called values and image.

Factor analysis resulted in four dimensions: personal skills, reliability, values, and image. Results of regression analysis revealed that all four dimensions were significant in determining service quality in conventional banks. Values and image were however the most important of these dimensions. On the other hand, only personal skill and values were significant in determining service quality in Islamic banks. Reliability estimates (Cronbach's alpha) for the construct's dimensions are as follows: values (0.88), images (0.70), personal skills (0.66) and Reliability (0.43)

This study recommends the need to customize measures of service quality to different countries.

5. Taleeb (2003)

(Measuring the level of quality services in the Islamic Banks in Amman)

This study has aimed to measure the level of services quality of the Islamic banks Amman, from customer's perspective. The study adapted the gap approach in measuring of the level of services quality of the Islamic banks, by depending on the SERVQUAL model to compare between the actual performance of the provided service and its Perceptive performance. Depending on five dimensions for the services quality (reliability, responsiveness, empathy, assurance and tangibility), 800 questionnaires were randomly distributed on the Islamic banks customers.

The results showed a gap between the expected services and the actual Performance, The dimensions where categorized according to the results as in firstly tangibility (0.85), secondly responsiveness (0.81), thirdly empathy (0.80), fourthly reliability (0.78), and Fifthly assurance (0.75).

The study has recommended the need to use the methods of modern marketing in dealing with customers, which require taking the views of the customers into consideration for the development of the bank, and paying attention to the Jordanian banks to respond quickly to customers' needs as they are the agents who affect the quality of services.

6. Talieb (2002) study:

(Management trends in the Jordanian commercial banks to strengthen the relationships with the client)

This study aims to discuss the measures to be taken by the commercial bank to retain its customers in order to get their loyalty, and prevent them from

switching to other banks, 150 questionnaires were distributed to the banks manager in Amman.

The study concluded that:

1. Jordanian commercial banks reflect a negative relationship with their customers, which makes the customer dissatisfied, as the banks weren't creating value for their clients
2. There is no clear strategy for the Jordanian banks to reflect the caring of its management team to build long relationships with the clients in the weather of high speed of technology.
3. Jordanian banks are still traditional banks in using the technique which make the customer Disloyal to the services which are provided.

The study recommended reinforcing values through training employees to keep their promises and deal with customers honestly.

2.22.4 Foreign studies:

1. Yang & Capel (2011)

(The antecedents of relationship quality in Malaysia and New Zealand)

The purpose of this study is to examine the relationship between the relational dynamics, namely trust, personalisation, communication, conflict handling and empathy, and relationship quality in the banking industry of two culturally dissimilar nations – Malaysia and New Zealand.

Bank customers in Kuala Lumpur, Malaysia and Dunedin, New Zealand were surveyed using a questionnaire. Bank intercept technique was used in administering the instrument. A total of 358 customers (comprising 150 from Malaysia and 208 from New Zealand) provided the data for the study.

The results of the study show that the five relational dynamics explain 84 percent and 76 percent of variations in relationship quality in Malaysia and New Zealand respectively. Communication (0.82), trust (0.80), and empathy (0.79)

are significantly related with relationship quality in both countries, whereas personalisation (0.78) has a significant impact on relationship quality in New Zealand but not in Malaysia. The results also reveal that conflict handling (0.75) is significantly and marginally associated with relationship quality in New Zealand and Malaysia respectively.

The study recommended for the banking industry in the international context, it is important to understand that the values of a given market are critical inputs to the development of effective relationship marketing strategies. Specifically, culture has a key role to play in building quality relationships as well as in designing strategies for enhancing perceived relationship quality.

2. Lattimore (2011)

(The antecedents of relationship quality in Canada and United States)

The purpose of this study is to examine the relationship between the relational dynamics, namely trust, conflict handling and empathy, and relationship quality in the banking industry of two nations – Canada and United States.

Bank customers in these countries were surveyed using a questionnaire. A total of 250 customers (comprising 150 from Canada and 100 from United States-California) provided the data for the study.

The results of the study show that the three relational dynamics explain 76 percent and 62 percent of variations in relationship quality in both nations. Trust (0.78) and empathy (0.70) are significantly related with relationship quality in both countries, the results also reveal that conflict handling (0.90) is significantly and marginally associated with relationship quality.

The study recommended for the banking industry in the international context, it is important to enhance trust, empathy and conflict handling because that will lead to achieve a significant level of relationship quality.

3. Heffernan (2010)

(Relationship marketing: The impact of emotional intelligence and trust On bank performance)

The two aims of this study are to explore the development of trust for relationships between staff and customers in the banking sector and to investigate possible links between financial performance of relationship manager and their levels of emotional intelligence (EI) and trust.

The original sample was made up of both relationship managers (n =92) and branch managers (n = 129). This sample of (n = 221) where respondents were asked to complete an EI test and questions relating to trusting behaviour. These data were integrated with financial performance data supplied by the bank.

Trust was found to be made up of three components: dependability; knowledge; and expectations. Further, there were significant strong correlations between both trust and EI, when compared to the financial performance of a relationship manager.

The study recommended increasing awareness of relationship managers in dealing with customers, because that will lead to enhance the trust between both parties and in return increasing the effectiveness of the financial performance in the banks.

4. Kantsperger, Kunz (2010)

(Consumer trust in service companies: mediating analysis in United Kingdom banks)

The concept of “trust” has gained considerable importance in the field of marketing during the last decades and is seen as a key mediator of customer relationship marketing. But upon a closer look at the literature, the construct “trust” is conceptualized and measured very differently. Based on a literature review and theoretical work, the purpose of this study is to develop a conceptual model of consumer trust in a service company, which may help in detecting

different mediating effects of trust in the customer relationship to the service company.

Antecedents and consequences of trust are studied in a business-to-consumer services context in the banking industry. Empirical data are collected from a sample of 232 retail bank customers with checking accounts in London. By means of a LISREL (Linear structural relation) approach, trust is measured and showed various mediating effects.

The empirical data support that trust plays a major role in achieving customer Loyalty (CL). In particular, it is shown that “trust” dimension has a significantly greater influence on customer loyalty (0.78) than “credibility.” (0.64)

The study concluded that banks can create customer loyalty by exhibiting trustworthy behaviour, showing credibility in the transactions and enhancing the overall level of performance.

5. Chung, Shin (2010)

(The antecedents and consequents of relationship quality in internet shopping)

The purpose of this study is to highlight the significance of relationship quality factors (customer satisfaction, trust, and commitment) on positive word of mouth (WOM) in online retailing. The relative importance of site characteristics in online retailing on customer satisfaction was examined and the relationship among customer satisfaction, trust, and commitment in offline was identified. This study then proposes a conceptual model of the relationship among site characteristics, relationship quality, and WOM in online retailing.

All of site characteristics in online retailing have a positive influence on customer satisfaction. Communication of site characteristics has a positive effect on customer satisfaction more than the other factors (shopping convenience, site design, informativeness, and security). Customer satisfaction

affects positively commitment more than it does trust. Commitment affects positively WOM (0.61) more than it does trust (0.57).

This study identifies the importance of customer commitment and trust in achieving high quality relationships.

6. Jones, Ramsay, Wagner (2010)

(Trading interactions: supplier empathy, consensus and bias)

The purpose of this study is to explore the nature of buyers' attitudes towards supplier empathy, Partial consensus and bias. The extent to which buyers display an awareness of and willingness to respond positively to, supplier needs, wants and preferences – termed supplier empathy – and how this influences their attitude towards buyer-supplier cooperation and support of relational exchange is empirically assessed. In addition, factors that may influence the level of empathy on customer relationship with the supplier. Finally, the extent to which social acceptability bias may mask attitudes in areas where consensus exists is considered.

An empirical study utilising survey data from members of the Chartered Institute of Purchasing and Supply in the UK was completed. A total of 421 useable responses were received and analysed to evaluate hypotheses. The design also included efforts to identify the presence, and minimise the effects, of social acceptability bias.

The analysis indicates that empathy surrounding the relational exchange approach is not shared by all practitioners. In addition, it is found that the level of supplier empathy exhibited by respondents (0.89) is significantly influenced by supplier-dependence aversion, innovation focus, and support for long-term trading relationships.

The paper recommends that companies can improve their performance as buyers by increasing the level of empathy when dealing with customers and suppliers.

7. Varca (2009)

(Emotional empathy and front line employees: does it make sense to care about the customer?)

This study aims to examine the relationship between empathy and role stress among front line employees (FLEs). The goal was to test the hypothesis that emotionally critical aspects of the service encounter are central to role conflict.

A total of 226 FLEs completed a survey that measured role conflict. The instrument also included measures of empathy – the degree to which FLEs engaged in emotional labor during service encounters.

FLEs who spent time engaged in empathetic behavior or saw empathetic behavior as critical to service quality is more related to the customers, where the more front line employees are empathic, the more customers are appreciating that. The level of empathy was about (0.71); also the study reported a significantly high conflict role (0.89)

This study recommends that developing flexible policy and procedure for responding to customer demands; and giving FLEs greater decision making authority to interpret policy and make discretionary decisions during the service Encounter.

8. O. Ndubisi, N. Madu (2009)

(The association of gender to firm-customer relationship)

This study aims to examine the association of relationship marketing variables (namely trust, commitment, communication, and conflict handling) with overall

firm-customer relationship quality between male and female customers of Malaysian banks.

Data were collected through a field survey of 200 randomly selected bank customers in Malaysia. Hierarchical multiple regression analysis (HMRA) was employed for data analysis.

The results show that relationship marketing explains a significant amount of variance in overall firm-customer relationship quality. Except for communication, all the independent variables are significantly associated with perceived firm-customer relationship quality. No significant gender differences were observed. The mean rank for the dimensions are as follows: Trust (0.84), Communication (0.78), Commitment (0.75), Conflict handling (0.70), Relationship quality (0.65)

The study recommends that in order to create quality bank-customer relationships, banking service providers must be trustworthy, committed to service and customer relationship, and manage conflicts well. The idea of trustworthy behaviour, commitment, and conflict management leading to customer perceived relationship quality is salient for both male and female bank customers in Malaysia.

9. Chattananon , Trimetsoontorn (2009)

(Relationship marketing : A Thai case)

The purpose of this paper is to explore the impact of relationship marketing in a Thai context by gathering both quantitative and qualitative data.

This research adopts a multi method approach. A preliminary model is developed from existing literature, and then tested with data collected from a mail survey completed by 166 salespeople in 30 steel pipe firms in Thailand. Finally, to better understand the quantitative results from a different perspective,

in-depth interviews with 15 sales managers are undertaken and the model further refined.

The quantitative findings indicate that from the perspective of industrial sales people, the key success factor of relationship marketing is trust. However, the results of the in-depth interviews with sales managers did not support the views of the salespeople. The sales managers endorsed four variables: values (0.92), empathy (0.81), reciprocity (0.77), and trust (0.75), as affecting the success of relationship marketing. Further, company image, information exchange, and time are identified as key factors that contribute to the building of these variables, which in turn contribute to performance.

The key recommendations for this study are for marketing managers include support for the use of relationship marketing programs at a strategic level as well as suggestions for successful implementation of these programs. Through enhancing the trust, values and empathy in salespersons and this will be associated directly with buyer-seller relationship development.

10. Musa (2009)

(The impact of relationship marketing on customer's loyalty in the banking sector in Malaysia)

This study explores the impact of relationship marketing on customer loyalty in the banking context. A survey of student of University Utara Malaysia and employees of Permintex industries was conducted to determine the significance and influence of the underpinnings of the relationship marketing such as trust, commitment, conflict handling, and empathy on customers' loyalty in the banking sector. A total of 138 usable questionnaires were obtained from a total of 150 questionnaires distributed. The findings show that the four variables namely trust(0.85), commitment(0.83), conflict handling(0.80), and empathy (0.62) were important in determining and influencing customers' loyalty.

Since the results of the research showed that customers' loyalty is related to trust, commitment, conflict handling, and empathy factors, therefore banks need to consider these factors and provide the right tenant mixes, services and other facilities that are essentials for attracting customers.

11. Ndubisi (2007)

(Relationship marketing and customer Loyalty)

This study aims to examine the impact of relationship marketing strategy on customer loyalty. A questionnaire derived from previous studies and the relevant Literature was completed by 220 bank customers in Malaysia. Multiple regression analysis assessed the impact on customer loyalty of four key constructs of relationship marketing (trust, commitment, communication and conflict handling).

The four variables have a significant effect and predict a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another. where the four variables are having different percentages relating to customer loyalty , commitment (0.73) , conflict handling (0.64) , communication (0.62) , Trust (0.53), and customers were about (0.74) loyal.

This study recommended that customer loyalty can be created, reinforced and retained by marketing plans aimed at building trust, demonstrating commitment to service, communicating with customers in a timely, reliable and proactive fashion, and handling conflict efficiently.

12. Baumann, Burton, Elliott, & Kehr (2007)

(Prediction of attitude and behavioural intentions in retail banking)

This study seeks to explore the factors predicting customer loyalty in retail banking. Loyalty was measured in terms of a customer's willingness to

recommend a bank and their intention to remain with their main bank short-term (in the next six months) and long-term (from six months to five years).

The study was based on a mail survey of 1,951 individuals. Potential predictors were drawn from the literature and included in three separate regression models to model different types of loyalty. The results indicate that willingness to recommend is best predicted by affective attitude, overall satisfaction and empathy. Short-term behavioural intentions, however, were best predicted by overall satisfaction and responsiveness, while long-term intentions were predicted by overall satisfaction, affective attitude and empathy. The three models explained a substantial amount of the variation in the dependent variables: 71 percent for willingness to recommend especially the empathy variable plays a central role in creating loyal customers, 43 percent for short-term intentions and 46 per cent for long-term intentions.

The recommendations demonstrate the importance of satisfaction measures and some SERVQUAL dimensions in predicting loyalty in retail banking. It also found evidence that not all five SERVQUAL measures are needed to profile customers and predict loyalty. But empathy is seen as an important variable to predict the willingness to recommend.

13. Mukherjee, Nath (2007)

(Role of trust in online retailing: A re-examination of the commitment-trust theory)

Trust and commitment are the central tenets in building successful long-term relationships in the online retailing context. In the absence of physical interaction between the buyer and the seller, how websites can gain the trust of the buyers and deliver on the promises made have become central issues in online customer relationship management. This study aims to re-examine the commitment-trust theory (CTT) of relationship marketing in the online retailing

context. It seeks to theorize the antecedents and consequences of commitment and trust in the online context and identify how CTT can be adapted in a digitized business environment.

Modified constructs and their measures are developed to understand the antecedents and the outcomes of commitment and trust. Survey data from British online customers (n=651) are used to test CTT hypotheses with structural equation modelling.

The study suggests a significant modification to the traditional CTT model in the online environment. Privacy and security features of the website along with shared values are the key antecedents of trust (0.68), which in turn positively influences relationship commitment (0.74). Behavioural intentions of customers are consequences of both trust and commitment. The relationship termination cost has a negative impact on customer commitment.

This study proposes a modified model to understand the role of consumer trust and commitment in a digitized environment. The modified constructs and measures truly reflect the dynamism of online business. The extended CTT model can provide better insight into managing customer relationships in online retailing.

14. Ndubisi (2007)

(Relationship quality antecedents: the Malaysian retail banking perspective)

The purpose of this study is to examine the impact of relationship marketing (RM) underpinnings namely, trust, commitment, communication and conflict handling on the quality of firm-customer relationship as well as the levels of contribution of these underpinnings.

The model of relationship quality based on literature was developed and tested empirically among customers of retail banks in Malaysia. A structured questionnaire was used in the study. Sample selection was based on a systematic random sampling technique, 321 questionnaires has been distributed. Factor and multivariate analyses techniques were used to process the data.

The findings of the study support most of the hypothesized relationships. There is a significant positive relationship between commitment (0.88), conflict handling (0.81) and trust (0.69) on relationship quality. The independent variables contribute differentially to relationship quality.

The relationship marketing underpinnings can predict relationship quality well. Banks can build and maintain quality customer relationship through trust, commitment and conflict resolution. The outcome of the study can help banks in developing effective strategies for enhancing the quality of firm-customer relationships and in designing and delivering banking service strategies, tactics, and training programmes that would enable bank employees and managers to function effectively as relationship builders, nurturers, managers, and custodians in service settings.

15. Ndubisi et al. (2007)

(Supplier-customer relationship management and customer loyalty: The banking industry perspective)

The purpose of this study is to examine the impact of the relationship marketing underpinnings, namely: commitment; competence; communication and conflict handling on the one hand and customer loyalty on the other, as well as the mediation effects of trust and relationship quality.

Bank customers in Kota Kinabalu, Malaysia were surveyed using a questionnaire. Bank intercept technique was used in administering the

instrument. A total of 220 customers provided the data for the study. Multiple regression analysis was used to measure the construct's relationship.

