

FOR REFERENCE

NOT TO BE TAKEN FROM THIS

**CUSTOMER SATISFACTION
AND RELATED BEHAVIOR OF BANK CUSTOMER
(A FIELD STUDY
AMONG THE TEACHING STAFF OF
BOĞAZIÇI UNIVERSITY)**

by

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CUSTOMER SATISFACTION
AND RELATED BEHAVIOR OF BANK CUSTOMERS
(A field Study
Among The Teaching Staff Of
Boğaziçi University)

In this study, satisfaction and related aspects of perception, attitude, Word-of-Mouth Communication (WOMC), and behavioral actions of retail bank customers among teaching staff at Boğaziçi University in Istanbul were investigated. A quota sample of 152 out of 337 teaching staff was taken. Two hundred-two structured-disguised questionnaires were distributed and gathered personally to collect the information. Testing for validity and reliability of questionnaire and scales were considered before gathering the data.

The main objectives of the study are to discover:

First: The relationships between feelings of customer toward specific bank attributes, and overall customer satisfaction or dissatisfaction.

Second: The relationship between specific customer traits, and overall customer satisfaction or dissatisfaction.

Third: The relationship between customer satisfaction or dissatisfaction, and attitudes.

Fourth: The relationship between attitudes and WOMC

Fifth: The relationship between WOMC, and customer behavior toward the preferred bank.

Sixth: The relationship between severity of problem

the customer faced in dealing with his preferred bank; and his perceived risk, satisfaction, attitude, WOMC, and related behavior.

Seventh: The most meaningful factors related to bank attributes that affect customer in choosing a bank to deposit money in and inforing positive conversations and actions among others.

The results of the study reflect positive relationships between the above mentioned variables. However, these relationships vary in its extent. Further, the results of the study clarify the most meaningful factors that influence the individual to deposit his money in a bank and to initiate positive WOMC about that bank.

It is concluded that customer satisfaction contributes to strength or weaken attitudes. It is also deducted that customer attitude is related to WOMC.

In addition, it is found that customers who were more involved in receiving and transmitting positive WOMC were more likely to encourage others to invest in their banks than customers who are less involved in these types of WOMC. Furthermore, customers who were more involved in processing positive WOMC were more likely to: (1) increase the amount they invest in their banks, and (2) encourage others to invest in their banks than customers who were less involved in processing positive WOMC.

On the other hand, it is found that customers who were more involved in receiving and seeking negative WOMC

were more likely to reduce the amount of money deposited in their banks than those who were less involved in receiving and seeking negative WOMC.

It is also concluded from this study that customers who had severe problems with their banks were more likely to complain to managers of those banks than those customers who had no problems.

The main implication of the study is that a bank's success in the long run is dependent completely on considering customer satisfaction as the main goal of planning, implementation, and control of bank services.

At the end, several recommendations have been suggested for better bank services, higher customer satisfaction, more favorable attitude, and more preferable behavior toward banks. These recommendations are directed to bank managers, bank employees, customers, customers' organizations, Governmental agencies, and academicians.

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LIST OF SYMBOLS

ATM _s	Automatic Tellers Machines
D-T	Delighted-Terrible scale
EFTS	Electronic Funds Transfer System
MDA	Multiple Discriminant Analysis
MUM	A reluctance to communicate information that one would assume to be noxious for a potential audience.
WOMC	Word-of-Mouth Communication
α	Alpha
λ	Lambda
ϕ	Phi
χ^2	Chi-Square

INTRODUCTION

The concepts of consumer satisfaction and related behavior have been handled by some writers from several dimensions. The main value of customer satisfaction concept is that it ties a lot of related variables together. It has been possible to apply a comprehensive and unified conceptual scheme composed of a set of components. The scheme itself is useful more for telling us what we do not know than for reporting findings. It is useful to guide us toward new areas of research.

One of the important new areas for research is to relate customer satisfaction to attitude, Word-of-Mouth Communication and customer behavior. Some writers have related one of the attitude components (perceived risk) to information handling, but very few of them have related attitude to Word-of-Mouth Communication. There is also very limited research of positive and negative Word-of-Mouth Communication specially in terms of receiving, seeking, transmitting, and processing, and its relationship to consumer behavior.

