Service Quality and Customer Loyalty: Evidence from Jordanian Banks

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ABSTRACT

The purpose of this study is to investigate the role of service quality in enhancing customer loyalty in Jordanian banks. Several measurements of service quality are used in this study, such as (tangibility, reliability, responsiveness, empathy and assurance). The study developed a questionnaire which was distributed to retailing customers in Jordanian banks. To achieve the purposes of the study and to analyze the results, the study estimates simple - and multiple-linear regression models using SPSS 26. The results of the study show that there is a significant positive effect of service quality with its different measurements individually and collectively on customer loyalty in Jordanian banks. To enhance service quality, the study recommends that effective recruitment policy and training programs of banking staff be adopted by banks' managements. This study provides some managerial implications and proposes further research directions on banking service quality.

Keywords: Service quality, Customer loyalty, Quality dimensions, Bank marketing, Banking industry, Jordanian banks.

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جودة الخدمات وولاء الزبائن: إثبات من البنوك الأردنية

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ملخص

الهدف من هذه الدراسة هو استقصاء دور جودة الخدمات في تعزيز ولاء الزبائن في البنوك الأردنية. تم استخدام مقاييس متعددة لجودة الخدمات في هذه الدراسة، منها (الملموسية، والثبات، والاستجابة، والتعاطف، والضمان). قام الباحثون في هذه الدراسة بتطوير استبانة تم توزيعها على الزبائن في البنوك الأردنية. لتحقيق أهداف الدراسة وتحليل نتائجها، تم تقدير نماذج الانحدار الخطي البسيط والمتعدد باستخدام الرزمة الإحصائية للعلوم الاجتماعية 26. وأظهرت نتائج الدراسة أن هناك أثراً إيجابياً وذا دلالة معنوية لجودة الخدمات بمقاييسها المختلفة منفردة ومجتمعة في تعزيز ولاء الزبائن في البنوك الأردنية. وللتأكيد على جودة الخدمات، أوصت الدراسة بأنه على البنوك أن تتبنى سياسة توظيف فعالة وبرامج تدريب مناسبة لكوادرها. كذلك قدمت هذه الدراسة مضامين إدارية واقترحت اتجاهات بحثية مستقبلية حول جودة الخدمات المصرفية.

الكلمات الدالة: جودة الخدمات، ولاء الزبائن، أبعاد الجودة، التسويق المصرفي، القطاع المصرفي، البنوك الأردنية.

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1. INTRODUCTION

Quality management has grown rapidly in recent years in public and private sectors with limited focus on service sectors. To improve quality of services and to get global acceptance, most institutions have consciously decided to apply total quality criteria in their day-to-day activities (Obeidat, Al-Weshah & Al-Nsour, 2016). In Jordan, the banking industry witnessed a tremendous change in the past decade. There are many changes in the variety of products offered because of the branching or mergers and acquisitions of banks (Al-Nsour & Al-Weshah, 2011). The intensity of competition growth within a harsh environment has led to restructuring and continuous improvement in some retailing banks (Al-Weshah, 2009a). The financial institutions recognized the concept of "service quality" as a way to achieve a competitive advantage in the market-driven system (Zeithaml, Berry & Parasuraman, 1996).

High-quality services provide a sustainable competitive advantage for any business. It helps them to meet the current needs of customers in a satisfactory manner by expecting future customer needs. This trend provides businesses with the ability to predict the future needs of the customers and it is a way to delight customers by providing services with the highest quality. Thus, it enhances customer satisfaction and the level of their loyalty to these organizations (Al-Weshah, Al-Manasrah & Al-Qatawneh, 2019; Gantasala & Prabhakar, 2010). In banking industry, within a harsh competition context, customer satisfaction has become more important for banks. It is easy for competitors to capture a dissatisfied customer. Therefore, to enhance customer satisfaction and retain existing customers, Jordanian banks have to adopt the customer-relationship approach (Al-Weshah, 2017). Effective relationships are most critical when the environment is dynamic and uncertain (Al-Weshah, 2013).

Service quality is an important tool for enhancing a competitive position and increasing profit. To enhance a competitive position, banks have to identify their level of service quality, if they aim to maintain consumers and satisfy their current and potential needs (Al-Weshah, 2019a; Saravanakumar & Jayakrishnan, 2014). Panjaitan & Kristian (2014) and Al-Weshah (2017) also stated that customer relationship is the way which can be used by firms to satisfy customers with the aim of maintaining customer loyalty and continuing to use the company's products. Al-Weshah et al. (2013) stated that relationship marketing which considers interactions in banking industry can only be achieved by developing a close relationship with bank customers. Laketa et al. (2015) also stated that customer personalization reflects bank interaction with each customer separately and differently, through customer services' adjustment in order to reach long-term customer loyalty.

