

CONCEPTUAL FRAMEWORK DEVELOPMENT FOR CUSTOMER LOYALTY IN MALAYSIAN COMMERCIAL BANKING INDUSTRY

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Abstract

Customer loyalty refers to a commitment of current customer in respect to a particular store, brand and service provider, when there are other alternatives that the current customer can choose for. The ability to understand the determinants of customer loyalty is vital since it will lead to the higher profitability of the business. The purpose of this research is to develop a conceptual framework for bank customer loyalty in Malaysia based on previous studies. The study has found five factors that influence customer loyalty mainly are service quality, customer satisfaction, customer trust, bank image and corporate social responsibility. This study provides additional knowledge and approach into the factors influencing customer loyalty in Malaysian banking industry.

Keywords: Service quality, satisfaction, trust, image, corporate social responsibility and loyalty

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1 Introduction

Commercial banks in Malaysia are the largest component and the most vital component in country when the financial institutions are concern. With the liberalization, deregulation and change in technological environment, the banking industry has become more integrated. This has created highly competitive market environment in banking industry. In today business, a customer loss is a customer gain for a competitor. Due to stiffer market competition, commercial banks need more effort to be done to retain their existing customer as much as they do on acquiring them. The banking industry in Malaysia today has become very dynamic, competitive and complex environment where the financial products and services offered by the commercial banks have only minor differences where the situation of the industry is having tremendous increase in customer demand which require greater transformation in the industry. Commercial banks which are previously known as product oriented banks are progressively more become customer oriented which is in line with the principle of relational marketing where it puts a greater emphasis on customer loyalty. In this sense, Gilmore (2007) considers that continuous customer-oriented behavior is very essential for improving the realization of quality in services marketing. Indeed, factors such as financial products and distribution have attained similar levels of development and technology have thus been relegated to a secondary role as reference points for distinguishing between one bank and another (Beerli, Martin & Quintana, 2004). In this sense, Dekimpe (1997) argue that, given that many financial services are parity offerings, it can be stated that a customer is unlikely to be overly impressed by core product attributes when all companies are providing similar offerings (Aydin & Ozer, 2005). The purpose of this study is to provide for future studies in bank customer loyalty in Malaysia. The construction of a framework on bank customer loyalty is done based on the previous studies literatures that have been published in various journals. This will enhance the understanding of bank customer loyalty nature and determinants which are vital and critical to start to develop and implement bank customer loyalty in banking industry.

2 Literature Review

2.1 Customer Loyalty

The concept of customer loyalty has been researched for the past decades in business industries. Loyalty is a commitment of current customer in respect to a particular store, brand and service provider, when there are other alternatives that the current customer can choose for (Shankar, Smith & Rangaswamy, 2003). It forms positive attitudes by producing repetitive purchasing behavior from time to time. There is a strong connection customer loyalty and firm's profit. Zeithaml, (2000), states that previous researches look at customer loyalty as being either attitudinal or behavioral. The behavioral perspective the customer is loyal as long as they continue to purchase and use the goods or services (Woodside et al., 1989; Parasuraman et al., 1988; Zeithaml et al., 1996). Reicheld (2003) suggested that the most superior evidence of the customer loyalty is the proportion amount in percentage of current customers who are having lots of enthusiasm to recommend a specific good or service to their friends. Whereas the attitudinal perspective, the current customers have a feeling of belongings to a specific product or service or commitment of the current customers towards a specific good or service. Baumann, Burton & Elliot, (2005) found that Day (1969) had introduced the concept of customer loyalty covering both behavioral and attitudinal dimensions forty years ago. The behavioral approach of customer