The study of consumer satisfaction, attitude, Word-of-Mouth Communication and related behavior is important for several reasons in general, and for specific reasons related to retail bank services in particular. One of the general reasons for studying customer satisfaction, attitude, Word-of-Mouth Communication, and related behavior is the limited research and literature that tie these

variables together. The second reason is the intended treatment of customer satisfaction, by most writers, as a dependent variable. In spite of the importance of studying customer satisfaction as a dependent variable, as it is affected by several traits, it can also be studied as an independent variable that can affect attitude, and consumer behavior. The third reason to study customer satisfaction, attitude, Word-of-Mouth Communication, and related behavior is that there are very few studies that handle positive and negative Word-of-Mouth Communication in spite of its importance in terms of its consequences on consumer behavior.

As for the particular reasons, the most important reason to study customer satisfaction, attitude, and Word-of-Mouth Communication among customers of retail services and specially among customers of retail banks is the obvious and serious lack of research in this area. It was noticed from reviewing the literature that very few studies handled customer satisfaction of retail services in general and bank services in particular. It is also important to mention that some studies handled perceived risk and retail store customers, but almost no study has interrelated customer satisfaction, attitude, Word-of-Mouth Communication and customer behavior of retail services in general and retail bank in particular.

In the proposed research the impact of several

traits on consumer satisfaction, attitude, Word-of-Mouth Communication, and customer actions related to depositing in banks are investigated. The importance of customer satisfaction, attitude, and Word-of-Mouth Communication is more fully recognized in considering them as mediating variables between the several traits utilized in this research and the behavior of bank customers. It is worth to give special attention to those variables since they may affect the magnitude and speed of positive and negative actions taken by customers of banks toward the increase of their investment in banks rather than other competitive alternatives.

In the proposed research, the focus will be directed mainly toward those aspects of consumer satisfaction, attitude and Word-of-Mouth Communication that are best related to the hypotheses derived in this study. The proposed research does not seek to investigate which model of customer satisfaction, attitude, and related behavior is best since there is no one best model. Rather the focus of this research is upon:

1. The investigation of the impact of several attributes related to bank services on customer satisfaction.
2. The relationship between customer satisfaction and customer attitude.
3. The relationship between customer attitude and positive or negative Word-of-Mouth Communication.
4. The relationship between Word-of-Mouth Communication and customer behavior.

The results of this study are important to all banks, as well as the economy as a whole, in the sense that it should encourage banks to give more attention to the more effective attributes from the point of view of customers of those banks. This should contribute toward the minimization of perceived risk and the inforcement of customers satisfaction and attitude. Accordingly negative Word-of-Mouth Communication (receiving, seeking, processing, and transmitting) can be reduced, while positive Word-of-Mouth Communication can be increased. In this sense, the speed and magnitude of customers' contribution toward depositing in banks rather than other alternatives can be increased. The logic behind this is that positive Word-of-Mouth Communication specially processing positive Word-of-Mouth Communication, may have a tremendous impact to encourage people to select one possible alternative to invest their money in rather than other alternatives. The speed and magnitude of customers' contribution toward depositing in banks rather than other alternatives depend partially upon the speed and magnitude of processing positive Word-of-Mouth Communication. Accordingly, a tremendous impact on the development of the economy as whole can be achieved, since managing investments by banks may be more planned toward the benefits of the economy rather than other alternatives.

This study includes two main parts. The first part

contains conceptual framework which is mainly a literature review. It includes five chapters: chapter one handles customer satisfaction concept, which includes definition and meaning of customer satisfaction in other studies and the proposed study. Chapter two includes factors that may affect customer satisfaction in the proposed study.

Chapter three includes customer attitude concept and definition, functions and formation of attitude, impact of customer satisfaction on attitude change, and measuring attitude in other studies and in the proposed study.

Chapter four contains perceived risk concept and definition, models of perceived risk concentrating on handled risk and the relevance of perceived risk models to the proposed study, and finally measuring perceived risk in other studies and in the proposed study.

Chapter five handles Word-of-Mouth Communication concept and related behavior. In this chapter, in addition to the concept and definitions, the concept of Word-of-Mouth Communication is related to cognitive dissonance and perceived risk concepts, and finally this chapter includes measuring of Word-of-Mouth Communication in other studies and in the proposed study.