The results show that relationship marketing strategies, namely: communication (0.88); commitment (0.72); competence (0.0.63); and conflict handling (0.61) are directly and indirectly (through trust and relationship quality) associated with customer loyalty. Moreover, trust and relationship quality are directly associated with loyalty by about (0.64) for trust and (0.60) for quality.

This study recommended that banks must communicate effectively, being committed, and handling conflicts well. They must give and keep promises, communicate timely and reliable information to customers on new services; all of this will help the bank in earning customer trust and building quality relationship with them.

16. Caceres, Papparoidamis (2007)

(Service quality, relationship satisfaction, trust, commitment and business-to-business loyalty)

The purpose of this study is to establish a theoretical basis for evaluating a strategic increase in customers' perceptions of service/product quality – specifically in terms of an increase in relationship quality and customer loyalty through trust and commitment in a B2B environment – and to test this theoretical basis empirically.

Drawing on the relationship-marketing literature, the authors empirically test a model of business loyalty in a sample of 234 advertising agencies' clients.

Using the Grönroos conceptualisation, a clear pattern of service-quality dimensions is established and several important findings are reported – including empirical verification of the mediating role of overall relationship satisfaction in the formation of loyalty attributes. The effects of trust and

commitment are also verified. Reliability estimates (Cronbach's alpha) for the construct's dimensions are as follows: trust (0.88) , commitment (0.80) , commercial services(0.72) , Administrative service (0.70) , communication (0.68) and loyalty (0.65)

The study recommends that, in this service continuum, managers need to clearly define relationship development strategies, service provision policies and develop homogeneous service provision. Towards this direction, it is essential that firms communicate the service and product quality standards to partners so that differences in service provision can be avoided.

17.Ward , Dagger (2007)

(The complexity of relationship marketing for service customers)

There are a number of assumptions inherent in relationship marketing, including claims that a relationship should be developed with all customers in all situations . This study seeks to show that marketers should not automatically use relationship marketing techniques for all products and for all customers. Where the relationship marketing antecedents are of critical important (Empathy, values)

This study reports the results of an empirical survey of 287 consumers for five service products in which consumers were asked to assess the strength of the relationship between themselves and their supplier In Canada.

Relationship strength was found to vary significantly between service products and individual customers, and the impact of duration of the relationship and the frequency of purchase on relationship strength depends greatly on the nature of the service product. It was also demonstrated that some customers want a closer relationship with service providers than other customers, and this aspect significantly affects the strength of relationship perceived by the customer.

Even some customers want specific service providers in dealing with them. Also the study shows that empathy and values are two main dimensions that should be available are the service providers characteristics, according to the results empathy scores about (0.71) where values score (0.68).

This study recommends that the use of relationship marketing techniques for service products needs to be much more thoroughly researched to provide guidance for practitioners and marketing theorists. The complexity of the “relationship” construct in marketing is clearly shown and there is as yet no known set of “rules” that indicate when relationship marketing techniques should, or should not, be used.

18. Leverin, Liljander (2006)

(Does relationship marketing improve customer relationship satisfaction and loyalty in Australia ?)

The purpose of this study is to investigate the relationship marketing (RM) strategy of a retail bank and examine whether – after its implementation – customer relationships orientations (trust, conflict handling and values) were strengthened through perceived improvements in the banking relationship and consequent loyalty towards the bank. A survey was conducted on two profitability segments, of which the more profitable segment had been directly exposed to a customer oriented RM strategy, whereas the less profitable segment had been subjected to more sales oriented marketing communications.

No significant differences were found between the segments on customers' evaluations of the service relationship orientation or their loyalty toward the bank. Where the relationship orientations have contributed differently in creating loyal customers, in which conflict handling forms about (0.55), values (0.43) and trust (0.23) from the total improvements. Furthermore, regression

analysis revealed that relationship satisfaction was less important as a determinant of loyalty in the more profitable segment.

The study recommended that customer satisfaction and loyalty can be created, reinforced and retained by marketing plans aimed at building trust, demonstrating values to the services and handling conflict in a reliable efficient way.

19. Ulaga, Eggert (2006)

(Relationship value and relationship quality: Broadening the network of business-to-business relationships)

The aim of this study is to deepen the understanding of the value concept as well as to enlighten the role of value in a relationship marketing setting. Any value-adding strategy should take the objectives of relationship marketing, e.g. establishing, maintaining and enhancing relationships with customers...at a profit, so that the objectives of the parties are met...

A two-stage research design was used. First, depth-interviews were conducted with ten senior-level purchasing managers in US manufacturing companies. Second, data were gathered in a nation-wide mail survey among 400 purchasing professionals.

The findings suggest that relationship value is an antecedent to relationship quality and behavioural outcomes in the network of relationship marketing. Value displays a strong impact on satisfaction (0.87), then commitment (0.62) and trust(0.60). Value also directly impacts a customer's intention to expand business with a supplier.

This study stresses the pivotal role of relationship value in marketing. Contributes to a better fit between relationship marketing models and managerial practice in business markets

20. Nudbisi (2006)

(Effect of gender on customer loyalty: a relationship marketing approach)

This study aims to investigate the role of gender in the association of relationship marketing underpinnings (namely trust, commitment, empathy, and conflict handling) with customer loyalty.

Data for the research were collected through a survey of customers of banks in Malaysia. Hierarchical Multiple Regression Analysis (HMRA) was used to estimate the moderation effect of gender in the RM underpinnings -customer loyalty relationship

The results show that the four underpinnings of relationship marketing are directly associated with customer loyalty. Significant gender difference exists in the trust-loyalty relationship. Women are significantly more loyal (0.88) than men (0.58) at higher levels of trust in the bank. Gender does not moderate the relationship between commitment, values, conflict handling and loyalty. Women are more committed (0.61) than men (0.44) at the higher levels of commitment in the banks, where empathy scores (0.77) in women which is much higher than men who score only (0.34) from the values level, finally men (0.89) is more loyal than women (0.32) in the higher levels of conflict handlings inside the bank.

Banks should increasingly demonstrate that they are trustworthy in order to keep customers loyal, more especially the female customers. They should also be committed to service, appreciate values effectively and handle conflicts well.

21. Dawes, Massey (2005)

(Antecedents of conflict in marketing's cross-functional relationship with sales)

The purpose of this study is to develop and test a model of the factors that explain the level of interpersonal conflict between marketing managers and sales managers in which this conflict will affect the cross functional relationship. The paper aims to establish the overall level of interpersonal conflict in the full sample and in the two sampled countries (UK and Australia).

The study draws on two theoretical frameworks to develop the model, namely structural contingency theory and the interaction approach. More specifically, the conceptual framework uses three groups of variables to explain interpersonal conflict: structural, individual, and communication. Importantly, the study developed and tested nine hypotheses. Confirmatory factor analysis was used to test the validity of the measures while OLS regression was used in testing the hypotheses. The data were collected from 200 sales managers in the UK and Australia.

Overall, the study finds that there was a surprisingly low level of interpersonal conflict (0.12) between marketing managers and sales managers and that there were no differences across the two countries that result from the speed of solving conflicts as soon as they rise.

This study recommends using a large empirical survey to examine the marketing and sales dyad. Also, it is one of the few studies to test the effects of behaviours of managers in solving conflicts where the speed of solving any conflict is the main reason for effective long lasting relationship between the sales managers and the marketing ones from a side and customers from the other side.

22. Ndubisi & Wah (2005)

(Factorial and discriminate analyses of the underpinnings of relationship marketing and customer satisfaction)

This study seeks to empirically evaluate the influence of the underpinnings of relationship marketing on the perceived quality of bank-customer relationship, and on customer satisfaction in the Malaysian banking sector. A field survey of bank customers in Malaysia was conducted using a questionnaire. The data were factor-analysed to determine the key dimensions of RM. The resulting dimensions were applied in the subsequent discriminate analyses conducted to determine which factors discriminate between customers on the basis of perceived bank-customer relationship quality and customer satisfaction.

The results show that five key dimensions, namely: conflict handling (0.81) communication (0.65), commitment (0.55), competence (0.46) and Trust (34.27); discriminate between customers in terms of perceived relationship quality and customer satisfaction. Moreover, overall bank-customer relationship quality discriminates between satisfied customers and those who are not.

Findings concluded that banks can create customer satisfaction by exhibiting trustworthy behaviour, showing genuine commitment to service, communicating information to customers efficiently and accurately, delivering services competently, handling potential and manifest conflicts skilfully, and improving overall customer relationship quality.

23. Ndubisi (2004)

(Understanding the salience of cultural dimensions on relationship marketing, its underpinnings and aftermaths)

The current study demonstrates how relationship marketing (RM) application in Cultures of low power distance, collectivism, femininity, high uncertainty avoidance, and long-term orientation, can bring about customer's repeat purchase, customer retention and sustained loyalty via superior customer value delivery. The study also shows the moderation and mediation effects of trust, equity, empathy, and commitment, which are the underpinnings of a relationship as well as important values in the above cultures. A questionnaire derived from previous studies and the relevant literature was completed by 150 University students in Malaysia

The results show that, the relationship marketing underpinnings in itself cannot yield repeat purchase, customer retention, and loyalty as some scholars have erroneously theorized. There is only an indirect association (via superior customer value) between RM and repeat purchase, customer retention and sustained loyalty. Where values show (0.66), empathy (0.55), trust (0.44), commitment (0.45) and equity (0.22).

The study recommended that concentrating more on understanding relationship marketing underpinnings will help in creating the sustained loyalty. By and large, cultural perspectives are useful in understanding relationship marketing, its underpinnings and aftermaths.

24. Wong & Sohal (2002)

(An examination of the relationship between trust, commitment and relationship quality)

This study Attempts to examine the concepts of trust and commitment, on two levels of retail relationships: the salesperson level as well as the store level, and test their impact on relationship quality. Based on a review of the literature, a conceptual model has been developed that links trust and commitment to relationship quality. Using survey of 1,261 shoppers in a departmental store setting in Victoria, Australia.

In particular, the two levels of relationships (salesperson and store level) are examined from the customer's perspective, Where the researchers found that trust and commitment will affect the relationship quality in a positive way where commitment has an impact of (0.60) and trust has (0.33) from the general impact on the relationship quality

The study recommends focusing on improving the trust level in the two levels of retail relationships, at the same time to maintain the commitment and enhance it as this will reflect totally on the relationship quality.

2.22.5The significant advantage of this study:

This study is the first one as the knowledge of the researcher which is done on relationship marketing in the Palestinian banking sector, where as the sample includes the customers in Gaza Strip & West Bank (Palestinian National Authority)

Add to this , the number of variables which are taken in this study, in the previous studies the researchers mentioned some variables and neglecting others but here the researcher take the most five important underpinnings which are (Trust, commitment, Conflict handling, values and empathy)

Moreover, this study will contribute in the evaluating the level of the customer's loyalty in Bank of Palestine, which helps the bank to provide the best services in competition with other banks, this study reflects the relationship marketing underpinnings on customer's loyalty which stimulates many of researchers to continue to study this topic from time to time in order to stand on the needs of customers and meeting their expectations.

The researcher use the multiple regression analysis in predicting the most desirable and essential underpinnings which may have a direct effect on customer's loyalty where the previous studies depend on normal statistical tests.

Chapter three

Research methodology

3.1 Introduction

This chapter introduces a detailed presentation of methodology and procedures which have been followed in conducting the study about the impact of relationship marketing underpinning on customer's loyalty. The chapter Includes Study methodology, Data collection, study Population, Sample, Study Tools, and Statistical methods.

3.2 Study method and data collection:

Analytical descriptive method has been used to sustain quantitative measurement and analysis. Data has been collected through different means which include:

3.2.1 Secondary resources: To introduce the theoretical literature of the subject, the researcher has depended on the following data resources:

- 1- Books and references in Arabic and English about Relationship marketing.
- 2- Periodicals, articles, published papers and referred previous studies in different countries which have been conducted on the same subject.
- 3- The published annual reports from Bank of Palestine.
- 4- The Internet sites and the available electronic versions.

3.2.2 Primary resources:

To analyze the qualitative and quantitative characteristics of the phenomena, it has been depended on collecting the primary data by the questionnaire (see appendix 1) as a main tool for the study, it saves time and effort. The questionnaire has been designed especially for this study and contains three parts:

- 1- The definition of the study.
- 2- The primary information about the demographic specifications of the sample individuals.
- 3- A set of 48 statements regarding the relationship marketing underpinnings is mentioned with its five dimensions which are (Trust, commitment, conflict handling, values and empathy). This section is based on Garrison and Noreen (2003) with some refinements regarding questions to be more suitable to banking sector. Some measures have been represented by several ones to give more certainty of the consistency of the customers responses.. The aim of the questionnaire is to measure the loyalty level of customers regarding the five relationship marketing underpinnings in bank of Palestine. Every question has five alternative answers according to Likert Scale which consists of five degrees (Strongly agree, Agree, Average, Disagree, Strongly disagree).

3.3 Study Population:

The population of the study consists of customers of Bank of Palestine in Gaza Strip and West Bank which is one of the well-known commercial banks.

3.3.2 The study sample:

The study sample has been selected as a random sample composed of customers who are dealing with Bank of Palestine in Gaza Strip and West bank (PNA). The researcher deals with the general manager and he agreed to distribute the questionnaire to the business customers of Bank of Palestine because he was interesting to evaluate the bank performance. 400 questionnaires were distributed, half in Gaza Strip and the other half in the West Bank. The questionnaire has been collected within four weeks from (1st, December, 2010 till 29th, December, 2010) with a response rate of (100%).

3.4 Validity and liability of the study tool:

3.4.1 Validity of referees:

The initial questionnaire has been given to a group of referees to judge the validity of it according to its content, the clarity of its items meaning, and suitability to avoid any misunderstanding and to assure its linkage with the main study aims. After a detailed feedback from the referees, the possible adaptation has been done to meet their suggestions.

3.4.2 Pilot study:

The measurement has been applied on 30 customers of Bank of Palestine as a simple random sample in order to check the usefulness of the used tool and its validity and reliability. The pilot sample has been distributed in the last week of December 2010 and collected within four weeks and has been exempted from the study sample.

3.5 Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there is/are an appropriate method/s that can be applied. In this research, ordinal scales were used. Ordinal scale is a ranking or a rating data that normally uses integers in ascending or descending order. The numbers assigned to the important (1, 2, 3, 4, 5) do not indicate that the interval between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels. Based on Likert scale we have the following:

Item	<i>Strongly agree</i>	<i>Agree</i>	<i>Neutral</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
Scale	5	4	3	2	1

3.6 Statistical analysis Tools

The researcher would use data analysis both qualitative and quantitative data analysis methods. The Data analysis will be made utilizing (SPSS 15). The researcher would utilize the following statistical tools:

- 1) Cronbach's Alpha for Reliability Statistics
- 2) Spearman Rank correlation for Validity
- 3) Frequency and Descriptive analysis
- 4) Nonparametric Tests (Sign test, Mann-Whitney test, and Kruskal-Wallis test)
- 5) Regression Analysis

- **Sign test** is used to determine if the mean of a paragraph is significantly different from a hypothesized value 3 (Middle value of Likert scale). If the P-value (Sig.) is smaller than or equal to the level of significance, $\alpha = 0.05$, then the mean of a paragraph is significantly different from a hypothesized value 3. The sign of the Test value indicates whether the mean is significantly greater or smaller than hypothesized value 3. On the other hand, if the P-value (Sig.) is greater than the level of significance, $\alpha = 0.05$, then the mean a paragraph is insignificantly different from a hypothesized value 3.

- **Mann-Whitney** test is used to examine if there is a statistical significant difference between two means among the respondents toward the Relationship marketing underpinnings and their impact on customer's Loyalty - Case study: Bank of Palestine due to (write personal characteristics, etc...).

- **Kruskal-Wallis** test is used to examine if there is a statistical significant difference between several means among the respondents toward the Relationship marketing underpinnings and their impact on customer's Loyalty - Case study: Bank of Palestine due to Age, Qualification, and Occupation.

3.7 Validity of Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. Statistical validity is used to evaluate instrument validity, which include internal validity and structure validity.

3.7.1 Internal Validity

Internal validity of the questionnaire is the first statistical test that used to test the validity of the questionnaire. It is measured by a scouting sample, which consisted of 30 questionnaires through measuring the correlation coefficients between each paragraph in one field and the whole field.