Onditi *et al.* (2012) stated that little evidence on the relationship between service quality and customer loyalty has created attention by managers generally and banking sector managers particularly. Many previous studies have concentrated on the effect of customer satisfaction on customer loyalty. Many issues such as increasing changes in customer needs and lifestyles have been highlighted in the banking industry. Khan and Fasih (2014) stated that, by reviewing the literature, many empirical evidences investigated the relationship between service quality and customer loyalty. In developed countries, many studies on service quality and its effect on customer satisfaction and loyalty have been conducted. However, this area has not been deeply considered in the context of developing countries. Onditi *et al.* (2012) stated that it is apparent in literature that most previous studies focused on the relationship between

service quality and customer satisfaction. Customer loyalty has not well considered in the banking sector. Al-Weshah (2017) concluded that loyalty programs are not been well established in Jordanian banks. Thus, the current study examines the relationship between service quality and customer loyalty in the banking industry. Moreover, this study investigates the quality of service by its dimensions (tangibility, reliability, responsiveness, empathy and assurance) in respect of customer loyalty in Jordanian banks.

2. Motivation of the Study

Khan and Fasih (2014) stated that, particularly in the banking sector, superior service quality plays an important role for customers in terms of evaluating the performance of service providers. In a turbulent environment, Jordanian banks encounter greater risks in the adaptation to environmental changes. As a result, more coordination is needed to improve bank performance (Al-Weshah and Deacon, 2009b). Quality of service is considered essential to help customers to choose an organization rather than another and achieving the highest level of quality of service is a vital artery that provides the organization with customer loyalty (Al-Weshah, 2019c). The most effective way to ensure the superiority of the service organization over its competitors is to provide high-quality services that lead to maintain customer loyalty. Therefore, this study explores the role of service quality in building customer loyalty in Jordanian banks in order to improve the competitive position of the banking sector, especially within intensive competition. By measuring customer satisfaction and loyalty levels, banks can adopt a customer-orientation approach to enhance customer service and avoid customer switching to a competing bank. Loyalty programs in Jordanian banks are not well established. Al-Weshah (2017) concluded that Jordanian banks build relationships with new customers rather than maintaining relationships

with current customers. Thus, the current study provides a guide for the banking industry that improves overall customer services, particularly when the gap between customers' expectations and perception of quality services is wide.

3. Study Aim and Objectives

The focal purpose of the current study is to investigate the role of service quality in enhancing customer loyalty in Jordanian banks. More specifically, the study objectives are to:

➢ Investigate the impact of service quality measured by tangibility on customer loyalty in Jordanian banks.

➢ Investigate the impact of service quality measured by reliability on customer loyalty in Jordanian banks.

➢ Investigate the impact of service quality measured by responsiveness on Customer loyalty in Jordanian banks.

➢ Investigate the impact of service quality measured by empathy on customer loyalty in Jordanian banks.

➢ Investigate the impact of service quality measured by assurance on customer loyalty in Jordanian banks.

4. Literature Review

This section covers a critical review of literature and discusses previous studies on service quality and customer loyalty.

4.1. Service Quality

The attempts to define and measure quality come from the commodities' sector. According to the prevailing Japanese philosophy, quality is "zero defect-doing it right the first time". Crosby (1979)

defines quality as "conformance to requirements". Quality was measured by calculating the incidence of "internal" failures (those that have been monitored before the product leaves the factory) and "external" failures (Those that occurred in the field after a unit has been installed). Knowing the level of quality of goods is not enough to understand the quality of services. A few of writings talked about the subject of the quality of services (Gronroos, 1982; Lewis and Booms, 1983).

Zeithaman and Bitner (2003) stated that service quality is a measure of matching between delivered service and customers' expectations. In the same way, Auka et al. (2013) defined service-quality as the difference between customers' expectations of service and their perception of the actual service performance. Customers' expectation is a foundation for service-quality evaluation. Quality of services is high when the actual performance of services exceeds customers' expectations and quality of services is low when the actual perception of services' performance does not meet customer expectations (Al-Weshah, 2019c).

Commercial banks may differentiate their products from those of competitors by providing high quality banking products and services. Banks need to develop their services' quality in order to stay competitive within the banking industry. Banks have to adopt new strategies in services to satisfy their customers. Moreover, service marketing in banks is an attractive areas of research in the marketing literature (Beryl & Brodeur, 2007).

Khan and Fasih (2014) stated that, particularly in the banking sector, superior service quality plays an important role for customers in terms of evaluating the performance of service providers. Service quality is the major way to get customer satisfaction and customer loyalty. Banks can establish a competitive advantage and build sustainable relationships with their customers by providing superior-quality services. Auka *et al.* (2013) stated that service quality in banks leads to the growth in customers'

awareness of changes in demand trends and strong competition that requires increasing progress in service quality from banks for their customers in order to remain loyal in the long term. The present study examines the service quality delivery in retailing banks that eventually enhances customer loyalty.