The second part of the study handles the empirical framework of the study as a field study. It contains three chapters, chapter six introduces the plan of the study, nature, scope, and importance of study, in addi-

tion to hypothesis formulation, methodology, and limitations of the study.

Chapter seven includes data interpretation and results of the study. Finally, chapter eight contains the conclusion, implication and recommendations of the study.

PART ONE-CONCEPTUAL FRAMEWORK

- I. CUSTOMER SATISFACTION**
- II. FACTORS AFFECTING CUSTOMER SATISFACTION IN THE STUDY**
- III. CUSTOMER ATTITUDE**
- IV. PERCEIVED RISK IN SATISFACTION-ATTITUDE STUDIES**
- V. WORD-OF-MOUTH COMMUNICATION AND RELATED BUYING BEHAVIOR**

I. CUSTOMER SATISFACTION

1.1. Customer Satisfaction Concept

Customer satisfaction is one of the subjects that is more recognized in recent years. It is noted that the increasing concern about customer satisfaction does reflect, directly or indirectly, a growing level of overall customer dissatisfaction. Although not a new concern among progressive businessmen who follow the marketing concept, customer satisfaction did not receive that much attention by service firms. However, consumerism and customer protection have stimulated more interest in customer satisfaction. Customer organizations and governmental agencies have also encouraged efforts in this concern (Straver, 1977).

As a result of pressures from both government and consumer groups, some corporations have established new departments of consumers affairs (Blum et. al., 1974). In addition, the growing interest in quality of life and measures of consumer attitude have also stimulated increasing attention toward customer satisfaction (Arndt et. al., 1977).

It has taken business a long time (since 1960's) to come to grips with the real meaning of consumerism. In society, consumers usually have genuine complaints. Business generally has reacted to the growing consumer awareness in five distinct ways or steps (Peterson, 1974):

1. When consumer groups make a charge, deny everything.
2. If denying everything doesn't work, try to discredit who ever made the charge.
3. When consumers get no redress and seek legislative action, hinder and oppose everything.
4. If legislation is passed (or regulations written) try to "defang" anything that is enacted by working against implementation and appropriations or getting an opponent of the law appointed to administer it.
5. Do something about the problems. After repeated frustration, the awakening comes and business realizes that service is its first obligation if it is to grow and prosper. The best way to cope with the problems is to look at the allegations seriously, give responsible consumer spokesmen a fair hearing, and make a serious effort to do something constructive to correct the shortcoming and to maintain consumer satisfaction.

The consumer decision process has been the subject of such research since the 1950's. There have been studies of the amount of consumer information seeking (Newman and Sateline, 1972), the type of information sought, and the sources consulted.

One of the reason that these studies are of interest is that their findings frequently have been assumed to be related to consumer satisfaction. For example, it

1

is commonly thought that a positive relationships exists between (a) the amount of information sought and (b) buyer satisfaction. The latter however seldom has been addressed directly.

There have been surveys of public opinion on marketing practices and consumer issues in which respondents have registered agreement with general statements critical of various aspects of current marketing (Barksdale and Darden, 1972). Few studies however, have attempted to find out directly from customers how they felt in specific buying experience. Further, studies of consumer complaints also have indicated the proportions of consumers who felt upset or attempted to obtain redress for some dissatisfaction to be small (Howland et. al., 1975). In addition, much phenomenological studies of consumer satisfaction have been concerned largely and for a long time with the usage or consumption of products rather than services.

However, (Westbrook et. al., 1978) suggest a need for research to learn more about the characteristics of satisfaction and dissatisfaction, recognizing that negative consumer attitude may reflect personal limitations and predispositions, perhaps, as much as or even more than the imperfections of the market place.

1.2. Defining Customer Satisfaction

In spite of the difficulty of obtaining an adequate operational definition of customer satisfaction,

it is measured in some cases by the lack of consumer dissatisfaction, in the sense of lower level of customer complaints (Hempel, 1976). However, complaints data are sometimes inadequate feedback measures for ensuring a market equilibrium minimizing consumer dissatisfaction (Olander, 1977). Although there is no single definition for customer satisfaction, concern with customer satisfaction can be traced back to the dawn of customer needs.