Table (3.1) clarifies the correlation coefficient for each paragraph of the "Trust" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table (3.1) Correlation coefficient of each paragraph of "Trust" and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	The bank is very concern with security for my transactions	0.544	0.000*
2.	The bank's promises are reliable	0.541	0.000*
3.	The bank is consistent in providing quality services	0.651	0.000*
4.	Employees of the bank show respect to customers	0.646	0.000*
5.	The bank fulfils its obligation to customers	0.642	0.000*
6.	I have confidence in the bank's services	0.682	0.000*
7.	The bank has an accurate records & transactions	0.655	0.000*
8.	The bank has competent staff who deliver the services	0.715	0.000*
9.	I find it necessary to be cautious in dealing with my bank	0.704	0.000*
10.	The bank keeps a closed eye to the customer's transactions	0.732	0.000*

* Correlation is significant at the 0.05 level

Table (3.2) clarifies the correlation coefficient for each paragraph of the “Commitment” and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table (3.2) Correlation coefficient of each paragraph of “Commitment” and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	The bank makes adjustment to suit my needs	0.668	0.000*
2.	The bank offers personalized services to meet customer’s need	0.710	0.000*
3.	The bank is flexible when its services are changed	0.703	0.000*
4.	The bank is flexible in serving my needs	0.726	0.000*
5.	I would be willing to pay a higher prices for using the service of my bank over other banks	0.694	0.000*
6.	The bank respect the customer needs	0.718	0.000*
7.	The bank contacts the customers to	0.759	0.000*

	verify that they are satisfied		
8.	The bank contacts customers to remind them of the future services	0.682	0.000*
9.	The bank offers price reduction for existing customers	0.724	0.000*
10.	The bank offers free consultancy for existing customers	0.705	0.000*
11.	The bank offers daily progress reports	0.718	0.000*

* Correlation is significant at the 0.05 level

Table (3.3) clarifies the correlation coefficient for each paragraph of the "Conflict Handling" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table (3.3) Correlation coefficient of each paragraph of "Conflict Handling" and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	The bank tries to avoid potential conflict	0.767	0.000*
2.	The bank tries to solve manifest conflicts before they create problems	0.693	0.000*
3.	The bank has the ability to openly discuss solutions when problem arise	0.684	0.000*
4.	The bank is responsiveness to my complaints	0.708	0.000*

5.	The service provider shows a sincere interest in solving customer problem	0.730	0.000*
6.	Customer's complaints are handled carefully by those responsible for it	0.750	0.000*
7.	The bank undertakes corrective actions to avoid situation that have originated complaints	0.728	0.000*
8.	The bank ability to handle the complaints is efficient and fast	0.736	0.000*
9.	The bank do maximum efforts to maintain relationship with customers	0.734	0.000*
10.	Regular meetings for the bank to revise the complaints and find solutions	0.690	0.000*

* Correlation is significant at the 0.05 level

Table (3.4) clarifies the correlation coefficient for each paragraph of the "Values" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table (3.4) Correlation coefficient of each paragraph of “Values” and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	Services of the bank are in line with our social values	0.710	0.000*
2.	Services of the bank are consistent with my personal values	0.688	0.000*
3.	Services of the bank are consistent with my life goals	0.759	0.000*
4.	Service of the bank contributed to the welfare of the society	0.764	0.000*
5.	Employees of the bank deal honestly in providing services for customers	0.679	0.000*
6.	Employees of the bank keep their promises when they provide services for customers.	0.734	0.000*

* Correlation is significant at the 0.05 level

Table (3.5) clarifies the correlation coefficient for each paragraph of the “Empathy” and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table (3.5) Correlation coefficient of each paragraph of "Empathy" and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	Employees of the bank deal with the customer in caring fashion	0.659	0.000*
2.	Bank employees give individualized attention to the customers	0.666	0.000*
3.	The employees of the bank understand your specific needs	0.818	0.000*
4.	Bank employees have the customer's best interest at heart	0.812	0.000*
5.	Bank has operating hours convenient to all its customers	0.608	0.000*
6.	Bank employees have an efficient social skills in dealing with customers	0.734	0.000*

* Correlation is significant at the 0.05 level

Table (3.6) clarifies the correlation coefficient for each paragraph of the "Customer's loyalty" and the total of the field. The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table (3.6) Correlation coefficient of each paragraph of "Customer's loyalty" and the total of this field

No.	Paragraph	Spearman Correlation Coefficient	P-Value (Sig.)
1.	Considering the bank as first choice among other banks in the area ; and the bank that first comes to my mind when making purchases decisions on bank services	0.742	0.000*
2.	If I had to do it over again , I would still choose to use the bank	0.782	0.000*
3.	I don't like to change to another bank because I appreciate the selected bank	0.831	0.000*
4.	I am a loyal customer to my bank	0.854	0.000*
5.	I would always recommend my bank to someone who seeks my advice	0.769	0.000*

* Correlation is significant at the 0.05 level

3.8 Structure Validity of the Questionnaire

Structure validity is the second statistical test that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of liker scale.

Table (3.7) Correlation coefficient of each field and the whole of questionnaire

No.	Field	Spearman Correlation Coefficient	P-Value (Sig.)
1.	Trust	0.893	0.000*
2.	Commitment	0.925	0.000*
3.	Conflict Handling	0.918	0.000*
4.	Values	0.840	0.000*
5.	Empathy	0.840	0.000*
6.	Customer's loyalty	0.826	0.000*

* Correlation is significant at the 0.05 level

Table (3.7) clarifies the correlation coefficient for each field and the whole questionnaire. The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant at $\alpha = 0.05$, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

3.9 Reliability of the Research

The reliability of an instrument is the degree of consistency which measures the attribute; it is supposed to be measuring (Polit & Hunger, 1985). The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (Polit & Hunger, 1985).

3.10 Cronbach's Coefficient Alpha

This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire.

Table (3.8) shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha were in the range from 0.847 and 0.920. This range is considered high; the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.974 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire.

Table (3.8) Cronbach's Alpha for each field of the questionnaire and the entire questionnaire

No.	Field	Cronbach's Alpha
1.	Trust	0.873
2.	Commitment	0.920
3.	Conflict Handling	0.916
4.	Values	0.855
5.	Empathy	0.847
6.	Customer's loyalty	0.861
	All paragraphs of the questionnaire	0.974

3.11 Split Half Method:

No.	Field	Correlation Coefficient	Spearman-Brown Correlation Coefficient
1.	Trust	0.796	0.886
2.	Commitment	0.862	0.926
3.	Conflict Handling	0.841	0.913
4.	Values	0.772	0.871
5.	Empathy	0.819	0.900
6.	Customer's loyalty	0.841	0.917
	All paragraphs of the questionnaire	0.960	0.980

Table (3.9) clarifies the correlation coefficient for each field of the questionnaire. The correlation coefficients of all field are significant at $\alpha = 0.05$, so it can be said that the fields are consistent and valid to be measure what it was set for.

The Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the population sample.

3.12 Summary

This chapter presented the research methodology used in this study. Depending on the research purpose, the study design was descriptive analytic and study strategy was the cross sectional survey. Complete census technique was used with a sample frame 400 customers where 200 customers are in Gaza Strip while the others were in West Bank. Pilot study was conducted and the test showed that the questionnaire was Valid and reliable.

Chapter Four

Data Analysis and hypothesis testing

4.1 Introduction

In this chapter the results of the data analysis which has been calculated on the study sample have been explained, then the results were analyzed, discussed, and compared with the previous findings in other studies in order to assess the relationship marketing underpinnings on customer's loyalty in Bank of Palestine in the Palestinian national authority.

4.2 Personal Characteristics

4.2.1 Gender of the respondents:

Table (4.1) shows that most of the respondents were males (99.5%), while just (0.5%) were females.

The male domination in the banking sector is attributed to our culture, in which most investors (Private sector, government, & NGO's) are males who own investment firms; probably the abilities of men in carrying out different types of investments through banking sector are higher than females' abilities. The low ratio of women may due to the traditional oriental habits of the Palestinian society which prefers that women take specific professions like education and health.

Table (4.1): Gender of respondents

Gender	Frequency	Percent
Male	398	99.5
Female	2	0.5
Total	400	100.0

4.2.2 Age distribution of respondents:

The distribution of age demonstrates that (36.6%) were in their forties, followed by those in their fifties (32.25%) and thirties (20.75%), while below thirties were just (7.5%) and the remaining (3%) of respondents were respondents at the age of sixties and above.

Age distribution revealed shift toward elder respondents. This suggest that they build high capital through years whether through hard working, their experience is so high in this age, they have wide knowledge in the market conditions, as they spent hard time in capitalizing these investments

Table (4.2) age distribution of respondents

Age	Frequency	percent
Below 30 years	30	7.5
30-Less than 40	83	20.75
40-Less than 50	146	36.5
50-Less than 60	129	32.25
60 years and above	12	3
Total	400	100.0

4.2.3 Educational level of respondents:

The results of the respondents' educational level are shown in the table (4.3). The data in the table (4.3) shows that (37%) of the respondents were bachelor holder, while (20.5%) were post graduate. On the other hand (16.5%) were diploma holder, the remaining were distributed in between secondary certificate (16%) and (10%) of the respondents had less than the general secondary certificate.

The respondents in Palestine are highly educated which emphasizes what is known about the Palestinian that most of them are with bachelor degree and this indicates their awareness of the importance of education and improvement. However, on the other hand only 20.5% are post graduates which indicate that still there is a need to enhance educational ambition. Its noticed that the ratio of Bachelor degree and post graduate (57.5%) is much higher that their ratio in the Palestinian society which equals 22.5% (Palestinian central bureau of statistics, 2009). It means that most of the sample persons are highly qualified, can understand the questionnaire statements and give significance responses.

Table (4.3) educational level distribution of respondents

Qualification	Frequency	Percent
Below Secondary	40	10.0
Secondary	64	16.0
Diploma	66	16.5
Bachelor Degree	148	37.0
Post Graduate	82	20.5
Total	400	100.0

4.2.4 Sectors field of respondents:

The distribution of working field indicates that approximately (92.5%) of respondents were from the private sector, while (3.5%) were from the governmental sector and the remaining (4%) were from the NGO's.

This emphasizes the reality of the private sector in its ability to provide large amount of capital which helps in investing in large projects and enhancing profitability.

Table (4.4) Sectors field distribution of respondents

Sectors field	Frequency	Percent
Government sector	14	3.5
Private Sector	370	92.5
NGO's	16	4.0
Total	400	100.0

4.2.5 Summary for the personal traits

In general, the sample traits are mature, well educated, have the strength to manage their businesses and moreover they have enough experience in dealing with Bank of Palestine so they were able to tackle the statements of the questionnaire.

4.3 Statistical analysis for each field

4.3.1 The field "Trust "

Table (4.5) shows the following results:

- The mean of paragraph No.1 "The bank is very concern with security for my transactions" equals 85.30% (West Bank (89.80%), Gaza Strip (80.80%)). Test-value = 19.08, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.
- The mean of paragraph No.10 "The bank keeps a closed eye to the customer's transactions" equals 78.85% (West Bank (89.10%), Gaza Strip (68.60%)). Test-value = 14.64, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

In general, the mean of the filed "Trust" equals 80.59 % (West Bank (88.52%), Gaza Strip (72.66%)). Test-value = 18.64, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of "Trust ". but there is a difference between Gaza strip (moderate level) and West Bank (high level) in the level of trust, where the bank is very concern with security for the customer's transactions, the bank promises are reliable, employees of the bank show respect to customers, the bank has an accurate records for the transactions and the bank has a competent staff who deliver the services well, all these causes enhance the trust underpinning in the customer's eye.

Trust is an important ingredient in firm customer relationships and ultimately in the development of loyalty, therefore banks should strive to win customers' trust, the studies suggest that ways in which this can be achieved including the giving and keeping promises to customers, showing respect for customers through knowledgeable staff, fulfilling obligations and acting to build customers' confidence in the bank and its services.

In the foreign context, these results are supported by Yang & Capel (2011) study which found trust had a positive effect (80%) on relationship quality in the banking industry. The study of Lattimore (2011) found that trust (78%) was an important dimension in creating relationship quality. Whereas Heffernan (2010) found that trust can lead to an effective financial performance in banks.

On the other hand, Chung and Shin (2010) study supported that trust (57%) is considered as an antecedent of word of mouth and customer satisfaction in the online retailing. Moreover, these findings are consistent with Ndubisi & Madu(2009) study which found that trust (84%) plays an essential role in creating relationship marketing in which service providers must be trustworthy.

However, Chattananon & Trimetsoontorn (2009) study found that trust (75%) is an important dimension for marketing manager in building long lasting relationship with the customers, all these findings are consistent with the previous study of Musa (2009) which found trust(85%) is the first important underpinning in gaining customer loyalty in the banking industry.

By contrast Ndubisi (2007) study showed that trust (53%) antecedent is the less important dimension in creating customer loyalty in the banking sector. Mukhrjee & Nath (2007) found that trust (68%) is a central tenet in building successful long term relations in online retailing between both buyers and

sellers, whereas Caceres & Paparoidamis (2007) found that trust (88%) helps in providing high service quality and gaining business to business loyalty.

On the other hand Leverin & Liljander (2006) study showed that trust (23%) is a dimension which should be enhanced as that helps in making improvements and capturing customer loyalty towards the bank, In Ndubisi & Wah (2005) study found trust(34.27 %) is the less important antecedent in building relationship marketing and customer satisfaction.

Moreover, Ndubisi (2004) found that trust (44%) is an important underpinning which should be enhanced as that will help in creating the sustained loyalty. However, in Wong & Sohal (2002) study found that trust (33%) had a direct relationship in creating relationship quality.

From above, it can be said, that bank of Palestine has the ability to reinforce the level of trust provided and matching its results with the foreign standards.

Table (4.5): Means and Test values for “Trust”

No	Paragraph	West Bank			Gaza Strip			Palestine		
		Mean %	Test	Sig	Mean %	Test	Sig	Mean %	Test	Sig
1	The bank is very concern with security for my transactions	89.80	14.07	0.000*	80.80	12.81	0.000*	85.30	19.08	0.000*
2	The bank’s promises are reliable	84.60	14.04	0.000*	73.00	9.75	0.000*	78.80	17.13	0.000*
3	The bank is consistent in providing quality services	90.30	14.07	0.000*	75.00	10.69	0.000*	82.65	17.71	0.000*
4	Employees of the bank show respect to customers	90.70	14.07	0.000*	73.60	9.91	0.000*	82.15	17.21	0.000*
5	The bank fulfils its obligation to customers	87.40	14.07	0.000*	71.36	8.41	0.000*	79.40	16.31	0.000*
6	I have confidence in the bank’s services	87.40	14.07	0.000*	70.45	7.45	0.000*	78.95	15.71	0.000*
7	The bank has an accurate records & transactions	88.10	14.07	0.000*	72.90	8.89	0.000*	80.50	16.56	0.000*
8	The bank has competent staff who deliver the services	89.40	14.07	0.000*	69.60	7.22	0.000*	79.50	15.55	0.000*
9	I find it necessary to be cautious in dealing with my bank	88.40	14.07	0.000*	71.26	8.52	0.000*	79.85	16.37	0.000*
10	The bank keeps a closed eye to the customer’s transactions	89.10	14.07	0.000*	68.60	5.85	0.000*	78.85	14.64	0.000*
	All paragraphs of this filed	88.52	14.07	0.000*	72.66	12.20	0.000*	80.59	18.64	0.000*

* The mean is significantly different from 3

4.3.2 The field "Commitment"

Table (4.6) shows the following results:

- The mean of paragraph No. 1 "The bank makes adjustment to suit my needs" equals 81.70% (West Bank (88.20%), Gaza Strip (75.18%)). Test-value = 17.78, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.
- The mean of paragraph No. 3 "The bank is flexible when its services are changed" equals 79.40% (West Bank (89.00%), Gaza Strip (69.80%)). Test-value = 14.80, and P-value = 0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

In general, the mean of the field "Commitment" equals 78.99 % (West Bank (88.17%), Gaza Strip (69.81%)). Test-value = 16.91, and P-value=0.000 which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of "Commitment ". but there is a difference in the level of commitment between Gaza Strip(moderate level) and West Bank(high level), where the bank makes adjustment to suit the customer's needs, the bank offers personalized services to meet customer's requirements, the bank is flexible in delivering the services and the bank contacts the customers to verify that they are satisfied, all these reasons increase the commitment level in the customer's behavior.

Commitment is a critical factor in building customer's loyalty consisting of accommodating to customers' needs, tailoring products to requirements and being generally flexible in the customer's relations. Banks should recognize the potency of service commitment in keeping loyal customers and act accordingly; they must show genuine commitment to customer relations not lip services. In the regional context, these findings are supported by Al Ajmi et. al (2009) study which found commitment (64%) in the third most important factor that disposes customers to choose a specific bank.

In the foreign context, Chung & Shin (2010) found that commitment (61%) affects positively the word of mouth which helps in achieving high quality relationships.

In O.Ndubisi & Madu (2009) study found that commitment (75%) plays a vital role in building bank customer relationship, in which banking service providers should be committed to services and customer relationships. Moreover, Musa (2009) found that commitment (83%) is an important antecedent in determining and influencing customer's loyalty.