loyalty has certain criterion such as word of mouth, referrals, share-of-wallet and repeat purchase. Meanwhile, attitudinal approach has criterion such as commitment and emotional attachment. Pearson (1996) has defined customer loyalty as a mindset of the customers who hold favorable attitudes towards a company, commit to repurchase the company's product or service, and recommend the product or service to others. A review of the previous literatures has revealed that the behavioral perspective of the customer loyalty has begun to surface back in 1970s. The behavioral perspective for customer loyalty measurement appeared after the era when most of the researchers gauged loyalty in the form of repeat purchasing (Sawmong & Ogenyi, 2003). Latest researches indicate that loyalty is developed in a vibrant and intricate manners and then mirrored in the common "satisfaction builds loyalty" model (Chaudhuri & Holbrook, 2001). Oliver (1999) has proposed that satisfaction is an important pre-requisite to loyalty behavior. However, there are also other elements to determine loyalty such as personal determination and social support (Chi, 2005). Pritchard & Howard (1993, 1997) in their studies found that three crucial antecedents are performance, satisfaction and customer involvement. Firstly, the excellent and the quality of service performance can have a great influence of customer's loyalty (Fick & Ritchie, 1991). Therefore the large performance quality difference perceptions among competitive offerings increase the possibility for customer loyalty formation (McConnel, 1968). Second antecedent, loyalty customer is assumed to be more satisfied compared to less loyal and non-loyal customers (Hawkins, Best, & Coney, 1989).

2.2 *Service Quality*

Service is not the same as goods or products. We can define service as an act or performance which will give the benefit to customers (Lovelock & Wright, 2002). Delivering superior service quality to customers in today's business environment is very crucial and important due the the stiff competition in the market. The ability to provide high service quality will strengthen the image, enhance retention of customers, attracting new potential customers via positive word-of-mouth and eventually increase the profit of the business (Julian & Ramaseshan, 1994; Zeithaml, 1996). Service quality is one of the critical elements in determining the success and the competitiveness of a particular organization. Organization such as banks can distant itself from the competitors by performing high quality services to its customers. Service quality is one the favorite areas to the researchers in their studies in retail banking industries (Avkiran, 1994; Stafford, 1996; Johnston, 1997; Angur et al, 1999; Lassar et al, 2000; Bahia & Nantel, 2000; Sureshchandar et al, 2002; Gounaris et al, 2003; Choudhury, 2008). Service quality has been considered as one of the most critical elements in the retail banking industry (Stanford, 1994). Parasuraman et al., (1985) and Zeithmal et al. (1990) found that in order for the business organizations to be successful and survive in the business competition, the most critical strategy is to deliver a superior service quality to their customers. In improving SERVQUAL, Parasuraman et al., (1988) reconstruct the 10 determinants into five principal-dimensions which are reliability, responsiveness, assurance, empathy and tangible. Tangibles are defined as physical facilities, equipment and appearance of personnel. Assurance is defined as knowledge and courtesy of employees and their capability to demonstrate trust and confidence. Empathy is defines as caring employees and ability to give individualized attention. Responsiveness is defined as ability and readiness to assist customers at earliest possible. Reliability is defined as capability to performed the pledged service without fail and correctly. Following their footsteps, other researchers also follow the same suit by adopting SERVQUAL model to measure service quality across industries such as Blanchard (1994), Donnelly, Winiewski, Darlrymple & Curry

(1995), Angur, Natarajan & Jahera, (1999), Lassar (2000), Brysland & Curry (2001), Wisniewski (2001) and Kang et al. (2002). Newman (2001) applied the SERVQUAL model to gauge service quality in banking industry.

2.3 *Customer Satisfaction*

According to WTO (1985), customer satisfaction is known as a psychology concept which entail the well being feeling and enjoyment as a result of getting what a person hopes and expects from a product or service which is appealing to that person. In addition to that, customer satisfaction can also be termed as the general attitude the customers have towards a product or service after they acquire and utilize it. In view of that, customer satisfaction is an evaluative judgment after the experience that consumer utilizes the product or service after a specific purchase selection (Oliver, 1992). Abraham & Taylor (1999) in their study have sum up all the literature reviews with regards to customer satisfaction which have been published (La Tour & Peat, 1979; Ross, Frommelt, Hazelwood, and Chang, 1987; Barsky & Labagh, 1992) and made conclusion about the development of the difference customer satisfaction theories. The nine different theories are: Expectancy Disconfirmation (Oliver, 1980); Assimilation or Cognitive Dissonance (La Tour & Peat, 1979); Contrast; Assimilation-Contrast; Equity; Attribution (Day, 1977); Comparison Level; Generalized negativity; and Value percept. According to Abraham & Taylor (1999) most of those theories are based on cognitive psychology which is a mental process that affects human behavior and emphasize on phenomenon such as sensation, attention, memory, motor control, perception, reasoning, language, learning, decision making and problem solving.