Marketing concept was built long time ago around satisfaction of customer needs. However, since 1950 the focus has been more toward the issues of interest to consumerism. Marketing theory has been enlarged at that time and marketing thought has contributed to the solution of the problems of excess supply. Promotion was very important at that time, and profit was a function of consumer satisfaction. Marketing research has been enlarged to include consumer satisfaction and other relevant matters. The developments in psychology and sociology emphasizing consumer behavior and environmental influences have received more attention since then and have contributed to marketing theory and enlarged its boundaries (Halbert, 1965).

The concept of utility is also something that can indicate the degree of customer satisfaction. If this is so, then customer satisfaction can be traced across a longer period that have its roots from the economist's concept of utility (Fisk, 1971).

In spite of the difficulties in measuring utility (Green, 1975), economists have viewed utility as inherent in a good involved in terms of form, time, place, and possession utility. Accordingly, customer satisfaction is viewed in those types of utility (Walters, 1974). Perhaps the central theoretical concept of economics has been that of rationality. Economic theory holds that people behave in their decision making as though they were trying to achieve the most of some value, often called utility and often measured in money. The concept of rationality so central to economic theory appears on close examination to be a very difficult concept indeed (Kerman, 1968). However, the definition of rationality is not suggested in this place. Economists view that customers, as rational economic people, prefer more utility (Katona, 1963), therefore collection of higher utility is preferred (Lancaster, 1969). Utility is derived from the characteristics which the good or service possess (Lancaster, 1971). Therefore, goods or services are the vehicles for obtaining these characteristics from which customer satisfaction emerges. In this particular case, goods and services are considered as means rather than ends.

Customer satisfaction has been approached from both micro- and macro- points of view; from both theoretical and empirical stances; from both benefit bundles and single global measure (Haley, 1968, Green, 1972);

and from both an economist's and complaint department's point view (Rockwood, 1971).

Marketers also have assured this fact when they recognize that customers did not buy products and services, but rather solutions ~~the~~ problems (Straver, 1977). Consumption of products and services as an end in itself does not necessarily reflect a fulfillment of sociological needs (Hawes and Arndt, 1979). Since 1965, the decade of reconceptualization, marketing has been defined as a process or rather a social process. Several authors have argued that the modern marketing concept serves very naturally to describe an important facet of all organizational activity.

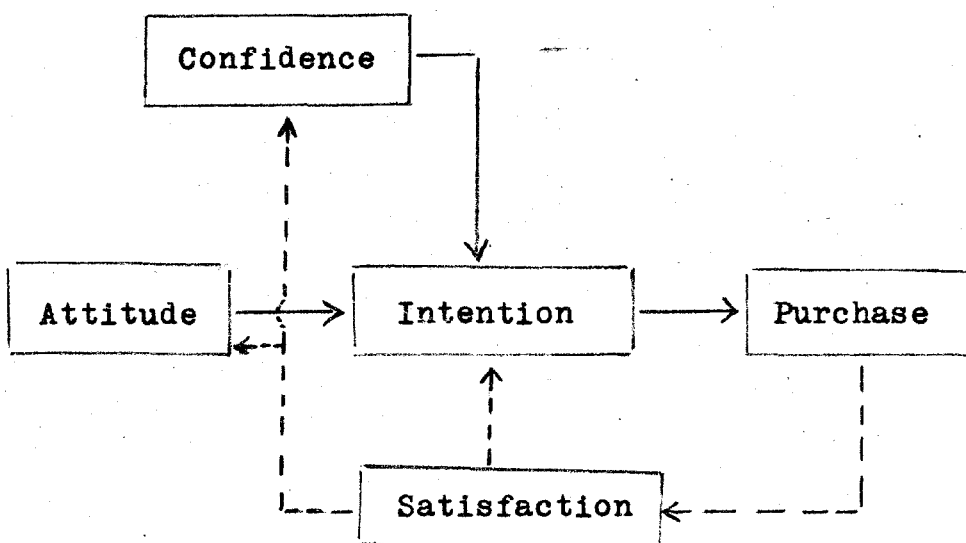
All organizations must develop appropriate products to serve the ends of their consuming groups. The business heritage of marketing provides a useful set of concepts for guiding all organizations to serve customers toward more satisfaction and better solution to their problems (Kotler and Levey, 1971). Thus, the recent definitions of marketing offered by prominent authors of marketing as Arndt have considered customer satisfaction as the core of marketing activities as follows: "Marketing is: (1) The social process consisting of, (2) The conception, planning, and implementation of, (3) The total set of activities undertaken exchanges by, (4) Individuals or organized groups of individuals being actors in the system, (5) In order to bring about the satisfaction of consumer needs for economic goods and services, and (6) The