Whereas Ndubisi (2007) study showed that commitment (73%) is the first most important underpinning in reinforcing customer's loyalty, In Mukherjee & Nath (2007) study found that commitment is a central tenet in building successful long term relationship in the online retailing. Moreover, Caceres & Paparoidamis (2007) study showed commitment (80%) helps in providing high service quality and gaining Business to business loyalty.

The study of Ndubisi (2005) showed that commitment (55%) is the third most important antecedent in building relationship marketing and customer satisfaction. Add to this, Ndubisi (2004) found that commitment (45%) is an

essential underpinning which should be enhanced as that will help in creating the sustained loyalty. However, Wong & Sohal (2002) study found that commitment (60%) has a direct relationship in creating high quality services.

From above, it can be said that bank of Palestine has the ability to enhance the level of commitment provided and matching its results with the regional and foreign standards.

Table (4.6): Means and Test values for “Commitment”

No	Paragraph	West Bank			Gaza Strip			Palestine		
		Mean %	Test	Sig	Mean %	Test	Sig	Mean %	Test	Sig
1	The bank makes adjustment to suit my needs	88.20	14.04	0.000**	75.18	10.88	0.000**	81.70	17.78	0.000*
2	The bank offers personalized services to meet customer’s need	87.50	14.04	0.000**	68.00	6.31	0.000*	77.75	15.12	0.000*
3	The bank is flexible when its services are changed	89.00	14.04	0.000**	69.80	6.13	0.000*	79.40	14.80	0.000*
4	The bank is flexible in serving my needs	89.10	14.07	0.000**	75.40	10.20	0.000*	82.25	17.34	0.000*
5	I would be willing to pay a higher prices for using the service of my bank over other banks	84.70	14.07	0.000**	68.00	6.41	0.000*	76.35	15.13	0.000*
6	The bank respect the customer needs	89.60	14.04	0.000**	68.40	5.97	0.000*	79.00	14.84	0.000*
7	The bank contacts the customers to verify that they are satisfied	90.90	14.07	0.000**	68.24	6.30	0.000*	79.60	15.04	0.000*
8	The bank contacts customers to remind them of the future services	87.60	14.07	0.000**	70.60	7.34	0.000*	79.10	15.59	0.000*
9	The bank offers price reduction for existing customers	87.40	14.07	0.000**	68.20	6.26	0.000*	77.80	14.98	0.000*
10	The bank offers free consultancy for existing customers	87.74	14.00	0.000**	67.20	5.55	0.000*	77.44	14.40	0.000*
11	The bank offers daily progress reports	88.10	14.04	0.000**	68.90	6.96	0.000*	78.50	15.44	0.000*
	All paragraphs of this field	88.17	14.07	0.000**	69.81	9.74	0.000*	78.99	16.91	0.000*

* The mean is significantly different from 3

4.3.3 The field “Conflict Handling”

Table (4.7) shows the following results:

- The mean of paragraph No.1 “The bank tries to avoid potential conflict” equals 81.80 % (West Bank (88.50%), Gaza Strip (75.10%)). Test-value = 17.80, and P-value = 0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.
- The mean of paragraph No.10 “Regular meetings for the bank to revise the complaints and find solutions” equals 76.75 % (West Bank (84.30%), Gaza Strip (69.20%)). Test-value = 15.55, and P-value = 0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

In general, the mean of the field “Conflict Handling” equals 79.29 % (West Bank (88.19%), Gaza Strip (70.39%)). Test-value = 16.93, and P-value=0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of “Conflict Handling”. But there is a difference in the level of solving conflicts in between Gaza Strip(Moderate level) and West Bank (high level), The bank tries to avoid potential conflict, the managers try to solve manifest conflicts before being dilemmas, the bank is responsiveness to the customer’s complaints in which they are handled carefully and quickly, the bank tries all the best maintain long lasting relationship with the customers all of these causes enhance conflict handling underpinnings in the eye’s of customers.

Customers tend to be loyal to the banks that handle customer complaints and other conflict satisfactorily. It's therefore important that effective conflict resolution mechanisms aren't only in placing but proactive, so as to pre-empt potential sources of conflict and address them before problems become manifest. Effective reactive solutions should be marshalled decisively and in time to resolve problems and protect customers from avoidable losses, sometimes what may cause a customer to defect isn't so much. The occurrence of a problem as how its handled, banks should be willing to discuss problems openly with their customers. In the regional context, these findings are supported by regional context of Chaker & Jabnoun (2010) study which found that a lack of handling conflicts effectively is a key barrier to service quality, In Sadeeq (2008) study found that there is a positive relationship between handling conflicts and achieving effective relationship marketing and organization productivity.

Moreover, in the foreign standards Yang & Capel (2011) study showed that conflict handlings (75%) have a direct effect on relationship quality in the banking industry. The study of Lattimore (2011) found that conflict handlings (90%) was an important dimension in creating relationship quality, these findings are consistent with O.Ndubisi & Madu(2009) study which showed conflict handling (70%) plays a good role in creating relationship marketing in which the service providers should committed to the services and customer relationships.

On the other hand, Musa (2009) study found that conflict handling (80%) is the third important underpinning to gain customer loyalty in the banking services. By contrast Ndubisi (2007) study showed conflict handling (64%) as an antecedent in creating customer loyalty and achieve effective relationship marketing.

In Dawes& Massey (2005) study showed that the speed of handling conflict is the main reason for effective long lasting relationship between marketing managers and customers, whereas In Ndubisi & Wah (2005) study found conflict handling (81%) is the first important antecedent in building relationship marketing and customer satisfaction.

For above it can be said, that Bank of Palestine has the ability to handle conflicts effectively and matching its results with the regional and foreign standards.

Table (4.7): Means and Test values for “Conflict Handling”

No	Paragraph	West Bank			Gaza Strip			Palestine		
		Mean %	Test	Sig	Mean %	Test	Sig	Mean %	Test	Sig
1	The bank tries to avoid potential conflict	88.50	14.07	0.000*	75.10	10.86	0.000*	81.80	17.80	0.000*
2	The bank tries to solve manifest conflicts before they create problems	86.40	14.07	0.000*	67.50	6.12	0.000*	76.95	15.03	0.000*
3	The bank has the ability to openly discuss solutions when problem arise	89.00	14.04	0.000*	71.20	7.92	0.000*	80.10	15.96	0.000*
4	The bank is responsiveness to my complaints	90.90	14.07	0.000*	71.82	8.03	0.000*	81.41	16.03	0.000*
5	The service provider shows a sincere interest in solving customer problem	87.34	14.00	0.000*	69.09	5.90	0.000*	78.24	14.69	0.000*
6	Customer’s complaints are handled carefully by those responsible for it	88.60	14.04	0.000*	68.54	6.03	0.000*	78.60	14.79	0.000*
7	The bank undertakes corrective actions to avoid situation that have originated complaints	88.50	14.04	0.000*	69.20	6.64	0.000*	78.85	15.14	0.000*
8	The bank ability to handle the complaints is efficient and fast	88.90	14.07	0.000*	68.10	5.57	0.000*	78.50	14.46	0.000*
9	The bank do maximum efforts to maintain relationship with customers	89.50	14.07	0.000*	74.10	9.63	0.000*	81.80	16.97	0.000*
10	Regular meetings for the bank to revise the complaints and find solutions	84.30	14.00	0.000*	69.20	7.21	0.000*	76.75	15.55	0.000*
	All paragraphs of this field	88.19	14.07	0.000*	70.39	9.79	0.000*	79.29	16.93	0.000*

* The mean is significantly different from 3

4.3.4 The field "Values"

Table (4.8) shows the following results:

- The mean of paragraph No.1 "Services of the bank are in line with our social values" equals 82.05% (West Bank (89.30%), Gaza Strip (74.80%)). Test-value = 17.72, and P-value = 0.000* which is smaller than the level of significance $\alpha=0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.
- The mean of paragraph No.3 "Services of the bank are consistent with my life goals" equals 79.65% (West Bank (88.00%), Gaza Strip (71.30%)). Test-value = 15.83, and P-value = 0.000* which is smaller than the level of significance $\alpha=0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

In general, the mean of the field "Values" equals 80.07 % (West Bank (88.42%), Gaza Strip (71.72%)). Test-value = 17.40, and P-value=0.000* which is smaller than the level of significance $\alpha=0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of "Values ". but there is a difference in between Gaza Strip(moderate level) and West bank (high level) in the level of values Services of the bank are in line with the social values , with the customer personal values in which these services contribute to the welfare of the society , employees of the bank deal honestly in providing services for customers and they are keeping their promises all of these behaviors enhance customer's values.

Each customer expects their bank to deliver high value services, customer value perceptions are also regarded as a key determinant of overall customer satisfaction and customer loyalty. In the regional context these findings are in line with Al Ajmi et. al (2009) study which found the values (70%) as a key motive that disposes customers to choose a specific bank. In Jabnoun & Khalifa (2005) study showed that values (88%) play an essential role in creating high services quality, whereas Talieb (2002) found Jordanian banks reflect a negative relationship with their customers as the banks aren't creating value for their clients.

On the other hand, in the foreign context Chattananon & Trimetsoontorn(2009) study found that values (92%) are considered as the first antecedent in providing effective relationship marketing, The study of Ward & Dagger (2007) showed that values(68%) as an important dimension that should be available in the service providers characteristics. Moreover, Leverin& Liljander (2006) study revealed that values (43%) are a dimension which should be reinforced as the helps in making improvements and capturing the customer's loyalty towards the bank.

However, In Ndubisi (2004) study showed that values (66%) are the most important underpinning that will help in creating a sustained loyalty.

From above, it can be said that bank of Palestine has the ability to reinforce values in the customer's eye and matching its results with the regional and foreign context.

Table (4.8): Means and Test values for “Values”

No	Paragraph	West Bank			Gaza Strip			Palestine		
		Mean %	Test	Sig	Mean %	Test	Sig	Mean %	Test	Sig
1	Services of the bank are in line with our social values	89.30	13.96	0.000*	74.80	10.86	0.000*	82.05	17.72	0.000*
2	Services of the bank are consistent with my personal values	87.10	14.07	0.000*	70.40	7.94	0.000*	78.75	16.04	0.000*
3	Services of the bank are consistent with my life goals	88.00	14.07	0.000*	71.30	7.69	0.000*	79.65	15.83	0.000*
4	Service of the bank contributed to the welfare of the society	90.60	14.07	0.000*	70.20	6.64	0.000*	80.45	15.17	0.000*
5	Employees of the bank deal honestly in providing services for customers	87.30	14.07	0.000*	71.31	8.03	0.000*	79.35	16.03	0.000*
6	Employees of the bank keep their promises when they provide services for customers.	88.20	14.07	0.000*	72.30	8.26	0.000*	80.25	16.15	0.000*
	All paragraphs of this field	88.42	14.07	0.000*	71.72	10.42	0.000*	80.07	17.40	0.000*

* The mean is significantly different from 3

4.3.5 The field “Empathy”

Table (4.9) shows the following results:

- The mean of paragraph No.1 “Employees of the bank deal with the customer in caring fashion” equals 80.35% (West Bank (87.50%), Gaza Strip (73.20%)). Test-value = 17.00, and P-value = 0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.
- The mean of paragraph No.4 “Bank employees have the customer’s best interest at heart” equals 80.30% (West Bank (90.00%), Gaza Strip (70.60%)). Test-value = 15.53, and P-value = 0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this

paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

In general, the mean of the field “Empathy” equals 79.13 % (West Bank (87.27%), Gaza Strip (71.00%)). Test-value = 79.13, and P-value=0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is conclude that the respondents agreed to field of “Empathy ”. there is a difference between Gaza strip (moderate level) and West bank (High level)in the level of empathy, Employees of the bank deal with the customer in a caring fashion , they gave individualized attention to the customers, understand each customer’s specific needs, the managers and the employees have the customer’s best interest at heart, the bank also has operating hours which are convenient to all the customers all of these things enhance empathy in the mind of bank’s customers.

Empathy is important for services providers; every customer likes to be treated nicely by the bank employees. In other words bank employees must treat their customer’s in the way they would like to be treated. In the local context, these findings are consistent with El Khaldy (2006) , Wady & Ashour (2005), Abu Mo’mar (2005) and Shushaa’ (2005) which found that empathy is a critical dimension in achieving effective service quality.

Whereas, in the regional context Taleeb (2003) found that empathy has a vital role in increasing the actual performance of employees in the banking industry. In the foreign context, these results are supported by Yang & Capel (2011) study which showed that empathy (79%) has a positive effect on relationship quality in the banking industry; moreover the study of Lattimore (2011) which found empathy (70%) is an important dimension in creating high quality services.

On the other hand, Jones, Ramsay & Wagner (2010) found that empathy (89%) influence the relationship between customers and suppliers which may help in improving the performance of supplier by increasing the level of empathy when dealing with customers, in the study of Varca (2009) showed that the more the front line employees are empathic (71%) the more customers are appreciating that. The study of Chattananon & Trimetsoontorn (2009) study revealed that empathy (81%) is considered as a second important antecedent in providing effective relationship marketing. By contrast, in the study of Musa (2009) which found that empathy (62%) is the last important underpinning in gaining customer loyalty.

The study of Ward & Dagger (2007) found that empathy (71%) is an essential dimension that should be available in the service provider's characteristics. However, In Ndubisi (2004) study showed that empathy (55%) is one of the most critical underpinning that will help in creating a sustained loyalty.

From above, it can be said that bank of Palestine has the ability to reinforce empathy and matching its results with the local, regional and foreign standards.

Table (4.9): Means and Test values for “Empathy”

No	Paragraph	West Bank			Gaza Strip			Palestine		
		Mean %	Test	Sig	Mean %	Test	Sig	Mean %	Test	Sig
1	Employees of the bank deal with the customer in caring fashion	87.50	14.07	0.000*	73.20	9.60	0.000*	80.35	17.00	0.000*
2	Bank employees give individualized attention to the customers	87.00	14.07	0.000*	71.10	8.30	0.000*	79.05	16.25	0.000*
3	The employees of the bank understand your specific needs	90.00	14.07	0.000*	70.20	6.64	0.000*	80.10	15.17	0.000*
4	Bank employees have the customer’s best interest at heart	90.00	14.07	0.000*	70.60	7.22	0.000*	80.30	15.53	0.000*
5	Bank has operating hours convenient to all its customers	82.00	12.96	0.000*	71.50	8.43	0.000*	76.75	15.35	0.000*
6	Bank employees have an efficient social skills in dealing with customers	87.10	14.07	0.000*	69.40	6.47	0.000*	78.25	15.06	0.000*
7	All paragraphs of this field	87.27	14.07	0.000*	71.00	9.79	0.000*	79.13	16.96	0.000*

* The mean is significantly different from 3

4.3.6 In General: "The relationship marketing underpinnings"

Table (4.10) shows the following results:

- The mean of “The relationship marketing Underpinnings” equals 79.60 % (West Bank (88.16%), Gaza Strip (71.04%)). Test-value = 17.87, and P-value=0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to “All of the independent variables together”, there is a difference between Gaza strip (moderate level) and West bank (High level)in this field, where the bank is able to enhance the trust, increase the commitment, handling conflict effectively, reinforce values and improve the level of empathy.

In the foreign context, this finding is supported by Yang & Capel (2011) study which showed that if the employees of the bank communicate effectively with customers, that leads to increase the trust , enhance empathy and therefore handling conflict quickly before coming dilemma.

This finding is consistent with Chattananon & Trimetsoontorn (2009) study which found that the four independent variables together equal (90%) that means once values are implemented well, empathy will be reinforced and therefore trust will be enhanced and developed.

Moreover, this study is consistent with Heffernan (2010) in which all of the independent variables together equal (88%) that means they are highly correlated whereas there is a strong link between financial performance of the managers and the level of trust.

From above, it can be said that bank of Palestine has the ability to implement the five independent underpinnings effectively and matching its results with the foreign standards.

Table (4.10): Means and Test values for “The relationship marketing underpinnings”

Paragraph	West Bank			Gaza Strip			Palestine		
	Mean %	Test	Sig	Mean %	Test	Sig	Mean %	Test	Sig
All of the independent variables	88.16	14.07	0.000*	71.04	11.11	0.000*	79.60	17.87	0.000*

* The mean is significantly different from 3

4.3.7 The field "Customer's loyalty"

Table (4.11) shows the following results:

- The mean of paragraph No.4 "I am a loyal customer to my bank" equals 80.20 % (West Bank (93.20%), Gaza Strip (67.20%)). Test-value = 14.01, and P-value = 0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.
- The mean of paragraph No.2 " If I had to do it over again, I would still choose to use the bank" equals 77.55 % (West Bank (86.40%), Gaza Strip (68.70%)). Test-value = 15.11, and P-value = 0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to this paragraph.