In the banking industry, Khan and Fasih (2014) stated that service quality is one of the most critical aspects of the premium experience of customers. Most banks assess services' quality regularly to satisfy their customers and enhance their customer loyalty and retention rates. Onditi *et al.* (2012) stated that there is little knowledge on the effect of service quality on customer loyalty generally and in the banking sector particularly. Many previous studies have concentrated on the effect of customer satisfaction on customer loyalty. Many issues such as increasing changes in customer needs and lifestyles have been highlighted in the banking industry. Auka *et al.* (2013) concluded that service-quality perception reflects customers' opinions about products based on the product or service superiority or excellence.

To summarize, the literature that was investigated about quality of services refers to three basic themes; firstly, the assessment of the quality of services is more difficult than the assessment of the quality of goods from the consumer perspective; secondly, knowledge of the perceptions of service quality is gained by comparing consumer expectations with the actual performance of the service; and thirdly, quality assessment cannot be developed from the results of the service itself, rather it depends on the assessment of the service delivery process.

4.2. Service Quality Measurements

Measuring service quality effectively requires to

understand the nature and characteristics of services. Service providers have to focus on marketing techniques, especially customer's needs, in order to develop services and enhance the quality of services (Al-Weshah, 2019a; Yarimoglu, 2014). Several studies identified the different dimensions to measure the quality of services. Albostanj (2011) stated that there are three dimensions of service performance; namely, materials, staff and facilities.

Parasuraman, Berry and Ziethmail (1988) made efforts in this area which are among the most important additions in marketing literature on determining the quality of service dimensions. They concluded the main features of service quality based on the expectations and perceptions of customers. These are represented in five dimensions: reliability, responsiveness, tangibility, security and empathy. Reliability shows the ability of the service provider to perform the specified service in a reliable way and with a high degree of accuracy and correctness, because the client expectations of the service in terms of service time and performance will be delivered as promised and clients can rely on the service provider. Responsiveness shows the ability and willingness of the service provider to be always in the consumer service and the ability to perform the service when customers need it. Security shows the degree of sense of security and confidence in the service provided and the service provider and the risk of the service that customers get from the organization or service provider, or both. Tangibility refers to the available appearance of physical facilities in the service provided by the business staff and their communication tools that are related to the physical equipment required to perform the service. The last one is empathy; it indicates that the service provider should be polite, friendly and respectful when dealing with customers; so, this point shows the customer care degree and respect for privacy and taking customers' problems into account.

Brady and Cronin (2001) built a model to measure the quality of services. The model includes three types of quality; namely, interaction quality, physical service environment quality and outcome quality. Based on their model, interaction quality was established by attitude, behavior and expertise. Ambient conditions, design and social factors refer to physical service environment quality. Outcome quality is reached by waiting time, tangibles and valence-affect service quality.

Parasuraman, Zeithaml and Berry (2005) confirmed that there are many measurements of service quality; namely, tangibility, responsiveness, reliability, empathy and assurance. Tangibility refers to the physical evidence of the service such as the appearance of physical environment of the service. Responsiveness refers to employees' interaction that provides customers with the service at the right time. Reliability is the ability to provide the expected service to customers accurately from the first time. Empathy refers to personalized care and attention to customers' needs. Assurance refers to employee ability that expresses trust, trustworthiness and confidence in providing services to customers.

Hossain and Leo (2009) investigated service quality in the banking industry in Qatar. The study concluded that customers' perception is high in the tangibles' areas and low in the competence areas. Mohammad and Alhamadani (2011) concluded that tangibility, reliability, responsiveness, assurance and empathy as quality dimensions have significant effects on customer satisfaction and that the quality of service is a critical success factor of customer satisfaction. Moreover, Kakeesh and Ahmad (2020) stated that service quality in a bank has been measured by five dimensions; tangibility, reliability, responsiveness, assurance and empathy. Yarimoglu (2014) concluded that the physical environment

element of service marketing mix includes tangibles' and physical aspects of the services. People element of service marketing mix includes responsiveness, assurance, empathy, personal interaction and policy. Process element of service marketing mix includes reliability, problem solving and outcome quality.

4.3. Customer Loyalty

Customer loyalty includes both attitudes and behavior. Customer attitudes show concepts such as the customer's intention to re-purchase or purchase services or products from the same company, willingness of recommending the company to others, preparing to show this commitment to the company by showing objection to switch to another competitor (Narayandas, 1996; Prus and Brandt, 1995) and the ability to pay an extraordinary price (Zeithaml *et al.,* 1996). The behavioral aspect of customer loyalty represents buying in repetition of products or services, through the repurchase of different products and services from the same company and showing the probability of selecting a brand for a long term (Feick, Lee & Lee, 2001). It also expresses the intended behavior associated with the product, service or company (Al-jobor *et al.,* 2020).