social and environmental effects of those activities" (Arndt, 1978).

Some of the models known in consumer behavior have given more consideration to customer satisfaction. One of these models is Howard and Sheth model. Howard and his colleagues have tested parts of the model empirically. There have been a number of revisions since 1969. The 1974 published revision of the model have dealt with satisfaction as a function of purchase. Accordingly, in the pre-purchase stage consumer formulates an attitude that affects his intention which may lead to purchase and satisfaction that affect confidence and attitude, as shown in Figure 1.2.1.

Figure 1.2.1

Satisfaction In Howard-Sheth Model



Source: Engel, D. T., and Blackwell, R. D., Consumer Behavior, (Hinsdale, Ill.: Dryden Press, 1978), P. 548

Howard and Sheth (1969) defined satisfaction as "The buyer's cognitive state of being adequately or inadequately rewarded in a buying situation for the sacrifice he has undergone". Therefore, customers' expectations of the degree of satisfaction compared with their actual satisfaction is important in determining their continuation with a specific brand or service.

The relationship of expectations to realizations and the resulting effect on the consumer's level of satisfaction have been considered in several studies (Anderson, 1973). Reference group has also an impact on the degree of satisfaction. Thus satisfaction, like perception, is always relative to a point of observation and to reference groups which serve as anchoring stimuli.

In addition, customer satisfaction is a function of material attributes of the product or service, and the motivations, perceptions, effort expended, and aspirations of the customer as well as the availability of alternatives.

Satisfaction is also a function of consumer benefits or rewards customers seek in their activities and interests. The type of reward customer thought for is classified into material and non-material reward. Sociological theories of behavior include achievements orientation, and tradition-inner-other directed models.

However, in spite of the variety of attributes affecting customer satisfaction and the difficulties in

introducing a unified operational definition of customer satisfaction, an operational definition is offered in the empirical section of this study. This definition is directed more to serve the hypothesized constructs of the research rather than to reach to a universal definition of customer satisfaction.

1.3. Measuring Customer Satisfaction

Although the concept of multiple satisfaction can be traced back to the middle of this century, the most prevailing measure seems to be a single, global indicant of overall satisfaction. This approach was followed in several studies in which the respondent was asked to rate his overall satisfaction with particular product or service.

Hawes and Arndt (1979) quoted two studies that have contributed to the development of consumer satisfaction measure. The first study has contributed to the development of such measure of consumer of consumer satisfaction as a social indicator to supplement the consumer price index that is reported by Lingoos and Pfaff (1972). The other study is reported by Pfaff (1972) on the use of this measure in a pilot study involving a number of household products. "Satisfaction was measured on a seven-point scale ranging from 'Very satisfied' (A) to 'Not at all satisfied' (G)." The author concluded that a single aggregate measure of consumer satisfaction with particular products was not as useful as profile of various measures.

Other studies in which a single indicant of consumer satisfaction was utilized or implied are those reported by Banks (1950), Lehmann et al. (1974), and LaPlaca (1974). The Banks study was one of the first in marketing to use a single scale of satisfaction. It was eight-point, asymmetrical, very satisfactory/very unsatisfactory scale. The only solid conclusion which can be drawn from a review of each of these studies is that each investigator had his own conception of satisfaction and his own unique method of operationalising this concept.

Pfaff (1972) raised a question concerning the utility of single global indicant of consumer satisfaction with a particular product, service, or retail outlet. The multiple measure approach to determining satisfaction appears to hold greater promise of providing vital feedback contributions that are more helpful in formulating marketing strategy.