In general, the mean of the field "Customer's loyalty" equals 78.84 % (West Bank (89.33%), Gaza Strip (68.36%)). Test-value = 15.20, and P-value=0.000* which is smaller than the level of significance $\alpha = 0.05$. The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. It is concluded that the respondents agreed to field of "Customer's loyalty ". But there is a difference in the loyalty level between Gaza Strip (low level) and West bank (high level), where the bank 's customers are loyal to their bank, appreciating the services provided ,making recommendations to friends and relatives who are seeking any advices, and considering the bank as first choice among other banks in the area.

The literature suggests that the more the dimension of relationship marketing implemented well, the more customers will be satisfied and therefore reaching the loyalty level. In the foreign context, the findings are consistent with Musa (2009) study which found that effective implementation of relationship marketing underpinning will lead to customer's loyalty. Whereas , Ndubisi (2007) confirmed that once the antecedents of relationship marketing managed well, as a result that will lead to achieve customer's loyalty in which customer's loyalty is a critical matter, it may increase or decrease with regards to how effective the underpinnings are implemented or managed.

From above, it can be said that Bank of Palestine has the ability to build loyal customers and enhance long lasting relationship with them, and matching its results with the foreign standards.

Table (4.10): Means and Test values for “Customer’s loyalty”

No	Paragraph	West Bank			Gaza Strip			Palestine		
		Mean %	Test	Sig	Mean %	Test	Sig	Mean %	Test	Sig
1	Considering the bank as first choice among other banks in the area ; and the bank that first comes to my mind when making purchases decisions on bank services	86.60	14.07	0.000*	71.90	7.93	0.000*	79.25	15.83	0.000*
2	If I had to do it over again , I would still choose to use the bank	86.40	14.04	0.000*	68.70	6.58	0.000*	77.55	15.11	0.000*
3	I don't like to change to another bank because I appreciate the selected bank	89.75	13.86	0.000*	67.00	4.97	0.000*	78.35	13.95	0.000*
4	I am a loyal customer to my bank	93.20	14.07	0.000*	67.20	4.92	0.000*	80.20	14.01	0.000*
5	I would always recommend my bank to someone who seeks my advice	90.70	14.00	0.000*	67.00	4.68	0.000*	78.85	13.75	0.000*
	All paragraphs of this field	89.33	14.07	0.000*	68.36	7.19	0.000*	78.84	15.20	0.000*

* The mean is significantly different from 3

4.4 Hypotheses testing:

4.4.1 Main Hypothesis:

There is a statistical relationship at significant level $\alpha = 0.05$ between relationship marketing underpinnings and customer's loyalty toward Bank of Palestine.

4.4.2 Sub Hypotheses:

4.4.2.1 Sub-Hypothesis No.1:

There is a statistical relationship at significant level $\alpha = 0.05$ between customer trust and customer's loyalty in Bank of Palestine.

Table (4.12) shows that the correlation coefficient between customer trust and customers' loyalty in Bank of Palestine equals 0.713 (West Bank (0.342), Gaza Strip (0.366)) and the p-value (Sig.) equals 0.000*. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at $\alpha = 0.05$. So it can be said that there exists a significant relationship between customer trust and customers' loyalty in Bank of Palestine. Which means the more the bank enhance the level of trust provided, the more customer are loyal.

In the foreign context, this finding is supported by Chung and Shin (2010) in which there exists a significant relationship between customer's trust and customer's satisfaction in the online retailing. Whereas in the study of Lattimore (2011) showed that there is a significant relationship between customer's trust and effective relationship quality.

The study of Ndubisi (2007) showed that the more customers trust the banks , the more they are loyal to the services provided. While Mukherjee and Nath (2007) found that there exists a significant relationship between customer’s trust as a central tenet in building long lasting relationship and customer’s loyalty.

Table (4.12) Correlation coefficient between customer trust and customers'

Loyalty in Bank of Palestine

Field	West Bank		Gaza Strip		Palestine	
	R	Sig.	R	Sig.	R	Sig.
Customer Trust	0.342	0.000*	0.366	0.000*	0.713	0.000*

R: Spearman Correlation Coefficient

* Correlation is statistically significant at 0.05 levels

4.4.2.2 Sub-Hypothesis No.2:

There is a statistical relationship at significant level $\alpha = 0.05$ between customer commitment and customer's loyalty in Bank of Palestine.

Table (4.13) shows that the correlation coefficient between customer commitment and customer's loyalty in Bank of Palestine equals 0.710 (West Bank (0.445), Gaza Strip (0.381)) and the p-value (Sig.) equals 0.000*. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at $\alpha = 0.05$. So it can be said that there exists a significant relationship between customer commitment and customer's loyalty in Bank of Palestine. Which means the more the bank reinforce the commitment level, the more customers are loyal.

In the regional context, these findings are supported by Al Ajmi et. al (2009) study which found there exists a significant relationship between customer's commitment and their choice of the bank.

Whereas, in the foreign context Musa (2009) study showed that there is a significant relationship between customer's commitment and customer's loyalty in the banking industry.

Moreover, Cacerers & Paparoidamis (2007) found that there exists a strong relationship between customer commitment and business to business loyalty, add to this Ndubisi (2004) found that commitment is an important underpinning which will lead to create a sustained loyalty.

Table (4.13) Correlation coefficient between customer commitment and customer's loyalty in Bank of Palestine

Field	West Bank		Gaza Strip		Palestine	
	R	Sig.	R	Sig.	R	Sig.
Customer commitment	0.445	0.000*	0.381	0.000*	0.710	0.000*

R: Spearman Correlation Coefficient

* Correlation is statistically significant at 0.05 level

4.4.2.3 Sub-Hypothesis No.3:

There is a statistical relationship at significant level $\alpha = 0.05$ between customer conflict handling and customer's loyalty in Bank of Palestine.

Table (4.14) shows that the correlation coefficient between customer conflict handling and customer's loyalty in Bank of Palestine equals 0.727 (West Bank (0.425), Gaza Strip (0.444)) and the p-value (Sig.) equals 0.000*. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at $\alpha = 0.05$. So it can be said that there exists a significant relationship between customer conflict handling and customer's loyalty in Bank of Palestine. Which means the more the bank handling conflicts effectively, the more customers are loyal.

In the local context, these finding are supported by Sadeeq (2008) study which found there exists a significant relationship between handling conflicts and achieving effective relationship marketing.

Whereas, in the foreign context Yang and Capel (2011) showed that there is a strong relationship between conflict handlings and relationship quality.

In Dawes and Massey (2005) study showed there is a significant relationship between the speed of handling conflicts and achieving customer's loyalty, on the other hand Musa (2009) found there exists a strong relationship between conflict handling and customer's loyalty in the banking industry.

Table (4.14) Correlation coefficient between customer conflict handling and customer's loyalty in Bank of Palestine

Field	West Bank		Gaza Strip		Palestine	
	R	Sig.	R	Sig.	R	Sig.
Customer conflict handling	0.425	0.000*	0.444	0.000*	0.727	0.000*

R: Spearman Correlation Coefficient

* Correlation is statistically significant at 0.05 level

4.4.2.4 Sub-Hypothesis No.4:

There is a statistical relationship at significant level $\alpha = 0.05$ between customer values and customer's loyalty in Bank of Palestine.

Table (4.15) shows that the correlation coefficient between customer values and customer's loyalty in Bank of Palestine equals 0.685 (West Bank (0.335), Gaza Strip (0.439)) and the p-value (Sig.) equals 0.000. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at $\alpha = 0.05$. So it can be said that there exists a significant relationship between customer values and customer's loyalty in Bank of Palestine. Which means the more the bank enhances the values, the more customers are loyal.

In the foreign, these findings are consistent with Chattananon & trimetsoontorn (2009) which found that there exists a significant relationship between customer's values and providing effective relationship marketing. Add to this Ward & Dagger (2007) showed that value is strongly correlated with capturing customer's loyalty.

By contrast, In the regional context these findings are inconsistent with Talieb (2002) in which there is no significant relationship between values and creating customer loyalty in the Jordanian banks.

Table (4.15) Correlation coefficient between customer values and customer's loyalty in Bank of Palestine

Field	West Bank		Gaza Strip		Palestine	
	R	Sig.	R	Sig.	R	Sig.
Customer values	0.335	0.000*	0.438	0.000*	0.685	0.000*

R: Spearman Correlation Coefficient

* Correlation is statistically significant at 0.05 level

4.4.2.5 Sub-Hypothesis No.5:

There is a statistical relationship at significant level $\alpha = 0.05$ between customer empathy and customer's loyalty in Bank of Palestine.

Table (4.16) shows that the correlation coefficient between customer empathy and customer's loyalty in Bank of Palestine equals 0.675 (West Bank (0.314), Gaza Strip (0.398)) and the p-value (Sig.) equals 0.000*. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at $\alpha = 0.05$. So it can be said that there exists a significant relationship between customer empathy and customer's loyalty in Bank of Palestine. Which means the more the bank reinforces the level of empathy, the more customer are loyal.

In the foreign context, these findings are consistent with Varca (2009) study which shows that there exists a significant relationship between employees empathic behaviour and customer's loyalty, add to this Jones, Ramsay & Wagner (2010) found that there is strong link between empathy and creating

relationship quality where as in the regional context, Taleeb (2003) showed that there is a strong relationship between empathy dimension and increasing the financial performance in the banking sector.

By contrast Musa (2009) found that empathy is last important underpinning which may affect customer’s loyalty. So that doesn’t support the above results.

Table (4.16) Correlation coefficient between customer empathy and customer's loyalty in Bank of Palestine

Field	West Bank		Gaza Strip		Palestine	
	R	Sig.	R	Sig.	R	Sig.
Customer empathy	0.314	0.000*	0.398	0.000*	0.675	0.000*

R: Spearman Correlation Coefficient

* Correlation is statistically significant at 0.05 levels

4.5 Main hypothesis:

There is a statistical relationship at significant level $\alpha = 0.05$ between relationship marketing underpinnings and customer's loyalty in Bank of Palestine.

Table (4.17) shows that the correlation coefficient between marketing underpinnings and customer's loyalty in Bank of Palestine equals 0.769 (West Bank (0.464), Gaza Strip (0.499)) and the p-value (Sig.) equals 0.000. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at $\alpha = 0.05$. So it can be said that there exists a significant relationship between relationship marketing underpinnings and customer's loyalty in Bank of Palestine.

In the foreign context, these findings are supported by the study of Musa (2009) which showed that there exists a strong correlation between the relationship marketing underpinnings and customer's loyalty, the more they are implemented well, the more the customers are loyal.

Whereas in the study of Ndubisi (2007) found that there exists a significant relationship between the relationship marketing antecedents and customer's loyalty, so the two studies are matching the above results.

Table (4.17) Correlation coefficient between relationship marketing underpinnings and customer's loyalty in Bank of Palestine

Field	West Bank		Gaza Strip		Palestine	
	R	Sig.	R	Sig.	R	Sig.
Marketing	0.464	0.000*	0.499	0.000*	0.769	0.000*

R: Spearman Correlation Coefficient

* Correlation is statistically significant at 0.05 levels

4.6 Second Hypothesis:

There is a significant difference among the respondents toward the relationship marketing underpinnings on customer's loyalty regarding region, age, qualifications and occupation.

This hypothesis can be divided into the following sub-hypotheses:

1-a There is a significant difference among the respondents toward the relationship marketing underpinnings and their impact on customer's loyalty regarding region.

Table (4.18) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for each field, then there is significant difference in respondents' answers toward each field due to region. It is concluded that the region has an effect on each field.

Table (4.18): Mann-Whitney test of the fields and their p-values for region

No	Field	Test value	P-value(Sig.)
1.	Trust	-15.033	0.000*
2.	Commitment	-15.067	0.000*
3.	Conflict Handling	-14.551	0.000*
4.	Values	-13.251	0.000*
5.	Empathy	-13.153	0.000*
6.	All Independent Variables	-16.157	0.000*
7.	Customer's loyalty	-14.269	0.000*
8.	All fields of the questionnaire	-16.355	0.000*

* The mean difference is significant a 0.05 level

Table (4.19) shows the mean rank for each field of region.

From table (4.19) we notice that for each field, the mean rank for west bank is higher than Gaza

Table (4.19): Mean rank for each field of Region

No	Field	Mean Rank	
		West Bank	Gaza Strip
1.	Trust	286.93	114.07
2.	Commitment	287.33	113.67
3.	Conflict Handling	284.36	116.65
4.	Values	276.40	124.61
5.	Empathy	275.97	125.04
6.	All Independent variables	293.87	107.13
7.	Customer's loyalty	282.57	118.44
8.	All fields of the questionnaire	295.02	105.98

The mean rank for the west bank is higher than Gaza strip, these results are logical in which Gaza strip bank faced absence of local currency, subject to currency fluctuations, lack of sovereignty on borders, the instability of the political and the economical situations all of these reasons play a major role in preventing sustainable service especially in Gaza strip (Palestinian Monetary authority, 2010)

In the foreign context, these findings are supported by Musa (2009) study which found there is a significant difference among respondents towards relationship marketing underpinnings on customer's loyalty due to the region, these findings are consistent with Lattimore (2011) in which there is a significant differences among respondents towards relationship quality with regards to the region, by contrast these results are inconsistent with Yang & Capel (2011) study which

found there is no significant differences towards relationship quality among respondents due to the region.

1-b There is a significant difference among the respondents toward the relationship marketing underpinnings and their impact on customer's loyalty regarding age.

Palestine:

Table (4.20) shows that the p-value (Sig.) is less than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward each field due to age. It is concluded that the personal traits age has no effect on each field.

West Bank:

Table (4.20) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the fields "Trust, Conflict Handling, Values, All Independent Variables, and All fields of the questionnaire", then there is significant difference in respondents' answers toward these fields due to age. It is concluded that the personal trait age has an effect on this field.

Table (4.20) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for the other fields, then there is insignificant difference in respondents' answers toward these fields due to age. It is concluded that the personal traits age has no effect on these fields.

Gaza Strip:

Table (4.20) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward each field due to age. It is concluded that the personal traits age has no effect on each field.

Table (4.20): Kruskal-Wallis test of the fields and their p-values for Age

No	Field	Palestine		West Bank		Gaza Strip	
		Test Value	Sig.	Test Value	Sig.	Test Value	Sig.
1.	Trust	19.73	0.000*	12.99	0.005*	2.63	0.453
2.	Commitment	11.23	0.011*	5.42	0.143	2.30	0.513
3.	Conflict Handling	9.37	0.025*	11.94	0.008*	0.98	0.807
4.	Values	19.82	0.000*	8.06	0.045*	5.66	0.130
5.	Empathy	10.66	0.014*	4.15	0.246	2.41	0.491
6.	All Independent variables	14.92	0.002*	10.44	0.015*	2.28	0.516
7.	Customer's loyalty	12.00	0.007*	4.24	0.237	2.49	0.476
8.	All fields of the questionnaire	14.67	0.002*	8.44	0.038*	1.96	0.581

* The mean difference is significant a 0.05 level

Table (4.21) shows the mean rank for each field for age – West Bank

For the fields " fields Trust, Conflict Handling, Values, All Independent Variables, and All fields of the questionnaire", the mean rank for age respondents "50 years and above "is higher than other age groups.

Table(4.21) Mean rank for each field of age - West Bank

No	Fields	Mean Rank			
		Below 30 years	30-Less than 40	40-Less than 50	50 years and above
1.	Trust	77.46	80.95	94.63	116.56
2.	Commitment	88.96	105.10	90.49	110.20
3.	Conflict Handling	59.96	97.57	93.59	114.21
4.	Values	95.50	98.48	88.56	113.46
5.	Empathy	117.25	94.00	92.98	107.59
6.	All Independent Variables	78.29	98.24	89.04	115.63

7.	Customer's loyalty	69.75	106.24	99.14	104.31
8.	All fields of the questionnaire	77.08	100.59	90.51	113.56

This finding is probably explained by the customers in their fifties and above, they have higher expectations about the benefits provided by the banks and impacts compared to their previous experience in Bank of Palestine. Moreover, it's probable that customers in their twenties prefer consistent services and don't seek extra benefits. Whereas elder men seek values, empathy, conflict handlings and trust more than young men.

In the foreign context, these findings are supported by Chung & Shin (2010) study which found that there is a significant difference in respondent's answers due to the age towards the antecedents of relationship quality in the internet shopping.

Whereas Ndubisi(2007) study found that there is insignificant differences in respondents answers due to the age towards the antecedents of relationship marketing and customer's loyalty. By contrast these findings aren't supported by Musa (2009).

1-c There is a significant difference among the respondents toward the relationship marketing underpinnings and their impact on customer's loyalty regarding qualifications.

Palestine:

Table (4.22) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for each field, then there is significant difference in respondents' answers toward each field due to qualifications. It is concluded that the personal trait qualifications has an effect on each field.

West Bank:

Table (4.22) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward each field due to qualifications. It is concluded that the personal traits qualifications has no effect on each field.

Gaza Strip:

Table (4.22) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward each field due to qualifications. It is concluded that the personal traits qualification has no effect on each field.