Pearson (1996) identified the definition of customer loyalty as the mindset of customers, which means positive attitudes towards the repurchase of products or services of a company and recommending others to buy these products and services. Hence, customer loyalty is an important output to maintain a competitive advantage in the service industry (Al-Weshah, 2018). Klob *et al.* (2017) stated that the term customer loyalty is an indicator of buying repetition and customer behavior, especially when customers show good ratings, positive reviews or testimonials. Some customers also offer a favorable word-of-mouth about some products or brands, telling friends and family about them, therefore increasing the number of loyal customers. Gee *et al.* (2008) stated that the major advantage

of customer loyalty is to reduce the service cost of a loyal customer, as maintaining current customer cost is less than that of attracting new customers. Auka *et al.* (2013) stated that loyalty has two dimensions; namely, behavioral and attitudinal dimensions; the behavioral dimension refers to purchase repetition of a product or service, while attitudinal loyalty refers to attitudinal commitment or positive attitude toward a product or service resulting in repeating purchasing behavior.

Saravanakumar and Jayakrishnan (2014) stated that customer loyalty is comprised of both customers' attitudes and behaviors. Many attempts were conducted which aimed to know the dimensions that may help in the measurement of customer loyalty. Ziethmail *et al.* (1996) made an attempt and their attempt resulted in four measurement standards; namely; word-of-mouth communication, complaint behavior, non-price sensitivity and the intention to deal again with the organization.

4.4. Relationship between Service Quality and Customer Loyalty

A service organization's customers are loyal to the service of the organization if their assessment of what they got was better than they expected to get from competitors, since customer loyalty is measured by repetition of product buying, which affects customer satisfaction with the services provided by that organization, where customers always prefer services that are characterized by good quality and specifications that meet their needs and desires. This leads to promote loyalty to the organization (Al-Weshah, 2019b; Al-Kurdi, 2011). To enhance customer loyalty in online transactions, firms have to focus on service quality (Al-Dmour *et al.*, 2019). Many organizations realized that maintaining

excellence is related to customer loyalty, where quality of service is considered essential to help customers choose an organization rather than another and achieving the highest level of quality of the service is a vital artery that provides the organization with customer loyalty (Al-Weshah, 2019c). The most effective way to ensure the superiority of a service organization over its competitors is to provide high-quality services that maintain customer loyalty. Alweshah *et al.* (2015) and Ahmad (2020) stated that service quality focuses on satisfying customers' needs and expectations.

Onditi et al. (2012) stated that the interrelationships among service quality, customer satisfaction and customer loyalty can provide guidelines for improving services in order to build a competitive advantage in the banking industry. Service quality is one of the key issues that influence the competitive position in banks. Banks can differentiate their product and services from those of competitors by providing high-quality products or services. Fianko and Kwesi (2015) found out the relationship between customer loyalty and quality of service in the cellular industry in Ghana. The results showed that variables such as empathy, assurance, reliability, responsiveness and tangibility affect positively customer loyalty through customer satisfaction. It was also proved that customer satisfaction is related directly to customer loyalty.

Al-Azzam (2015) examined the significance of customer satisfaction in banks. The research focused on the financial market dynamics and the changing position of the banking system. The results showed that if the quality of service increases, customer satisfaction will increase. Service-quality dimensions are important in this equation. These dimensions are: security, empathy, reliability, responsiveness and tangibility. Results confirm that these five factors positively affect customer satisfaction. On the other hand, Saravanakumar (2014) investigated the effect

of the quality of service of the Agricultural Cooperative Bank and customer loyalty. The results demonstrated that service quality affects customer loyalty. However, reliability and empathy are the most important dimensions that affect customer loyalty.

Fasih and Khan (2014) stated that the level of satisfaction of bank customers regarding the quality of the various banking services and loyalty to the bank are directly related to each other. Their research was conducted to explore service-quality dimensions that can lead to increase customer satisfaction and loyalty in better ways. The study results indicated that banks have to consider the quality of service as the main contributing factor towards customer satisfaction and customer loyalty. Volungėnaitė and Ivanauskienė (2014) determined the relationship between service quality and customer loyalty across three countries (Estonia, Latvia and Lithuania). The results proved that service-quality dimensions in a particular sector of the industry are different in the three emerging markets. The study confirmed that dimensions of service-quality such as product quality, policy and personal interaction affect positively customer loyalty across the three countries.

Raja and Saleem (2014) investigated the relationship between service quality of Pakistani hotels and customer satisfaction, customer loyalty and brand image. The results showed that high-quality services can enhance customer satisfaction; accordingly, customer loyalty will be enhanced by the way and strong customer loyalty will establish the business brand image. Al-Bostanji (2013) examined the influence of service quality (tangibility, empathy and quick responsiveness) on the loyalty of customers in five-star hotels in Riyadh. The results confirmed that service quality through its dimensions

(tangibility, empathy and quick responsiveness) has an important influence on the loyalty of customers in five-star hotels in Riyadh.