2.4 *Trust*

In doing business, trust has been seen as one of the most important antecedents of steady and two-way relationships. Researchers had found that trust is very crucial for developing and preserving long-term relationships (Rousseau, Sitkin, Burt, & Camerer, 1998; Singh & Sirdeshmukh, 2000). Morgan & Hunt (1994) proposed that trust presents only when one party has self-belief in an exchange partner's reliability and integrity. Moorman, Deshpande, & Zaltman (1993) stated that the readiness to rely on a trade partner in whom one has confidence. Lau & Lee (1999) suggested that if one party trusts another party that ultimately produces positive behavioral intentions towards the second party. Trust can be developed when one party believes that the actions of the other party will bring positive results to the first party (Anderson & Narus, 1990). Doney & Cannon (1997) stated that the concerned party also must have the capability to keep on meeting its responsibility towards its customers within the cost-benefits relationship; so, the customer should not only anticipate the positive outcomes but also believe that these positive outcomes will go on in the future. Trust develops steadily all the way through the relationship (Sheaves & Barnes, 1996) as customers get more experience and discover that promises are accomplished and expectations are met (Urban, Sultan & Qualls, 2000).

2.5 *Image*

Corporate image has been recognized as a vital factor in the overall assessment of a firm (Bitner, 1990) and is debated to be what comes across to the mind of a customer when they hear the firm's name (Nguyen, 2006). There are two main elements of corporate image: functional and emotional. The functional component is connected to those tangible characteristics that can easily be gauged, such as the physical setting offered by the bank; the emotional component is related with those psychological measurements that are evident from the feelings and attitudes

towards the organization. These kind feelings are originated from the various experiences with an organization and from the processing of information on the attributes that constitute functional indicators of image (Kennedy, 1977). Brown, Dacin, Pratt & Whetten, (2006) found corporate image at two levels, one relating to the intended image and the other, construed image. The distinction between the two is the level of intent and the degree to which a specific image would be projected. For example, a deserved image would be an image that organizational leaders want their audiences to have of their organization. Whereas, a construed image is the one that organizational members have a belief that their audiences have of their organization. Gioia, Shultz & Corley, (2000) proposed organizational identity as an infirm notion which needs to redefine and re-justify by organizational members. There are also contending conceptions of this view which proposes that it is either a shared perception or an institutionalized claim available to members (Whetten & Mackey, 2002).

2.6 Corporate Social Responsibility

The advantages of corporate social responsibility (CSR) for corporations, including increased profits, customer loyalty, trust, positive brand attitude and confronting negative publicity, are well-documented (e.g. Brown & Dacin, 1997; Drumwright, 1996; Maignan & Ferrell, 2001; Murray & Vogel, 1997; Sen & Bhattacharya, 2001; Sen et al., 2006). In view of these known positive effects, CSR approach has been embraced by the international banks. There is a total number of 30 major international private banks, including Citigroup, JPMorgan Chase, Bank of America, ABN Amro, Barclays, HSBC and ING, have signed the Equator Principles agreement which advocates socially-responsible development (Yeomans, 2005). CSR has irrevocably become part of the corporate fabric (Pearce & Doh, 2005). Many Business organizations have initiated extensive corporate social responsibility (CSR) agendas aimed to spawn stakeholder goodwill and increase market value. Banks around the world are injecting millions of dollars into different kinds of CSR activities in the pursuit to reinforce their reputation and get better relationships with stakeholders, including customers, both business and retail. There is a strong conformity that CSR is concerned with societal responsibility, although the nature and scope of these responsibilities remains unclear (Craig Smith, 2003).