Table (4.22) : Kruskal-Wallis test of the fields and their p-values for qualifications

No	Field	Palestine		West Bank		Gaza Strip	
		Test Value	Sig.	Test Value	Sig.	Test Value	Sig.
1	Trust	12.00	0.000*	6.93	0.140	2.55	0.635
2	Commitment	101.00	0.000*	4.85	0.303	1.27	0.867
3	Conflict Handling	79.00	0.000*	2.58	0.630	0.90	0.924
4	Values	200.00	0.000*	4.16	0.385	0.28	0.991
5	Empathy	51.75	0.000*	3.41	0.492	4.66	0.324
6	All Independent Variables	92.33	0.000*	3.28	0.511	2.40	0.662
7	Customer's loyalty	87.50	0.000*	5.12	0.275	2.80	0.593
8	All fields of the questionnaire	106.66	0.000*	3.68	0.451	2.92	0.571

* The mean difference is significant a 0.05 level

Table (4.23) shows the mean rank for each field for qualifications - Palestine

For the field " ", the mean rank for qualifications respondents "Post Graduate " is higher than other qualifications groups.

Table (4.23): Mean rank for each field of qualifications - Palestine

No	Fields	Mean Rank				
		Below Secondary	Secondary	Diploma	Bachelor Degree	Post Graduate
1.	Trust	135.48	129.79	129.78	235.96	280.33
2.	Commitment	117.33	129.38	141.06	240.35	272.49
3.	Conflict Handling	136.01	122.13	143.80	237.07	272.75
4.	Values	135.50	131.05	139.29	237.48	268.93
5.	Empathy	131.58	149.16	128.48	233.34	272.90
6.	All Independent Variables	120.40	125.02	128.60	240.77	283.67
7.	Customer's loyalty	117.39	142.78	138.47	237.56	269.13
8.	All fields of the questionnaire	116.94	126.71	127.68	241.67	283.16

The lower mean rank among respondents with (Below secondary, secondary certificate and Diploma) are probably because they have lower expectations regarding the bank services, and lower perception of the bank benefits and services. Customers who have bachelor or post graduate degree, it's probable that they have higher perception about the bank and hold a realistic view for the advantages provided , benefits and impacts. They are knowledgeable enough to assess the quality of services which are provided by the bank.

In the foreign context, these findings are consistent with Al Ajmi et. al (2009) study found that there is a significant difference in respondent's answers on how they choose which bank to Patronize due to the qualifications. In Mukherjee & Nath (2007) study found there is a significance differences between respondent's answers on trust and commitment as a central tenets in building successful long term relationship in online retailing due to the qualifications.

By contrast , Leverin & Liljander (2006) found that there is no significant difference between respondents on improving customer relationship satisfaction and loyalty through the effective implementation of relationship marketing.

1-d There is a significant difference among the respondents toward the relationship marketing underpinnings and their impact on customer's loyalty regarding sectors (Private, Government and NGO's)

Palestine:

Table (4.24) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward each field due to occupation. It's concluded that the personal traits occupation has no effect on each field.

West Bank:

Table (4.24) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for each field, then there is insignificant difference in respondents' answers toward each field due to occupation. It's concluded that the personal traits occupation has no effect on each field.

Gaza Strip:

Table (4.24) shows that the p-value (Sig.) is smaller than the level of significance $\alpha = 0.05$ for the fields “Commitment, All Independent Variables, All fields of the questionnaire”, then there is significant difference in respondents' answers toward these fields due to occupation. It's concluded that the personal trait occupation has an effect on these fields.

Table (4.24) shows that the p-value (Sig.) is greater than the level of significance $\alpha = 0.05$ for the other fields, then there is insignificant difference in respondents' answers toward these fields due to occupation. It's concluded that the personal traits occupation has no effect on these fields.

Table (4.24): Kruskal-Wallis test of the fields and their p-values for occupation

No	Field	Palestine		West Bank		Gaza Strip	
		Test Value	Sig.	Test Value	Sig.	Test Value	Sig.
1.	Trust	4.57	0.102	3.68	0.159	4.34	0.114
2.	Commitment	2.78	0.250	0.32	0.853	7.62	0.022*
3.	Conflict Handling	4.68	0.097	6.43	0.040	2.60	0.272
4.	Values	2.38	0.305	0.00	0.999	2.88	0.237
5.	Empathy	2.24	0.326	0.31	0.855	4.49	0.106
6.	All Independent Variables	3.43	0.180	1.71	0.424	6.73	0.035*
7.	Customer's loyalty	3.35	0.188	0.88	0.643	1.02	0.602
8.	All fields of the questionnaire	3.36	0.186	1.40	0.498	6.08	0.048*

* The mean difference is significant a 0.05 level

There is no difference regarding sectors between Gaza Strip and West Bank due to the private sector domination on the sample, which means that the bank service providers don't differentiate between the sectors.

In the foreign context, these findings are supported by Ulaga & Eggert (2006) study found that there is insignificant difference in the responses on relationship value and relationship quality due to the occupation, In the study of Dawes & Massey (2005) found that there is insignificant differences in the respondent's answers on the antecedents of conflict in the marketing's cross functional relationship due to the occupation, but Ndubisi & Wah (2005) doesn't support these findings.

4.7 Multiple regression analysis:

The multiple regression analysis was conducted using the stepwise regression method. In this method each variable is entered in sequence and its value assessed, if adding the variable contributes to the model then its retained, but all other variables in the model are then re-tested to see if they are still contributing to the success of the model. If they no longer contribute significantly they are removed. Thus, this method ends up with the smallest possible set of predictor variables included in the model. An advantage of using this method is that it results in the smallest number of predictors in the model when there is large number of variables (Brace, Kemp, & Snelgar, 2000).

R is a measure of the correlation between the observed value and the predicted value of the dependent variable. In this study, this would be the correlation between the market relationship underpinnings and customer's loyalty. R square (R^2) is the square of this measure of correlation and indicates the proportion of the variance in the dependent variable which is accounted for by the model. The significance of R^2 is determined by the F-test, which is the same as testing the significance of the regression model as a whole. If the probability of obtaining a large value of $(F) < 0.05$ then the model would be considered to be significantly better than would be expected by chance and it can be concluded that there is a linear relationship between the dependent variable and the independent variable. Before conducting the multiple regression, assumptions of the regression model (Ordinary least Squares OLS assumptions) were tested and found satisfied.

4.8 Regression model of relationship marketing underpinnings in Bank of Palestine (Palestinian National Authority):

- **What are the most important and desirable underpinnings which may affect customer's loyalty?**

Assessing the Assumptions of the Regression Model (Ordinary Least Squares (OLS) Assumptions)

a. The Residuals have constant variance

Figure (4.25) plots the standardized residuals versus fitted values. The plot shows that there is no systematic pattern, then It's concluded that the residuals have constant variance.

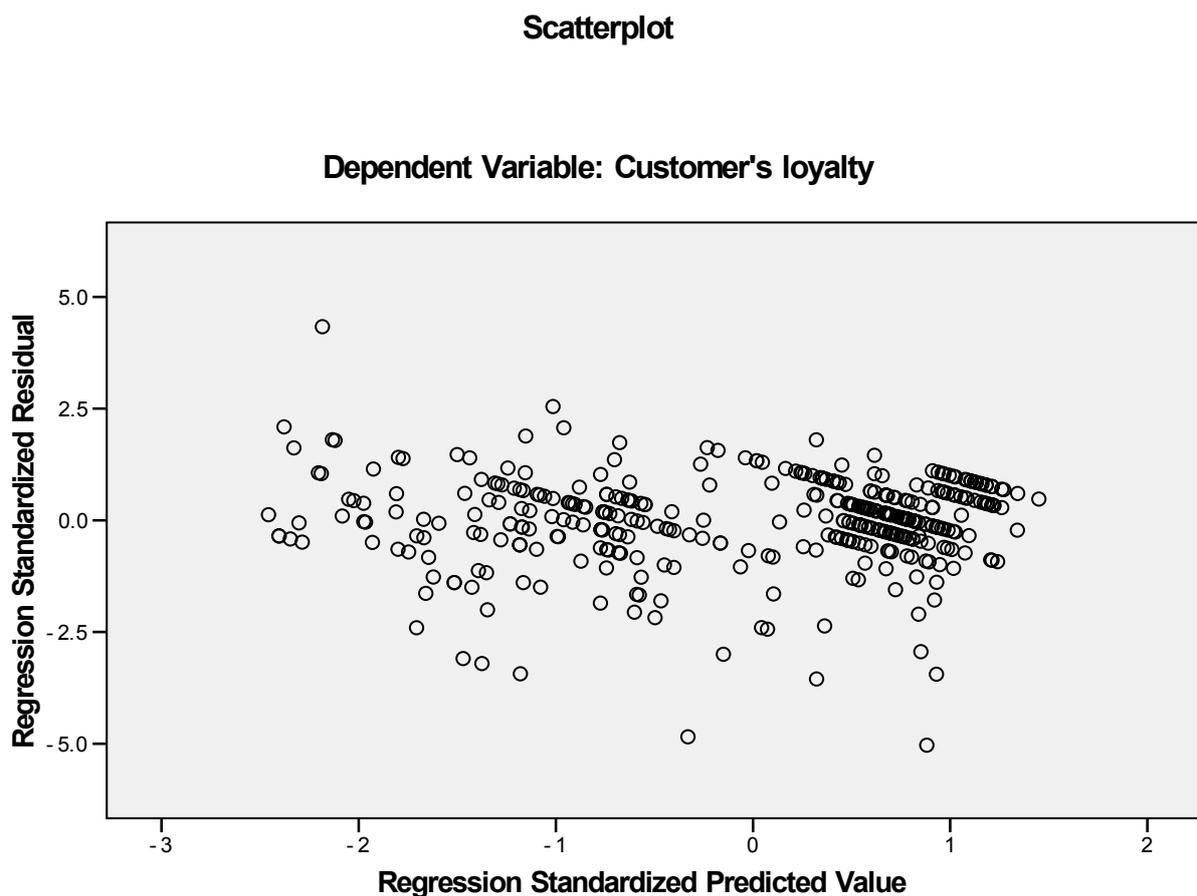


Figure (4.25): Standardized Residuals versus Fitted Values

b. The Residuals are normally distributed.

Figures (4.26) and (4.27) shows the Normal Probability plot and histogram of the residuals. The plot shows that the points fall very close to the normal line, and the histogram shows the standardized residuals are bell-shaped. This means the residuals are normally distributed.

Normal P- P Plot of Regression Standardized Residual

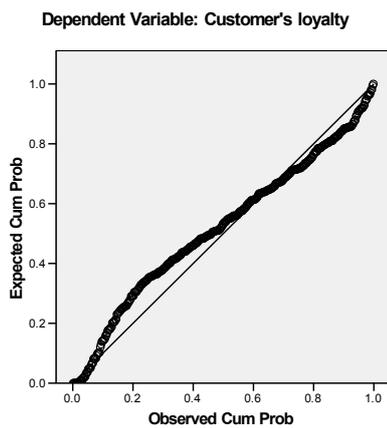


Figure (26): Normal P-P Plot of Regression Standardized Residual

Histogram

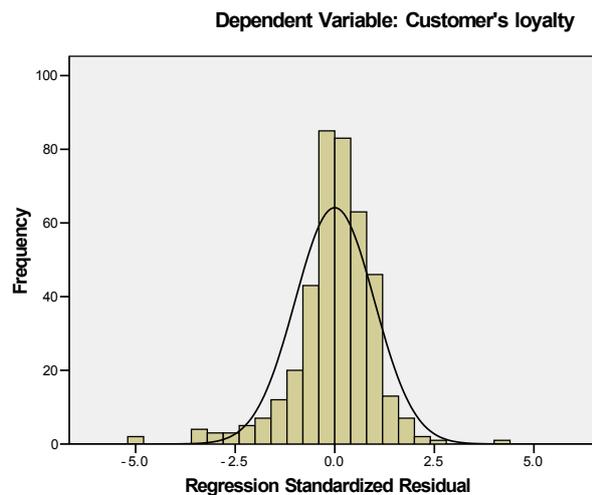


Figure (27): Histogram of Regression Standardized Residual

c. The disturbances are independent.

We use Durbin-Watson test to check If the disturbances are independent, the test statistic (DW) is scaled so that it is around 2 if no autocorrelation is present and near 0 if it is very strong.

DW= 1.858, by using Durbin-Watson table, $d_L=1.59$, $d_U = 1.76$, since DW is greater than d_U , we conclude there is no autocorrelation.

d. Multicollinearity

We use Variance Inflation factor (VIF) to check the Multicollinearity among the independent variables. Multicollinearity exists if VIF is greater than 10. Table

(4.28) shows that the value of VIF for each independent variable is smaller than 10, so the problem of Multicollinearity does not exist.

Table (4.28): VIF results

Variable	Collinearity Statistic
	VIF
(Constant)	
Conflict Handling	3.565
Trust	3.141
Empathy	3.036
Values	3.285

Therefore, the OLS assumptions are satisfied.

We use Stepwise regression, and obtain the following results:

Multiple correlation coefficient $R = 0.763$, $R\text{-Square} = 0.582$, and adjusted $R\text{-Square} = 0.578$. This means 57.8% of the variation in Customer's loyalty is explained by Conflict Handling, Trust, Empathy, and Values.

Table (4.29) shows the Analysis of Variance for the regression model. $\text{Sig.} = 0.000$, so there is a significant relationship between the dependent variable Customer's loyalty and all of the independent variables Conflict Handling, Trust, Empathy, and Values.

Table (4.29) ANOVA for Regression

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	129.949	4	32.487	137.668	0.000*
Residual	93.213	395	0.236		
Total	223.163	399			

* The relationship is statistically significant at 0.05 level

Table (4.30) shows the regression coefficients and their P-values (Sig.). Each of the independent variables is statistically significant since the P-value (Sig.) is smaller than 0.05. In addition, based on the standardized coefficients, the most significant independent variable is Trust, then Conflict Handling, Empathy, and Values.

The regression equation is:

$$\text{Customer's loyalty} = -0.378 + 0.278 * (\text{Conflict Handling}) + 0.335 * (\text{Trust}) + 0.272 * (\text{Empathy}) + 0.197 * (\text{Values})$$

Table (4.30): The Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.378	0.193		-1.953	0.051
Conflict Handling	0.278	0.075	0.228	3.713	0.000*
Trust	0.335	0.083	0.233	4.038	0.000*
Empathy	0.272	0.069	0.223	3.940	0.000*
Values	0.197	0.073	0.159	2.691	0.007*

* The variable is statistically significant at 0.05 level

4.9 Regression Model of relationship marketing underpinnings in bank of Palestine for West Bank

Assessing the Assumptions of the Regression Model (Ordinary Least Squares (OLS) Assumptions)

a. The Residuals have constant variance

Figure (4.31) plots the standardized residuals versus fitted values. The plot shows that there is no systematic pattern, then It's concluded that the residuals have constant variance.

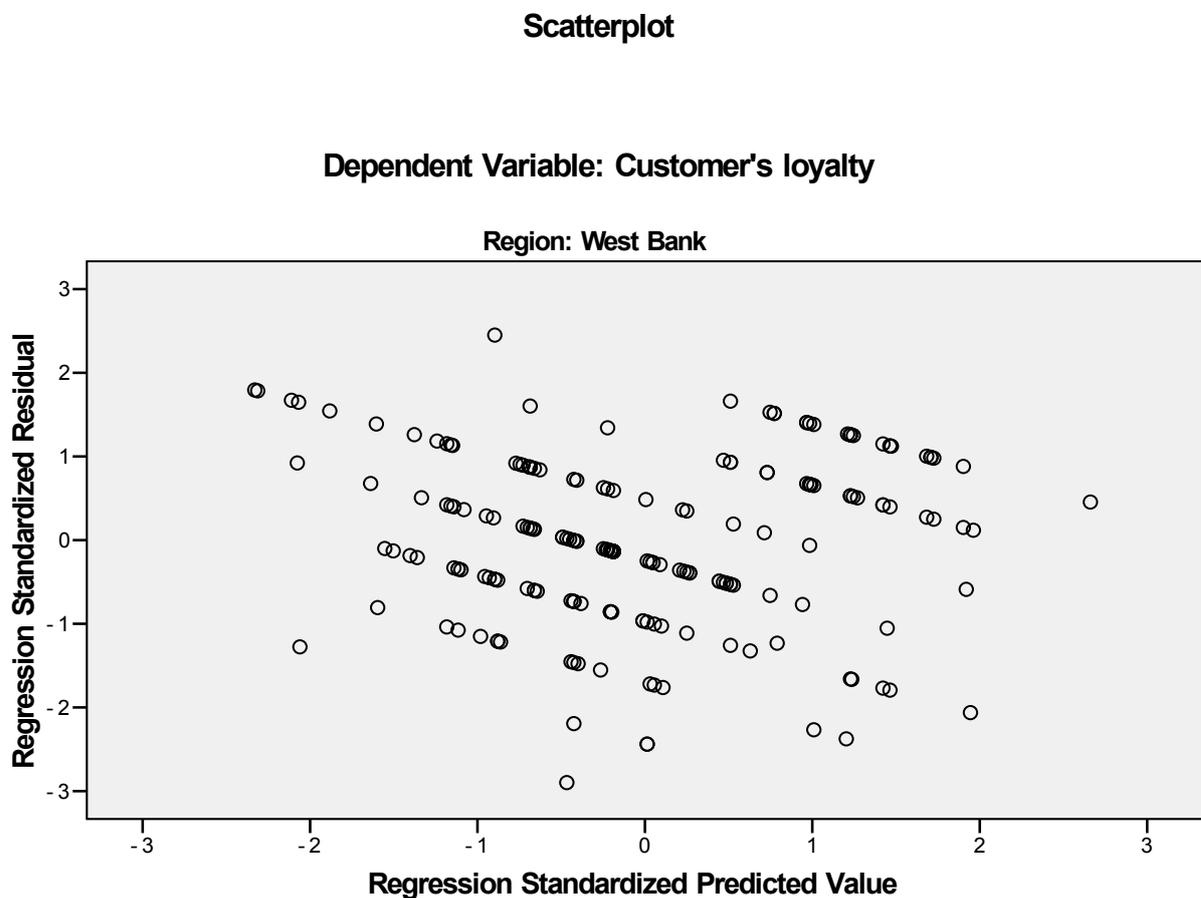


Figure (4.31): Standardized Residuals versus Fitted Values

b. The residuals are normally distributed.