Muhammad and Hafeez (2012) determined the influence of loyalty, customer satisfaction and service-quality programs on the loyalty of customers in the banking sector of Pakistan. The findings determined that loyalty, customer satisfaction and service quality programs are significant factors that help increase the loyalty of customers. Thus, banks must highlight loyalty programs to their valued and loyal customers. The results proved that banks should improve service quality for better customer loyalty and customer satisfaction. Talebi et al. (2012) explored the necessity of turning customers into loyal and permanent ones depending on customer satisfaction with the quality of banking services, emphasizing that customer loyalty helps increase profitability and continually reduce the cost of advertising and recruiting, because it is the key of successful business, as it helps utilize new opportunities. The performance of banks and the banking system play important roles in the development of the local economy in the country.

Therefore, this study is distinct from previous studies in the population of the study, where it included customers in Jordanian banks listed in the Amman Stock Exchange. The sample consisted of 228 customers in Jordanian banks, where a research questionnaire was distributed. The factors that were measured in this study are: (tangibility, reliability, responsiveness, empathy and assurance), while previous studies did not take all of these factors together. Some of them took some factors without the others.

5. Theoretical Framework and Development of Hypotheses

Based on a critical review of literature, the study develops a theatrical model to achieve the study objectives. The model shows the effect of service quality as an independent variable with its measurements on customer loyalty as a dependent variable.
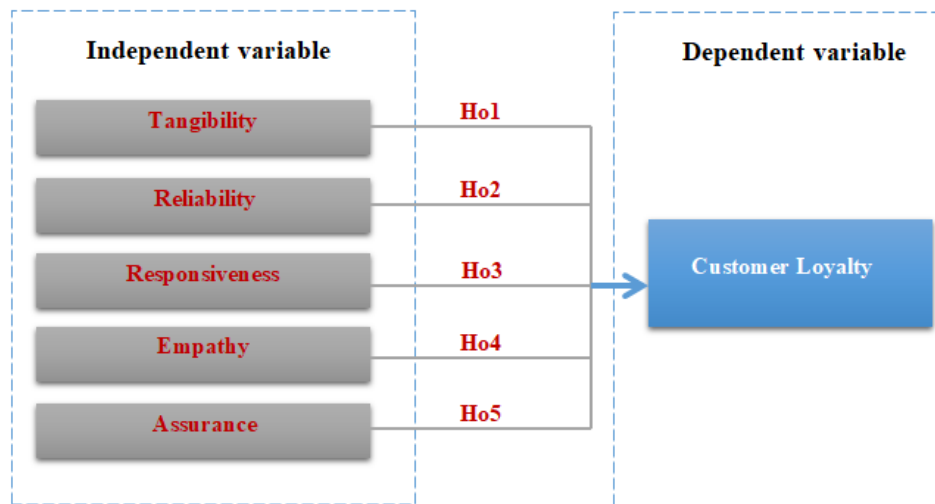
Adapted from: (Azzam, 2014; Saravanakumar, 2014; Ivanauskienė and Volungėnaitė, 2014)

Figure (1)
Theoretical Framework

In the light of the study model, the current study develops the main hypothesis as follows:

Ho. There is no impact of service quality on customer loyalty in Jordanian banks.

The main hypothesis can be divided into sub-hypotheses as follows:

Ho1.There is no impact of service quality measured by tangibility on customer loyalty in Jordanian banks.

Ho2. There is no impact of service quality measured by reliability on customer loyalty in Jordanian banks.

Ho3. There is no impact of service quality measured by responsiveness on customer loyalty in Jordanian banks.

Ho4. There is no impact of service quality measured by empathy on customer loyalty in Jordanian banks.

Ho5. There is no impact of service quality measured by assurance on customer loyalty in Jordanian banks.

6. Methodology and Research Design

The purpose of this study is to investigate the role of service quality in enhancing customer loyalty in Jordanian banks. In this study, a quantitative research approach has been adopted, where the study questionnaire has been developed as a data collection tool from the study sample. The current study employs some analytical techniques to test the proposed hypotheses.

The study questionnaire has seven sections. The first section is used to gather personal information (demographics) of the respondents, while the other sections are used to measure the constructs in the research model by using a five-point Likert scale, with options ranging from strongly disagree to strongly agree, where the second section is used to measure the effect of service quality measured by tangibility on customer loyalty, the third section is used to measure the effect of service quality which measured by reliability on customer loyalty, the fourth section is used to measure the effect of service quality measured by responsiveness on customer loyalty,

the fifth section is used to measure the effect of service quality measured by assurance on customer loyalty and the sixth section is used to measure the effect of service quality measured by empathy on customer loyalty, while the last section is about customer loyalty.

The current study is targeting customers in Jordanian banks using research questionnaire with personal distribution and collection. There are (16) banks in Jordan. The current study has used a convenient-sample method to choose the sample elements consisting of (228) customers. Descriptive analysis is used to describe the sample characteristics. Means, standard deviations and minimum and maximum values are presented for the dependent and the independent variables. Furthermore, the correlation between the independent variables is examined through Pearson correlation coefficients. For testing the hypotheses, linear regression analysis is used.