2.7 Conceptual Development

2.7.1 Relationship between Service Quality and Customer Satisfaction

Over the past there are greater emphasis has been placed on service quality and customer satisfaction in business and academic world as well. Akhbar & Parvez (2009) found that service quality has strong influence and significantly and positively related to customer satisfaction in their study on 304 customers of a major private telecommunication company operating in Bangladesh. Hossain & Leo (2009) in their study revealed that service quality is a strong antecedent and significantly related to customer satisfaction in their study of banking industry in Qatar. Munusamy, Chelliah & Mun, (2010) studied the banking industry in Malaysia. In their research they found that Assurance has positive relationship but it has no significant effect on customer satisfaction. Reliability has negative relationship but it has no significant effect on customer satisfaction. Tangibles have positive relationship and have significant impact on customer satisfaction. Empathy has positive relationship but it has no significant effect on customer satisfaction. Responsiveness has positive relationship but no significant impact on customer satisfaction. Jamal & Anatassiadou (2007) conducted the study on 200 bank customers in Greece relating to service quality and customer satisfaction. The result showed that reliability,

tangibility and empathy are positively related to customer satisfaction. The study of service quality and customer satisfaction in banking industry in Malaysia by Tahir & Bakar (2007) revealed the similar result. The result from 300 bank customers data were analyzed and showed that overall service quality provided by the commercial banks was below customers' expectations. Responsiveness was rated as the most important dimension followed by reliability, tangibility, assurance, and empathy. Customers were slightly satisfied with the overall service quality of the banks. In view of the above, therefore it is proposed that:

Hypothesis 1: Service quality has positive and significant relationship with customer satisfaction.

2.7.2 Relationship between Service Quality and Customer Loyalty

Many researchers in various studies have studied the relationship between service quality and customer loyalty. Rousan, Ramzi & Mohamed, (2010) in their study on 322 hotel guests of hotel industry in Jordan, they found that empathy, reliability, responsiveness and tangible and assurance significantly predict customer loyalty. The similar result also found in Chen & Lee (2008) study when the revealed that service quality has strong and significant relationship with customer loyalty in their International Logistic provider industry. Liang (2008) study on 308 hotel guests of hotel industry in United States revealed that service quality has a positive influence and significant relationship with customer loyalty. Clotey, Collier & Collier, (2008) in their study of 972 retail customers of United States retail industry have found the strong statistical evidence that service quality has a great influence where it positively and significantly correlated with customer loyalty. Jamal & Anatassiadou (2007) besides studying the relationship between service quality and customer satisfaction in banking industry in Greece, they also study the relationship between service quality and customer loyalty and they found their study that service quality has a strong impact and positively and significantly related to customer loyalty in banking industry in Greece. Rizan (2010) has conducted a study on 160 airline passengers of airline industry in Indonesia and has found that service quality has a strong impact and positively and significantly related to service quality. In view of the above, therefore it is proposed that:

Hypothesis 2: Service quality has positive and significant relationship with customer loyalty.

2.7.3 Relationship between Service Quality and Trust

The elements of quality in service are expected to affect trust directly. This is because the elements of service represent trust cue that convey the trustworthiness of the bank and the system. Gefena & Straub, (2006) studied different determinants effect on trust and show that the service quality has a positive influence on customer trust. AL-Dwairi, Mumtaz and Kamala, (2009) adopted integrity, ability, and quality services as attributes of service quality in vendor business and demonstrated that service quality has a significant effect on customer trust. Zha, Ju and Wang (2006) in their study in e-commerce industry in China showed in their research that dimensions service quality dimensions are significant predictive of trust. Su & Fan (2011) in their study on rural tourism in China, found that service quality plays an important role and has a significant influence on trust. Alrubaie & Al'kaidaa (2011) in their research on healthcare patient in healthcare industry found that service quality provided by the hospital in Jordan has a strong influence in determining patients trust in healthcare industry. Yeh & Li (2009) when conducting a study of m-commerce in China revealed that service quality has a strong and positive impact in

developing trust on m-commerce customers in m-commerce industry. In view of the above, therefore it is proposed that:

Hypothesis 3: Service quality has positive and significant relationship with customer trust.