Figures (4.32) and (4.33) shows the Normal Probability plot and histogram of the residuals. The plot shows that the points fall very close to the normal line, and the histogram shows the standardized residuals are bell-shaped. This means the residuals are normally distributed.

Normal P-P Plot of Regression Standardized Residual

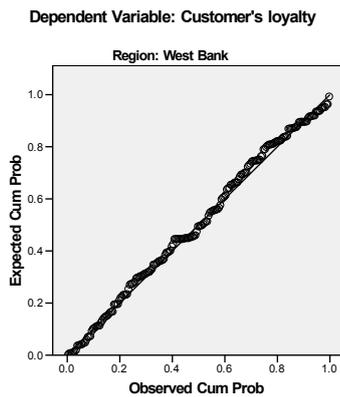


Figure (4.32): Normal P-P Plot of Regression Standardized Residual

Histogram

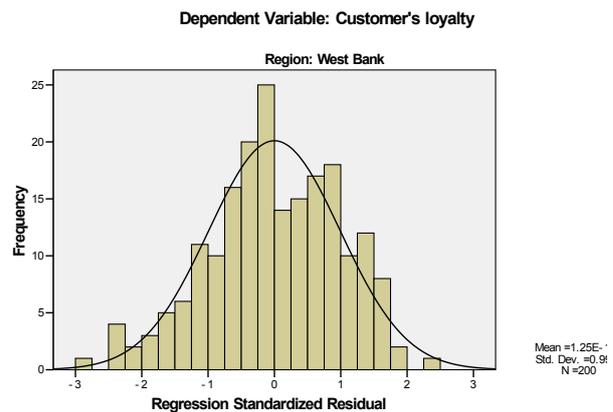


Figure (4.33): Histogram of Regression Standardized Residual

c. The disturbances are independent.

We use Durbin-Watson test to check If the disturbances are independent, the test statistic (DW) is scaled so that it is around 2 if no autocorrelation is present and near 0 if it is very strong.

DW= 1.749, by using Durbin-Watson table, $d_L=1.61$, $d_U = 1.74$, since DW is greater than d_U , we conclude there is no autocorrelation.

d. Multicollinearity

We use Variance Inflation factor (VIF) to check the Multicollinearity among the independent variables. Multicollinearity exists if VIF is greater than 10. Table (4.34) shows that the value of VIF for each independent variable is smaller than 10, so the problem of Multicollinearity does not exist.

Table (4.34): VIF results

Variable	Collinearity Statistic
	VIF
(Constant)	
Conflict Handling	1.896
Commitment	1.733
Trust	1.508

Therefore, the OLS assumptions are satisfied.

We use Stepwise regression, and obtain the following results:

Multiple correlation coefficient $R = 0.492$, $R\text{-Square} = 0.242$, and adjusted $R\text{-Square} = 0.230$. This means 23.0% of the variation in Customer's loyalty is explained by Conflict Handling, Commitment, and Trust.

Table (4.35) shows the Analysis of Variance for the regression model. $\text{Sig.} = 0.000$, so there is a significant relationship between the dependent variable Customer's loyalty and all of the independent variables Conflict Handling, Commitment, and Trust.

Table (4.35) ANOVA for Regression

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	19.425	199		20.850	.000*
Residual	4.699	3	1.566		
Total	14.725	196	0.075		

* The relationship is statistically significant at 0.05 level

Table (4.36) shows the regression coefficients and their P-values (Sig.). Each of the independent variables is statistically significant since the P-value (Sig.) is smaller than 0.05. In addition, based on the standardized coefficients, the most significant independent variable is Commitment, then Conflict Handling, and Trust.

The regression equation is:

$$\text{Customer's loyalty} = -0.556 + 0.337 * (\text{Conflict Handling}) + 0.399 * (\text{Commitment}) + 0.402 * (\text{Trust})$$

Table (4.36): The Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.556	0.672		-0.827	0.409
Conflict Handling	0.337	0.145	0.199	2.323	0.021*
Commitment	0.399	0.157	0.208	2.546	0.012*
Trust	0.402	0.173	0.178	2.328	0.021*

* The variable is statistically significant at 0.05 level

4.10 Regression Model of relationship marketing underpinnings in bank of Palestine for Gaza Strip

Assessing the Assumptions of the Regression Model (Ordinary Least Squares (OLS) Assumptions)

a. The Residuals have constant variance

Figure (4.37) plots the standardized residuals versus fitted values. The plot shows that there is no systematic pattern, and then it's concluded that the standardized residuals have constant variance.

Scatterplot

Dependent Variable: Customer's loyalty

Region: Gaza Strip

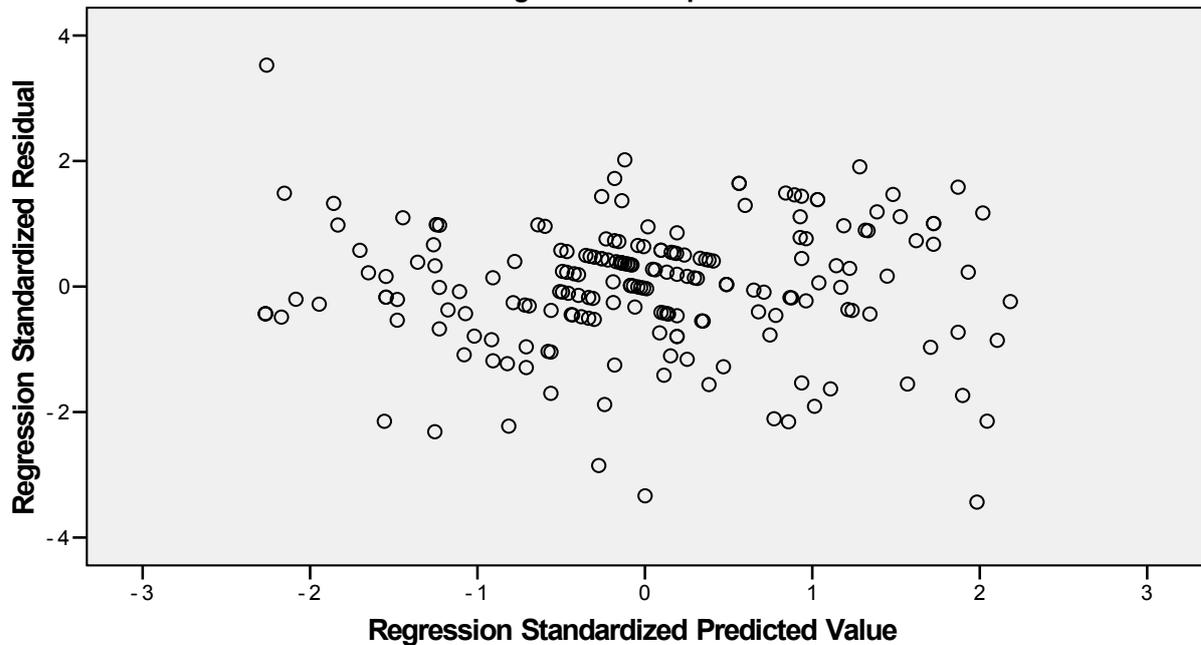


Figure (4.37): Standardized Residuals versus Fitted Values

b. The Residuals are normally distributed.

Figures (4.38) and (4.39) shows the Normal Probability plot and histogram of the residuals. The plot shows that the points fall very close to the normal line, and the histogram shows the standardized residuals are bell-shaped. This means the residuals are normally distributed.

Normal P- P Plot of Regression Standardized Residual

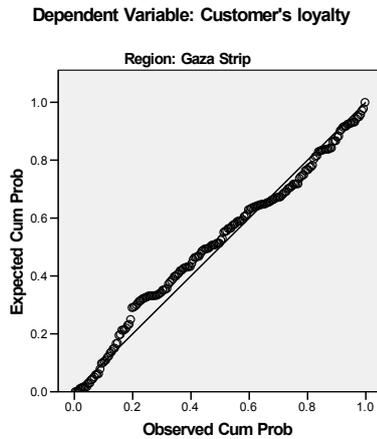


Figure (4.38): Normal P-P Plot of Regression Standardized Residual

Histogram

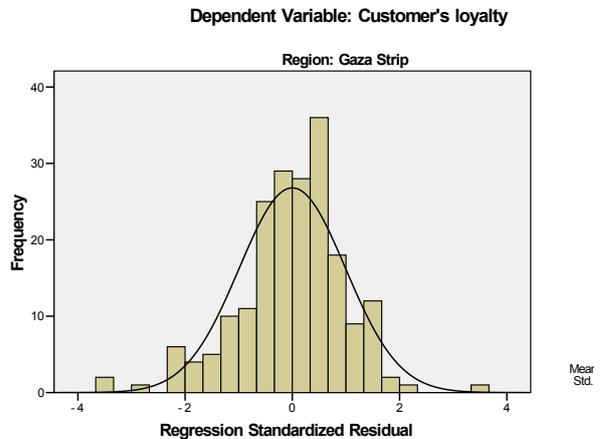


Figure (4.39): Histogram of Regression Standardized Residual

c. The disturbances are independent.

We use Durbin-Watson test to check If the disturbances are independent, the test statistic (DW) is scaled so that it is around 2 if no autocorrelation is present and near 0 if it is very strong.

DW= 1.999, by using Durbin-Watson table, $d_L=1.61$, $d_U = 1.74$, since DW is greater than d_U , we conclude there is no autocorrelation.

d. Multicollinearity

We use Variance Inflation factor (VIF) to check the Multicollinearity among the independent variables. Multicollinearity exists if VIF is greater than 10. Table (4.40) shows that the value of VIF for each independent variable is smaller than 10, so the problem of Multicollinearity does not exist

Table (4.40): VIF results

Variable (Constant)	Collinearity Statistic
	VIF
Empathy	1.746
Conflict Handling	1.622
Values	1.632

Therefore, the OLS assumptions are satisfied.

We use Stepwise regression, and obtain the following results:

Multiple correlation coefficient $R = 0.485$, $R\text{-Square} = 0.235$, and adjusted $R\text{-Square} = 0.224$. This means 22.4% of the variation in Customer's loyalty is explained by Empathy, Conflict Handling, and Values.

Table (4.41) shows the Analysis of Variance for the regression model. $\text{Sig.} = 0.000$, so there is a significant relationship between the dependent variable Customer's loyalty and all of the independent variables Empathy, Conflict Handling, and Values.

Table (4.41) ANOVA for Regression

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	22.085	3	7.362	20.104	0.000*
Residual	71.771	196	0.366		
Total	93.855	199			

* The relationship is statistically significant at 0.05 level

Table (4.42) shows the regression coefficients and their P-values (Sig.). Each of the independent variables is statistically significant since the P-value (Sig.) is smaller than 0.05. In addition, based on the standardized coefficients, the most significant independent variable is Empathy, then Conflict handling, and Values.

The regression equation is:

$$\text{Customer's loyalty} = 1.042 + 0.277 * (\text{Empathy}) + 0.202 * (\text{Conflict Handling}) + 0.191 * (\text{Values})$$

Table (4.42): The Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.042	0.314		3.323	0.001
Empathy	0.277	0.093	0.246	2.984	0.003*
Conflict Handling	0.202	0.097	0.166	2.086	0.038*
Values	0.191	0.094	0.162	2.035	0.043*

* The variable is statistically significant at 0.05 level

In general, from the business customer's perceptions of West bank, the most important relationship marketing underpinnings are conflict handlings, commitment and trust (values and empathy were excluded). Where as in Gaza strip the most important underpinnings are empathy, conflict handlings and values (commitment and trust were excluded). In the Palestinian national authority as a whole the most important underpinnings are conflict handling, trust, empathy and values (commitment was excluded).

So bank of Palestine should pay more attention in the west bank to values and empathy, while paying more attention in Gaza Strip to commitment and trust.

Chapter Five

Conclusions and recommendations

5.1 Introduction

This chapter reviews the conclusions of the findings that have been obtained, where it presents the results of the analyses and the classification of the underpinnings which are affecting business customer's loyalty of Bank of Palestine.

5.2 Conclusions

The objectives of this study is to examine the concept of five underpinnings of the relationship marketing such as trust, commitment, conflict handling, values and empathy towards customers' loyalty in Bank of Palestine. Demographic factors such as gender, age, and the level of education have been used to explain respondents' loyalty towards their bank.

Banking and financial services are an important part of services industry. Usually satisfied customers will also complain about the services provided by the particular bank. Now, banks managers knew that delivering quality service to customers is very important for success and survival in today's global competitive banking environment. In this relation, the bank must prepare valuable information to build strong relationship with the customers for the purpose of gaining their loyalty and hence preventing them from switching to other banks. Relationship marketing is viewed as a strategy to attract, maintain and enhance customer relationships.

5.2.2 The underpinnings of relationship marketing and customer's loyalty

1. Trust

The level of trust is high from the perception of business customers of bank of Palestine in West bank with proportional means of (88.52%), where the level of trust is moderate from the perception of business customers in Gaza Strip with proportional means of (72.66%). where the bank is very concern with security for the customer's transactions, the bank promises are reliable, employees of the bank show respect to customers, the bank has an accurate records for the transactions and the bank has a competent staff who deliver the services well, all these causes enhance the trust underpinning in the customer's eye .

2. Commitment

The level of commitment is high from the perception of business customers of bank of Palestine in West bank with proportional means of (88.17%), where the level of commitment is moderate from the perception of business customers of bank of Palestine in Gaza Strip with proportional means of (69.81%). where the bank makes adjustment to suit the customer's needs, the bank offers personalized services to meet customer's requirements, the bank is flexible in delivering the services and the bank contacts the customers to verify that they are satisfied, all these reasons increase the commitment level in the customer's behavior.

3. Conflict Handling

The level of conflict handling is high from the perception of business customers of bank of Palestine in West bank with proportional means of (88.19%), where the level of conflict handling is moderate from the perception of business customers of bank of Palestine in Gaza Strip with proportional means of (70.39%). The bank tries to avoid potential conflict, the managers try to solve manifest conflicts before being dilemmas, the bank is responsiveness to the

customer's complaints in which they are handled carefully and quickly, the bank tries all the best maintain long lasting relationship with the customers all of these causes enhance conflict handling underpinnings in the eye's of customers.

4. Values

The level of values is high from the perception of business customers of bank of Palestine in West bank with proportional means of (88.42%), where the level of values is moderate from the perception of business customers of bank of Palestine in Gaza Strip with proportional means of (71.72%). Services of the bank are in line with the social values, with the customer personal values in which these services contribute to the welfare of the society, employees of the bank deal honestly in providing services for customers and they are keeping their promises all of these behaviors enhance customer's values.

5. Empathy

The level of empathy is high from the perception of business customers of bank of Palestine in West bank with proportional means of (87.27%), where the level of empathy is moderate from the perception of business customers of bank of Palestine in Gaza Strip with proportional means of (71.00%). Employees of the bank deal with the customer in a caring fashion, they gave individualized attention to the customers, understand each customer's specific needs, the managers and the employees have the customer's best interest at heart, the bank also has operating hours which are convenient to all the customers all of these things enhance empathy in the mind of bank's customers.