7. Analysis and Findings

When the data has been collected, data editing and analysis processes are employed. The analysis section includes three main parts. The first is the descriptive analysis for the study variables. In the second part, a correlation test between variables is conducted. The third part represents testing the study hypotheses using regression analysis.

7.1. Reliability Testing of the Research Instrument

The questionnaire is designed to collect relevant data from respondents (customer in Jordanian banks). One of the important elements that can be considered in preparing a questionnaire is reliability measurement. To conduct a reliability test for the

questionnaire, the current study uses internal consistency measurement through Cronbach's alpha. Table 1 shows the

results of the questionnaire's reliability.

Table (1)

Questionnaire reliability testing

Item	Cronbach's Alpha Coefficient	Sum of Questions
Tangibility	0.968	3
Reliability	0.785	4
Responsiveness	0.820	3
Assurance	0.814	4
Empathy	0.813	5
Loyalty	0.820	7
All Variables	0.771	26

As noted in Table 1, ratios of Cronbach's alpha coefficients express that there is a high degree of reliability for all of the questionnaire questions, as all of the variables' ratios were higher than (70%); thus, alpha coefficients were statistically acceptable for the all parts of the questionnaire. The reliability degree of the whole questionnaire is 0.771.

7.2. Results of Descriptive Statistics

In total, 228 questionnaire forms were personally distributed to customers of banks and only (164) were returned (≈72%). (12) questionnaire forms were excluded due to unserious respondents during filling the questionnaire. Hence, only (152) questionnaire forms representing (66.6%) of the distributed questionnaire forms were valid for analysis. Table 2 illustrates the demographic distribution of the research sample.

Table (2)

Characteristics of participants

Item	Frequency	Percent
Gender		
Female	46	30.3%
Male	106	69.7%
Age		
Less than 20 years	4	2%
21-24	68	45%
25-39	56	37%
40-65	24	16%

Degree		
Diploma	0	0%
Bachelor	72	47%
Master	70	46%
Doctorate	10	7%
Work		
Government employee	14	9%
Private-company employee	24	16%
Employed	110	72%
Student	4	3%
Total	**152**	**100%**

As given in Table 2, most respondents had good educational levels, where all of the sample members hold a bachelor degree or above.

The study uses descriptive statistics methods, such as averages and standard deviations, for the responses to the study questions. The study uses a five- point Likert scale as an ordinal scale, where the potential answers will reflect weights: (Strongly Agree = 5, Agree = 4, Neutral=3, Disagree= 2 and Strongly disagree=1). Thus, the weighted average is calculated by the length of the first period (by dividing 4/5), where "4" reflects the answers' range and "5" the number of choices. Therefore, the result is 0.80 and

thus, the weighted average for each choice will be given as in Table 3.

Table (3)

Weighted average of each choice of Likert scale

Scale	Weighted Average
Strongly disagree	1.00 - 1.79
Disagree	1.80 - 2.59
Neutral	2.60 - 3.39
Agree	3.40 - 4.19
Strongly agree	4.20 – 5.00

Based on Table 3, the descriptive analysis is viewed in Table 4.

Table (4)

Descriptive analysis of the study major axes

Independent Variables	Mean	S. Deviation	Result
Tangibility	4.31	0.222	Strongly agree
Reliability	3.95	0.686	Agree
Responsiveness	3.87	0.686	Agree
Assurance	4.38	0.202	Strongly agree
Empathy	3.93	0.686	Agree
Loyalty	4.28	0.322	Strongly agree

Table 4 exhibits the descriptive analysis for the answers of the questions. For Tangibility, the total average of the answers is 4.31 and according to the Likert scale, the result

of this axis will be (Strongly agree). The table also exhibits the descriptive analysis for the answers of the questions of reliability. The total average of the

answers is 3.95 and according to the Likert scale, the result of this axis will be (Agree) As for the descriptive analysis for the answers of the questions (Responsiveness). As for the total average of the answers is 3.87 and according to the Likert scale, the result of this axis will be (Agree). The table also exhibits the descriptive analysis for the responses of the questions of assurance. The total average of the responses is 4.38 and according to the Likert scale, the result of this axis will be (Strongly agree). The table also exhibits the descriptive analysis for the answers of the questions of empathy. The total average of the answers is 3.93 and according to the Likert scale, the result of this axis

will be (Agree). It also exhibits the descriptive analysis for the answers of the questions of loyalty. The total average of the responses is 4.28. According to the Likert scale, the result of this variable is (Strongly agree).

7.3. The Relationships between the Study Variables

The correlation coefficient is used to calculate the correlation matrix between the study variables. This matrix is shown in Table 5.

Table (5)
Pearson correlation matrix of variables (* $P \leq 0.05$, * * $P \leq 0.01$)

Variable	Axis 1	Axis 2	Axis 3	Axis 4	Axis 5	Axis 6
Axis 1	1					
Axis 2	0.503**	1				
Axis 3	0.687**	0.471**	1			
Axis 4	0.307**	0.417**	0.351**	1		
Axis 5	0.201*	0.178	0.387**	0.412**	1	
Axis 6	0.697**	0.471**	0.293**	0.487**	0.393**	1

Axis 1: Tangibility. Axis 2: Reliability. Axis 3: Responsiveness. Axis 4: Empathy. Axis 5: Assurance. Axis 6: Loyalty.