2.7.4 Relationship between Customer Satisfaction and Customer Loyalty

The survival and sustainability of any business organization is largely depends on the customer satisfaction and customer loyalty. Faullant, Matzler, & Ller (2008) in their study on 6172 ski resort customers in Australia have found that customer satisfaction is positively and significantly correlated to customer loyalty. Pantouvakis & Lymperopoulos (2008) have done the study on 388 ferry passengers in Crece and revealed that customer satisfaction has great impact on customer loyalty and positively and significantly correlated with customer loyalty. Akhbar & Parvez (2009) in their study on 302 Telecommunication customers in Bangladesh have found that customer satisfaction is significantly and positively related to customer. Hume & Mort (2010) conducted a study on 250 performing arts members and audience and have found that customer satisfaction very much has impact on customer loyalty and positively and significantly related. Chen & Lee (2008) in their study on 261 non Vessel Owners and shippers in Taiwan's International Logistic Provider industry has revealed that customer satisfaction is very critical to customer loyalty and both are positively and significant correlated. Rizan (2010) studied on customer satisfaction and customer loyalty relationship on 160 passengers in airline industry in Indonesia and have found that customer satisfaction has a great impact on customer loyalty and positively and significantly influence customer loyalty. The same result found by Liang (2008) in her study on 308 Hotel guests in United States where she found that customer satisfaction is the determining factor and positively and significant correlated to customer loyalty. In view of the above, therefore it is proposed that:

Hypothesis 4: Customer satisfaction has positive and significant relationship with customer loyalty.

2.7.5 Relationship between Customer Satisfaction and Trust

There are numbers of researches have been done and advocated that customer satisfaction is the critical factor in developing customer trust. Kantsperger & Huntz (2010) in their study on 357 E-services customer in Malaysia and Qatar E-Commerce have revealed that customer satisfaction is the main antecedent to trust and positively and significantly correlated. Ribbink et al. (2005) in their study on 350 online customers in Europe e-commerce industry have found that customer satisfaction has greater influence on trust and significantly and positively related to trust. Sahadev & Purani (2008) in their study on 184 University students online customer in e-commerce (India) have found that customer satisfaction has a strong influence on trust and significantly and positively correlated. Edwin, Nic and Christo (2011) studied the B2B financial services in South Africa concur the above findings where they found that customer satisfaction has a positive and significant influence on trust. In view of the above, therefore it is proposed that:

Hypothesis 5: Customer satisfaction has positive and significant relationship with customer trust.

2.7.6 Relationship between Image and Customer Loyalty

The bank image is an important element that positively or negatively influences the bank marketing activities. Faullant et al. (2008) in their study on 6172 ski resort customers in Australia have revealed that image has a strong influence on customer loyalty and the relationship is positively and significantly correlated. Clottey et al. (2008) in their study on 972 retail customers in United States retail industry have found that image is the main determinant on customer loyalty and statistically supported. Bravo, Montaner & Pina, (2009) in their study on 450 bank customers in Spain banking industry have found that image has positive and significant influence on customer loyalty. Ogba & Tan (2009) in their study on 250 university students in China telecommunication industry have revealed that image have positive impact on customer expression of loyalty to market offering. Kandampully & Hu (2007) in their study on 1500 hotel customers in Mauritius hotel industry have found that image has a strong influence on customer loyalty and positively and significantly correlated. Cengiz, Ayyildiz and Er (2007) in their study on bank customer in Turkey banking industry found that image has a significant and positive relationship with customer loyalty. This relationship is further concurred by Ogba & Tan (2009) in their study on mobile phone users in China mobile phone industry. In the study they found that customer loyalty is significantly and positively influenced by image. Kandapully, Juwaheer, Devi & Hu (2011) studied the relationship of image and customer loyalty on hotel guests in Maldives hotel industry. Their study revealed that image plays an important role in determining customer loyalty. In this study they found that image has significant and positive influence of customer loyalty in Maldives hotel industry. In view of the above, therefore it is proposed that:

Hypothesis 6: Bank image has positive and significant relationship with customer loyalty.