6. Loyalty

The level of loyalty is high from the perception of business customers of bank of Palestine in West bank with proportional means of (89.33%), where the level of loyalty is moderate from the perception of business customers of bank of Palestine in Gaza Strip with proportional means of (68.36%). where the bank 's customers are loyal to their bank, appreciating the services provided ,making recommendations to friends and relatives who are seeking any advices, and considering the bank as first choice among other banks in the area.

7. Hypotheses of Correlations and differences.

1. There is a significant relationship between customer trust and customers' loyalty in Bank of Palestine that means the more the bank enhances the trust, the more customers are loyal.
2. There is a significant relationship between customer commitment and customer's loyalty in Bank of Palestine. Which means the more the bank reinforces the commitment, the more the customers are loyal.
3. There is a significant relationship between customer conflict handling and customer's loyalty in Bank of Palestine, which means the more the bank solve the conflicts and problems effectively, the more customers are loyal.
4. There is a significant relationship between customer values and customer's loyalty in Bank of Palestine, the more the bank provides values to the customers which are consistent with their social, life values, the more customers are loyal.
5. There is a significant relationship between customer empathy and customer's loyalty in Bank of Palestine, if the bank treats the customers nicely and in a good manner, that will affect increase their loyalty towards this bank.
6. There is a significant relationship between relationship marketing underpinnings and customer's loyalty in Bank of Palestine. If the relationship

marketing underpinnings implemented in an effective way, that will guarantee customer's loyalty towards the bank.

7. In Palestinian national authority, there is significant difference among respondents' of bank of Palestine toward relationship marketing underpinnings due to region. , this finding is logical in which Gaza strip bank has lack of capital and internal financing, absence of local currency , subject to currency fluctuations, lack of long term planning, lack of sovereignty on borders, the instability of the political and the economical situations all of these reasons play a major role in preventing sustainable service especially in Gaza strip.

8. In Palestinian national authority, there is insignificant difference in respondents' of bank of Palestine toward relationship marketing underpinnings due to age. In West bank there is significant difference in respondents' answers toward these fields (Trust, Conflict handlings, and values) due to age (50 years and above), This finding is probably explained by the customers in their fifties and above, they have higher expectations about the benefits provided by the banks and impacts compared to their previous experience in Bank of Palestine. Moreover, it's probable that customers in their twenties prefer consistent services and don't seek extra benefits. Whereas elder men seek values, empathy, conflict handlings and trust more than young men. While in Gaza Strip there is insignificant difference in respondents' answers toward each field due to age.

9. In Palestinian national authority, there is significant difference in respondents' of bank of Palestine toward relationship marketing underpinnings due to qualifications(post graduate). The lower mean rank among respondents with (Below secondary, secondary certificate and Diploma) are probably because they have lower expectations regarding the bank services, and lower perception of the bank benefits and services. Customers who have bachelor or post graduate degree, it's probable that they have higher perception about the bank

and hold a realistic view for the advantages provided , benefits and impacts. They are knowledgeable enough to assess the quality of services which are provided by the bank.

In west bank and Gaza Strip there is insignificant difference in respondents' answers toward each field due to qualifications.

10. In Palestinian national authority and West bank, there is insignificant difference in respondents' of bank of Palestine toward relationship marketing underpinnings due to sectors. While In Gaza Strip there is significant difference in respondents' answers toward (commitment) due to sectors. On the other hand there is insignificant difference in respondents' answers toward (trust, conflict handling, values and empathy) due to sectors. There is no difference regarding sectors between Gaza Strip and West Bank due to the private sector domination on the sample, which means that the bank service providers don't differentiate between the sectors.

11. Based on the Multiple regression analysis it's found that from the business customer's perceptions of West bank, the most important relationship marketing underpinnings are conflict handlings, commitment and trust (values and empathy were excluded). Where as in Gaza strip the most important underpinnings are empathy, conflict handlings and values (commitment and trust were excluded). In the Palestinian national authority as a whole the most important underpinnings are conflict handling, trust, empathy and values (commitment was excluded). So bank of Palestine should pay more attention in the west bank to values and empathy, while paying more attention in Gaza Strip to commitment and trust.

5.3 Recommendations

This study has demonstrated that impact of the “underpinnings” of relationship marketing on customer's loyalty in bank Of Palestine. Here are some of the

proposed recommendations for managers to be considered in order to improve and reinforce customer's loyalty in Bank of Palestine:

1. In West Bank the five relationship marketing underpinnings namely (trust, commitment, conflict handlings, values and empathy) need to be enhanced and reinforced in order to keep and increase the loyal customers.

2. In Gaza Strip, the underpinnings need to be developed and improved through the following:

A. More efforts are needed to improve the level of trust by the continuous development of the services and benefits, training of employees to perform the service effectively, being consistent in providing quality services; fulfil the obligations to the customers, keeping a closed eye to the customer transaction.

B. More efforts are needed to improve the level of commitment, where customers must be the core of the marketing process , must be given a special attention, the bank is flexible in serving the customer's needs, offers price reduction for existing customers, provide consultancy for them, and offering personalized services to satisfy the customers.

C. Eliminating the problems by solving conflicts as soon as possible in order to assure that bank system is well managed, has the ability to openly discuss solutions when problem arise, service providers show a sincere interest in solving customer complaints and making regular meetings to revise the conflicts and find solutions.

D. More efforts are needed to improve the level of values through providing services which are in line with the social and personal values of the customers, contributing to the welfare of the society and dealing with the customers honestly during providing the services

E. Developing empathy through dealing with customers in a caring fashion, giving individualized attention to the customers, understand their specific needs and having the customer's best interest at heart.

F. Actively and continuously implement the underpinnings of relationship marketing, as this will have a direct impact on increasing the loyalty level of customers by developing trust, improving commitment, handling conflicts effectively, reinforcing values and enhancing the empathic behaviour.

5.4 future studies:

This study can be applied on another bank. It's useful to adopt longitudinal study in order to study the actual behavior of customers.

Here are some of the proposed studies:

- ❖ The impact of relationship marketing antecedents on customer behavior
- ❖ The financial impact of relationship marketing underpinnings
- ❖ Relationship Marketing and market performance.
- ❖ The roles of the relationship marketing underpinnings, overall relationship quality and customer satisfaction in creating customer loyalty.

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Appendices

Appendix A

Questionnaire

(Arabic Version)



الجامعة الإسلامية- غزة

عمادة الدراسات العليا

كلية التجارة

قسم إدارة الأعمال

بسم الله الرحمن الرحيم

استبيان

أخي الكريم / أختي الكريمة :

السلام عليكم ورحمة الله وبركاته.... وبعد

إن التقدم العلمي لا يمكن تحقيقه إلا من خلال ربط الجوانب النظرية بالجوانب الواقعية التطبيقية ، وحيث أنني أقوم بإجراء دراسة بعنوان " مقومات تسويق العلاقات و أثره على ولاء العميل " ، وذلك لاستكمال متطلبات نيل درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية فإن لتعاونكم الفعال معي سيكون له أبلغ الأثر في الحصول على أفضل النتائج .

وأود أن أحيط سيادتكم علما بأن كل ما تدلونه من آراء أو بيانات ستكون موضع اهتمام الباحث ولن تستخدم إلا لأغراض البحث العلمي فقط .

وأنتهز هذه الفرصة لأعبر لكم عن شكري وتقديري لتخصيصكم جزء من وقتكم لتعبئة هذه الاستبانة ، متمنية أن يتم قراءة العبارات بعناية و وضع علامة (✓) في الخانة التي تعبر عن مدى موافقتكم عليها.

ولكم جزيل الشكر

الباحثة

رينا سمير الحناوي

أولاً: معلومات شخصية

اختر الإجابة المناسبة بوضع علامة (✓)

1- الجنس:

() أنثى	() ذكر
----------	---------

2- العمر:

() أقل من 30	() 30 أقل من 40	() 40 أقل من 50	() 50 أقل من 60	() من 60 فما فوق
---------------	------------------	------------------	------------------	-------------------

3- المؤهل العلمي:

() الثانوية العامة فأقل	() الثانوية العامة	() دبلوم	() بكالوريوس	() ماجستير	() غير ذلك
--------------------------	---------------------	-----------	---------------	-------------	-------------

4- القطاعات :

() القطاع الحكومي	() القطاع الخاص	() المؤسسات الأهلية	() غير ذلك
--------------------	------------------	----------------------	-------------

يرجى وضع إشارة (✓) في الخانة التي تقابل المستوى الذي ينطبق على البنك من وجهة نظرك:

غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة		
						* أ - الثقة
						1 يهتم البنك في معاملات العملاء بسرية كاملة
						2 وعود البنك موثوق بها
						3 لدى البنك الثبات في تقديم جودة الخدمات
						4 احترام العاملون في البنك للعملاء واضح
						5 ينفذ البنك التزاماته تجاه عملائه
						6 يوجد لدي ثقة في خدمات البنك المقدمة
						7 يحتفظ البنك بمعاملات و سجلات دقيقة
						8 لدى البنك عاملون من ذوي الكفاءة في تقديم الخدمات
						9 أشعر بالأمان في التعامل مع البنك
						10 يقوم البنك بالمتابعة المستمرة للعمليات التجارية المتعلقة بالعملاء

					ب-الالتزام	*
					يقوم البنك بمجموعة من التسويات لملائمة حاجات العميل	1
					يعرض البنك خدمات شخصية لاشباع حاجات العميل	2
					هناك مرونة لدى البنك في الحالات التي يتم فيها تغيير الخدمات	3
					لدى البنك المرونة في اشباع حاجات العميل	4
					لدي الاستعداد لدفع تكاليف أعلى لبنكي مقارنة بالبنوك الأخرى	5
					يحترم البنك حاجات عملائه	6
					يتصل البنك بالعملاء للتأكد من مدى رضاهم	7
					يذكر البنك عملائه بطبيعة الخدمات المقدمة مستقبلا	8
					يخفض البنك أسعاره لعملائه الحاليين	9
					يوفر البنك استشارات مجانية لعملائه الحاليين	10
					يوفر البنك تقارير يومية عن مدى التقدم لديه	11
					ج-معالجة الصراعات مع العميل	*

					1 يحاول البنك تجنب الاعتراضات و الصراعات المحتملة
					2 يحاول البنك حل الاعتراضات السطحية قبل حدوث المشاكل
					3 لدى البنك القدرة على مناقشة الحلول عند ظهور المشاكل
					4 يستجيب البنك بسرعة لمشكلات العميل
					5 يظهر البنك الاهتمام الكافي في حل مشكلات العملاء
					6 تدار مشاكل العملاء بعناية من قبل المسؤولين عليها
					7 يتخذ البنك اجراءات تصحيحية لتجنب المواقف التي سببت حدوث مشاكل
					8 لدى البنك القدرة على معالجة المشاكل بكفاءة و سرعة
					9 يبذل البنك جهدا كبيرا للحفاظ على علاقته مع العملاء
					10 يعقد البنك اجتماعات منتظمة لمراجعة مشاكل العملاء بهدف ايجاد حلول
					* د- القيم
					1 تتلائم خدمات البنك مع القيم الاجتماعية

					2	تتناسب خدمات البنك مع القيم الشخصية
					3	تتناسب الخدمات البنكية مع أهداف حياتي
					4	الخدمات المقدمة تساهم في رفاهية المجتمع
					5	يتعامل الموظفون بأمانة مع العميل عند تقديم الخدمات البنكية
					6	يلتزم الموظفون بوعودهم مع العميل عند تقديم الخدمات البنكية
					*	هـ - التعاطف
					1	يتعاطى العاملون مع العملاء بطريقة مهذبة
					2	يعطي العاملون اهتمام فردي بالعميل
					3	يفهم العاملون في البنك احتياجات العميل المحددة
					4	يفهم العاملون في البنك احتياجات العميل المحددة
					5	ساعات عمل البنك ملائمة لجميع العملاء
					6	لدى العاملون في البنك مهارات اجتماعية فعالة في التعامل مع العملاء

Appendix B

Questionnaire

(English Version)

Questionnaire

The impact of Relationship marketing underpinnings on customer's Loyalty

Case study: Bank of Palestine

Please answer the following questions carefully by putting signal **x** in the box that agrees with your opinion, **note** that your responses will be confidential and for the purposes of scientific research only. Thanks for the corporation

First: Personal Information:

1.	Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female			
2.	Age	<input type="checkbox"/> Below 30 years	<input type="checkbox"/> 30 less than 40 years <input type="checkbox"/> 40 less than 50 years	<input type="checkbox"/> 50 less than 60 <input type="checkbox"/> 60 and above		
3.	Qualification	<input type="checkbox"/> Below secondary	<input type="checkbox"/> Secondary	<input type="checkbox"/> Diploma <input type="checkbox"/> Bachelor Degree	<input type="checkbox"/> Post Graduate	<input type="checkbox"/> Others
4.	Sectors	<input type="checkbox"/> Government sector	<input type="checkbox"/> Private Sector <input type="checkbox"/> NGO's	<input type="checkbox"/> others		

<h1>Questions</h1>	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. Trust:					
1. The bank is very concern with security for my transactions					
2. The bank's promises are reliable					
3. The bank is consistent in providing quality services					
4. Employees of the bank show respect to customers					
5. The bank fulfills its obligation to customers					
6. I have confidence in the bank's services					
7. The bank has an accurate records & transactions					
8. The bank has competent staff who deliver the services					
9. I find it necessary to be cautious in dealing with my bank					
10. The bank keeps a closed eye to the customer's transactions					
2. Commitment:					
1. The bank makes adjustment to suit my needs					
2. The bank offers personalized services to meet customer's need					
3. The bank is flexible when its services are changed					

4. The bank is flexible in serving my needs					
5. I would be willing to pay a higher prices for using the service of my bank over other banks					
6. The bank respect the customer needs					
7. The bank contacts the customers to verify that they are satisfied					
8. The bank contacts customers to remind them of the future services					
9. The bank offers price reduction for existing customers					
10. The bank offers free consultancy for existing customers					
11. The bank offers daily progress reports					
3. Conflict Handling:					
1. The bank tries to avoid potential conflict					
2. The bank tries to solve manifest conflicts before they create problems					
3. The bank has the ability to openly discuss solutions when problem arise					
4. The bank is responsiveness to my complaints					
5. The service provider shows a sincere interest in solving customer problem					

6. Customer's complaints are handled carefully by those responsible for it					
7. The bank undertakes corrective actions to avoid situation that have originated complaints					
8. The bank ability to handle the complaints is efficient and fast					
9. The bank do maximum efforts to maintain relationship with customers					
10. Regular meetings for the bank to revise the complaints and find solutions					
4. Values :					
1. Services of the bank are in line with our social values					
2. Services of the bank are consistent with my personal values					
3. Services of the bank are consistent with my life goals					
4. Service of the bank contributed to the welfare of the society					
5. Employees of the bank deal honestly in providing services for customers					
6. Employees of the bank keep their promises when they provide services for customers.					
5. Empathy:					
1. Employees of the bank deal with the customer in caring fashion					

2. Bank employees give individualized attention to the customers					
3. The employees of the bank understand your specific needs					
4. Bank employees have the customer's best interest at heart					
5. Bank has operating hours convenient to all its customers					
6. Bank employees have an efficient social skills in dealing with customers					
6. Customer's loyalty:					
1. Considering the bank as first choice among other banks in the area ; and the bank that first comes to my mind when making purchases decisions on bank services					
2. If I had to do it over again , I would still choose to use the bank					
3. I don't like to change to another bank because I appreciate the selected bank					
4. I am a loyal customer to my bank					
5. I would always recommend my bank to someone who seeks my advice					

Appendix C

(Referees)



الجامعة الإسلامية - غزة

عمادة الدراسات العليا

كلية التجارة

قسم ادارة الاعمال

بسم الله الرحمن الرحيم

حفظه الله

السيد الدكتور /

السلام عليكم ورحمة الله وبركاته

الموضوع / تحكيم استبانته لبحث ماجستير في إدارة الأعمال

أحيط سيادتكم علما بأنني أجري دراسة بغرض استكمال متطلبات الحصول على درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية بعنوان :

مقومات تسويق العلاقات و أثرها على ولاء العميل

" دراسة ميدانية - بنك فلسطين "

وذلك بإشراف الدكتور : رشدي عبد اللطيف وادي .

ولما لسعادتكم من خبرة في مجال تحكيم الاستبانته فإنني أمل منكم تحكيم الاستبانته وفق المتغيرات والفرضيات المرفقة

وتفضلوا بقبول فائق الاحترام

الباحثة

رينا سمير الحناوي

Referees

1. Dr. Majed M. El- Farra. Professor, business administration. The Islamic University- Gaza.
2. Dr. Yousif H. Ashour. Professor, business administration. The Islamic University- Gaza.
3. Dr. Samir K. Safi. Associate professor, Statistics. The Islamic University- Gaza.
4. Dr. Sami A. Abu Al Roos. Assistant professor, Human resources. The Islamic university- Gaza.
5. Dr. Yousif A. Bahar. Assistant professor, Organizational behavior. The Islamic University - Gaza