It is noted from Table (5) there are accepted relationships between the study variables. The figures from the table show that there is no correlation which is higher than 80% between any of the study variables, where the highest correlation value reached (0.697**) between (Axis 1: Tangibility) and (Axis 6: Loyalty).

7.4. Testing of Hypotheses

To test the research hypotheses, the study uses the linear simple and multiple regression methods. The study considers the *P-value* to accept or reject hypotheses, where the P-value should be less than 0.05 to reject a null

hypothesis and accept an alternative hypothesis. The study relies on the coefficient of determination *(Adjusted R Square)* in explaining change in the dependent variable based on each of the independent variables.

Testing by Simple Regression
H01: There is no effect of service quality measured by tangibility on customer loyalty in Jordanian banks.

To test the first sub-hypothesis, simple linear regression is used as shown in Table 6.

Table (6)

Simple regression test for impact of tangibility on customer loyalty

P-value	F Model	Coefficient	R Square	Adjusted R Square
0.001	8.142	0.697	0.485	0.409

Table 6 shows the simple regression results of the independent variable (tangibility) and its impact on the dependent variable (customer loyalty). Coefficient value is (0.697), which indicates an existence of a positive correlation between customer loyalty as a dependent variable and tangibility as an independent variable. The value of Adjusted R Square is (0.409), which indicates the extent of interpreting (customer loyalty) through (tangibility). *P-value is* (0.001) and is still < (5%). According to the decision rule in testing the null hypothesis "Ho", if the value of *P is* less than (0.05), this means that there is an impact of tangibility on customer loyalty; therefore, the first null sub- hypothesis is rejected and the analysis accepts the alternative hypothesis which indicates that "There is an impact of service quality measured by tangibility on customer loyalty in Jordanian banks".

H02: There is no impact of service quality measured by reliability on customer loyalty in Jordanian banks.

To test the second sub-hypothesis, simple linear regression is used as shown in Table 7.

Table (7)

Simple regression test for impact of reliability on customer loyalty

P-value	F Model	Coefficient	R Square	Adjusted R Square
0.03	9.441	0.471	0.221	0.259

Table 7 shows the simple regression results of the independent variable (reliability) and its impact on the dependent variable (customer loyalty). Coefficient value is (0.471), which indicates an existence of a positive correlation between customer loyalty as a dependent variable and reliability as an independent variable. Adjusted R Square is (0.259), which indicates the extent of interpreting (customer loyalty) through (reliability). *P-value is* (0.03) and is still < 5%). According to the decision rule in the testing the null hypothesis "Ho", if the value of *P* is less than (0.05), this means that there is an impact of reliability on customer loyalty; therefore, the second null hypothesis is rejected and the analysis accepts the alternative hypothesis which indicates that "There is an impact of service quality measured by reliability on customer loyalty in Jordanian banks".

H03: There is no impact of service quality measured by responsiveness on customer loyalty in Jordanian banks.

To test the third sub-hypothesis, simple linear regression is used as shown in Table 8.

Table (8)

Simple regression test for the impact of responsiveness on customer loyalty

*P-va*lue	F Model	Coefficient	R Square	Adjusted R Square
0.043	11.217	0.293	0.085	0.044

Table 8 shows the simple regression results of the independent variable (responsiveness) and its impact on the dependent variable (customer loyalty). Coefficient value is (0.293), which indicates an existence of a positive correlation between the dependent and independent variables. Adjusted R Square is (0.044), which indicates the extent of interpreting (customer loyalty) through (responsiveness). *P-value* is (0.043). According to the decision rule in testing the null hypothesis "Ho", if the value of *P* is less than (0.05), this means that there is an impact of reliability on customer loyalty; therefore, the second null hypothesis is rejected and the analysis accepts the alternative hypothesis which indicates that "There is an impact of service quality measured by responsiveness on customer loyalty in Jordanian banks".

H04: There is no impact of service quality measured by empathy on customer loyalty in Jordanian banks.

To test the fourth sub-hypothesis, simple linear regression is used as shown in Table 9.

Table (9)

Simple regression test for the impact of empathy on customer loyalty

*P-va*lue	F Model	Coefficient	R Square	Adjusted R Square
0.009	8.142	0.487	0.237	0.293

Table 9 shows the simple regression results of the independent variable (empathy) and its impact on the dependent variable (customer loyalty). Coefficient value is (0.487), which indicates an existence of a positive correlation between empathy and customer loyalty. Adjusted R Square is (0.293), which indicates the extent of interpreting the dependent variable (customer loyalty) through the independent variable (empathy). *P-value* is (0.009). According to the decision rule in testing the null hypothesis "Ho", if the value of *P* is less than (0.05), this means that there is an impact of reliability on customer loyalty; therefore, the fourth null hypothesis is rejected and the analysis accepts the alternative hypothesis which indicates that "There is an impact of service quality measured by empathy on customer loyalty in Jordanian banks".