2.7.7 Mediating Effect of Customer Satisfaction on Service Quality and Customer Loyalty Relationship

Many studies have found that customer satisfaction play a mediating role in the service quality and customer loyalty relationship. Akhbar & Parvez (2009), in their study on 302 Telecommunication customers in Bangladesh telecommunication industry have found customer satisfaction to be an important mediator between perceived service quality and customer loyalty. Ismail et al. (2006), in their study of 115 public companies in Malaysia have revealed that customer satisfaction to partially mediate the relationship of reliability and customer loyalty. Kheng et al. (2010) in their study on 238 bank customers in Malaysia have found that satisfaction has mediating effect on service quality and loyalty relationship in banking industry. Kumar et al. (2010), in their study on 100 bank customers in India have revealed that service quality fosters customer's attitudinal loyalty through latent customer satisfaction. Chen & Lee (2008) in their study on 261 non Vessel Owners and shippers in Taiwan International Logistic Provider industry have found that customer satisfaction has a positive influence on service quality and customer loyalty relationship. Olorunniwo et al. (2006) in their study on relationship of service quality, customer satisfaction and customer loyalty in hotel industry in United States found that customer satisfaction significantly mediates the relationship between service quality and customer loyalty in hotel industry in United States. Olorunniwo & Hsu (2006) revealed that customer satisfaction significantly and partially mediates the relationship of service quality and bank customer loyalty in United States banking industry. In view of the above, therefore it is proposed that:

Hypothesis 7: Customer satisfaction has positive and significant mediating effect on the relationship between service quality and customer loyalty.

2.7.8 Mediating Effect of Customer Satisfaction on Service Quality and Trust Relationship

Many researches had demonstrated that service quality is an antecedent of the broader concept of customer satisfaction and the relationship between service quality and trust is mediated by satisfaction. Generally, the nature of this service quality and satisfaction link is viewed as linear, signifying that higher levels of service quality lead to higher levels of satisfaction. (Pollack, B., L., 2008). Vinagre and Neves (2008) show empirical evidence about the effect of service quality on satisfaction. Eisingerich and Bell, (2007) examine the differential effects of perceived service quality, trust, and loyalty on repurchase intentions. The research found that perceived service quality had a significant effect on trust. However, the causality relationship between trust and satisfaction does not appear to be very clear in the literature. Depending on the study, satisfaction appears either as an antecedent or as a result or consequence of trust. According to Geyskens, Steenkamp and Kumar (1999), it may be assumed that satisfaction acts as a conditioning factor of trust. These authors, taking as reference the work of Dwyer, Schurr and Oh (1987), consider that perceptions about satisfaction with the relationship are formed first, in a previous stage to that where trust is generated. Zanzo et al. (2003) found that, satisfaction acts as an antecedent to trust. Alrubaiee & Alk'aidaa (2011) in their study on patients in healthcare industry in Jordan, found that satisfaction has a partial mediation effect on service quality and trust relationship. In view of the above, therefore it is proposed that:

Hypothesis 8: Customer satisfaction has positive and significant mediating effect on the relationship between service quality and customer trust.

2.7.9 Moderating Effect of Corporate Social Responsibility on Image and Customer Loyalty Relationship

In present's highly competitive market environment, many corporations have utilized CSR as a tactical tool to react to expectations of different stakeholders such as media, public opinion, nongovernment organizations and even consumers, therefore create a positive corporate image (Jones, 2005). In reality, companies have viewed CSR activities as needs, therefore pushed managers to consider how to implement CSR activities in line with their business strategy (Porter & Kramer, 2006). Mc Williams et al. (2006) highlighted that CSR "should be considered as a form of strategic investment" which "can be regarded as a type of image building or maintenance." On the other hand, Fombrun (2005) suggested strengthening corporate image as an external motivation for corporations to get involve in CSR activities. Garberg & Fombrun (2006) also pointed out that image gain as relevant results of CSR programs. Finally, Bendixen & Abratt (2007) studied a large South African MNC's reputation in supplier-buyer relationships, signifying that the buyer's ethical opinion about suppliers forms the basis of corporate image. In view of the above, therefore it is proposed that:

Hypothesis 9: Corporate social responsibility has positive and significant moderating effect on the relationship between bank image and customer loyalty.

3. Conceptual Framework

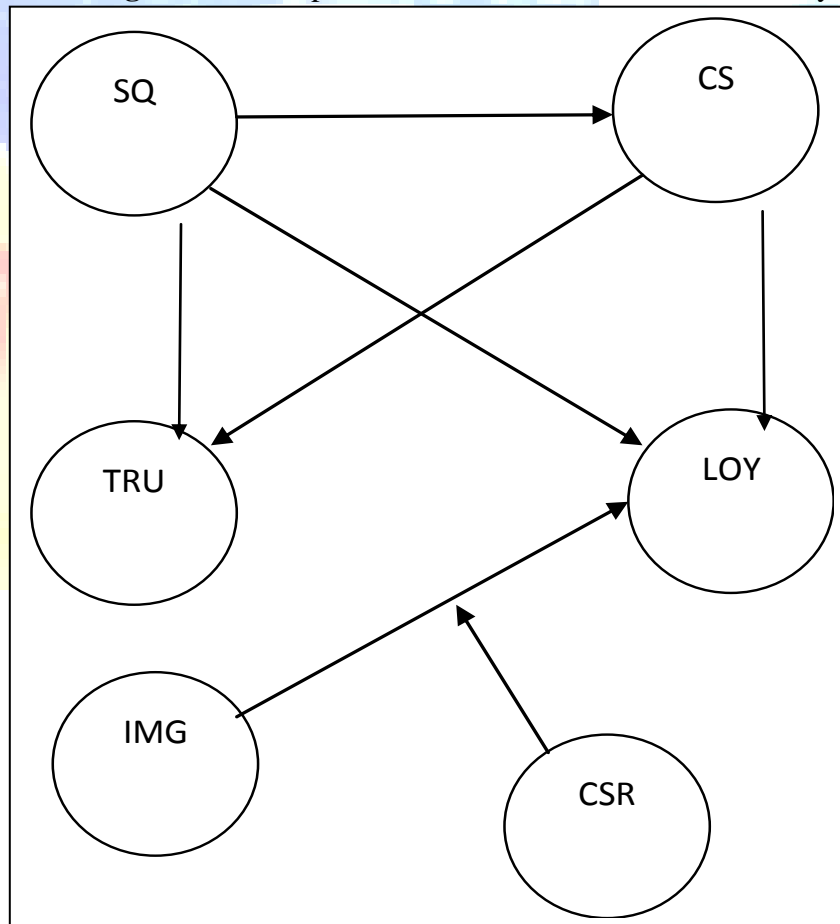
For the purpose of this study as mentioned on introduction chapter is to seek the factors that influence customer loyalty in Malaysian banking industry. The customer loyalty in Malaysian banking industry is developed to provide conceptual framework and suitable measurement scale to determine the customer loyalty towards banking services in Malaysia. In the proposed model of this study, there are six latent variables which are service quality, trust,

image, customer satisfaction; corporate social responsibility and customer loyalty are included as main dimensions. The structural model is used to capture the causal influences of exogenous latent variables on endogenous latent variables and endogenous latent variables upon one another. Given that most of the focus area which are service quality, customer satisfaction, trust, image, corporate social responsibility and customer loyalty have been studied in many numerous time in literature, this study will attempt to demonstrate possible connection among all the proposed variables in this study. In view of the reviewed literatures, the proposed conceptual framework is shown in figure 1.

4. Conclusion

Customer loyalty is an important element in any industry which will lead to the increase in profitability of the businesses. There is not much attention has been placed on the understanding of factors in influencing customer loyalty in Malaysian banking industry. This study examines mainly the factors affecting bank customer loyalty which are service quality, customer satisfaction, customer trust, bank image and corporate social responsibility in Malaysian banking industry. Even though there are many studies have been conducted on bank customer loyalty in Malaysia, their studies are not comprehensive enough and have not included factors as proposed above. Therefore, this study will contribute added knowledge with regards to the factors influencing customer loyalty in banking industry specifically in context of Malaysia.

Figure 1: Conceptual Framework of Bank Customer Loyalty



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