H05: There is no impact of service quality measured by assurance on customer loyalty in Jordanian banks.

To test the fifth sub-hypothesis, simple linear regression is used as shown in Table 10.

Table (10)

Simple regression test for the impact of assurance on customer loyalty

*P-va*lue	F Model	Coefficient	R Square	Adjusted R Square
0.025	7.105	0.393	0.154	0.107

Table 10 shows the results of simple regression for the independent variable (assurance) and its impact on the dependent variable (customer loyalty). Coefficient value is (0.393), which indicates that there is a positive correlation between the dependent and independent variables. Adjusted R Square is (0.701), which indicates the extent of interpreting the dependent variable (customer loyalty) through the independent variable (assurance). *P-value* is (0.025). According to the decision rule which states the rejection of the null hypothesis "Ho", if the value of *P* is less than (0.05), there is an impact of assurance on customer loyalty; thus, the fifth null hypothesis is rejected and the analysis accepts the alternative hypothesis which indicates that "There is an impact of service quality measured by assurance on customer loyalty in Jordanian banks".

7.5. Multiple Regression Test for the First Hypothesis

Ho: There is no impact of service quality on customer loyalty in Jordanian banks

Multiple regression test has been conducted for all independent variables of the study, in order to measure whether there is a statistically significant impact of all service quality dimensions (tangibility, reliability, responsiveness, empathy and assurance) on customer loyalty in Jordanian banks as shown in Table (11).

Table (11)

Multiple regression test results for all independent variables

P-value	R	R Square	Adjusted R Square	Model F test
0.008	0.361	0.130	0.276	8.147

Table (11) shows that the *P-value* is (0.008), which means that there is a statistically significant impact of service quality dimensions (tangibility, reliability, responsiveness, empathy and assurance) on customer loyalty in Jordanian banks. the coefficient of determination (Adjusted R Square) value is (0.276), which indicates the extent of interpreting the dependent variable (customer loyalty) through the independent variables (service quality dimensions); therefore, the null hypothesis is rejected and

the analysis accepts the alternative hypothesis which indicates that "There is an impact of service quality on customer loyalty in Jordanian banks".

8. Conclusions and Practical Recommendations

Several studies were conducted on quality of services in developed courtiers. Few studies have been conducted in Arab contexts like Jordan. This study provides an effective and significant

contribution to the development of marketing literature by conducting research on the quality of service in different cultures. The study might be bearing a great importance in contributing to customer services and loyalty building in the banking sector. For financial institutions in the 21st century, a bank strategy should be designed and implemented by high-quality services in order to maintain customer satisfaction and customer loyalty that enhance the competitive position in dynamic environments.

The study found out that there is a strong and significant relationship effect for service quality on customer loyalty in Jordanian banks from customers' perspective. The results proved that the most important matter to customers is the quality of banking services. The findings are supported by Raja and Saleem (2014) and Fasih and Khan (2014) who stated that high quality of services increases customer satisfaction; afterward, this satisfaction will lead to more customer loyalty. In the current study, tangibility is the most important dimension of service quality influencing customer loyalty, unlike Auka *et al.* (2013) who stated that reliability and empathy are the most important dimensions of service quality in banks. Variances in results can be justified in terms of the importance of personal contacts and words-of-mouth in Arab cultures.

This study is distinct from previous studies in the population of the study, where the study included customers in Jordanian banks listed in the Amman Stock Exchange, where the sample consisted of retailing customers in Jordanian banks. Quality of services was measured in this study by five dimensions (tangibility, reliability, responsiveness, empathy and assurance), noting that previous studies did not take all of these dimensions together; some of them took some factors without the others.

Therefore, service quality in Jordanian banks must be taken into account in light of the changes in customers' needs and preferences at this time. Thus, bank managements should seek to find a new strategy that helps in attracting customers and switching them from competitive commercial banks. Then, the customer becomes the focus of attention. Al-Weshah (2017) stated that Jordanian banks have to adopt the quality of long-term relationships with customers as a critical priority in their relational approach.

Excellence philosophy in Jordanian banks can be considered as the most important critical factor. Effective recruitment policy and training programs can be adopted as managerial implications in order to qualify bank employees and offer high-quality services. Moreover, CRM approach can be adopted by bank managements to retain existing customers and attract new ones.

9. Limitations of the Study and Recommendations for Future Studies

The study is restricted to customers' perspectives in Jordanian banks. Future studies can consider bank employees' perspectives. Future studies can extend the current study to different service industries, to increase the possibility of dissemination of the results to many involved parts.

The focus of analysis was the individual customer in this study. Future studies may be implemented at business or corporate levels. The current study uses the hypothesis testing approach and future studies can employ other approaches such as qualitative methods.

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