Similarly, Foricy and Mazis (1975) state: "One difficulty with previous research using an overall satisfaction measure is that a great deal of richness of the data may be lost by combining a multitude of measures into a single score. Studies which are not aggregative, but report only single items may, conversely, obscure relationships among important variables. A multidimensional approach to the complex issue of consumer satisfaction might well be useful in providing more complete information on consumer attitudes."

Recently, Maddox (1981) tried to measure customer

satisfaction and dissatisfaction through instrument performance and expressive performance. The first would correspond to the performance of the physical product, while the second would relate to a "psychological" level of performance, that is the user's response. Take, for example, the concept of values that involves an implicit benefit-cost ratio. Suppose that for a particular product only two dimensions are important: appearance (an expressive outcome) and price (value). If a two-factor view prevails, "value" has little relevance. Appearance would affect satisfaction and price would act on dissatisfaction. Improved appearance would never reduce dissatisfaction. Similarly, a price cut, no matter how deep, could not increase satisfaction, which should only be affected by design improvements. However, while this may be true in some cases it may not be true in others. The measure of satisfaction and dissatisfaction used by those writers comes in its origin from Herzberg's two factor theory which is subject to several criticism.

Finally, Churchill and Surprenant (1982) measured satisfaction as a function of expectation and performance with dissatisfaction as an intervening variable. The results varied from durable goods to nondurable goods concerning the impact of expectations and disconfirmation to the extent that no generalizations can be made to the usefulness of measuring expectations and dissatisfaction in the proposed study.

However, it seems that Hawes and Arndt (1979)

study is somewhat relevant to the proposed research, they explained that when one accepts the concept of multiple benefits or satisfactions occurring to consumers through the use of goods and services, then one is faced with problem of attempting to define these multiple satisfactions. Once defined, consumers could be asked to (a) rate each satisfaction as to its importance to him or her, and (b) if desired, rate the perceived probability of occurrence of that particular satisfaction per consumption experience. Some types of satisfactions, although they may be quite important to particular groups of consumers, may occur only irregularly.

1.3.1. Measuring Customer Satisfaction in the Proposed study

It was found that it is more promising for marketers to measure satisfaction through multiple measures approach, since the utility of only a single global measure of consumer satisfaction with a particular service seems to be questionable. Therefore the multiple measure approach is utilized in this study. In addition, the relationship between these multiple measures and two overall measures of customers satisfaction is investigated in the study.

The multiple measures of satisfaction are concerned with the factors or traits that have impact on consumer satisfaction. Each customer was asked to assign the importance of each factor on a four-point scale, and to assign his feeling toward each factor on a six-point D-T scale. In

addition, each customer was also asked to assign his overall feeling about the retail bank he is dealing with most often, utilizing a D-T scale.

This scale was utilized as Westbrook (1980) has concluded that evidence from three separate studies with durable goods and banking service indicates the suitability of the D-T scale for measurement of consumer satisfaction. The measure has reasonable reliability, converges with other rating scales and free-response measures. In addition, it behaves as would be expected of a measure of satisfaction. Finally, the D-T scale reduces the skewness of satisfaction responses typically noted in previous studies.

The D-T scale is usually a seven items measure but the middle item is removed in this study to reduce the rounding error. The items of the scale are as following: (1) Terrible, (2) Unhappy, (3) Mostly dissatisfied, (4) Mostly satisfied, (5) Pleased, (6) Delighted, and (9) No opinion.

In addition to utilizing D-T scale in measuring the feeling of each customer about the multifactors and his overall feeling about the bank, another overall measure for customer satisfaction was utilized to measure his feeling about his experience with the bank he is dealing with most often. The items of this scale are as following: (1) Extremely happy, (2) Happy, (3) Slightly happy, (4) Slightly unhappy, (5) Unhappy, (6) Extremely unhappy, and (9) No opinion.

The multi-factors (traits) utilized in this study

are as following:

Factors related to bank's employees:

1. Responsiveness to complaints.
2. Accuracy of service.
3. Speed of service.
4. Variety of service.
5. Accurateness of information given to customers.
6. Speed of information given to customers
7. Helpfulness of employees.
8. Friendliness of employees.
9. Attractiveness of employees.

Factors related to customers:

1. Severity of customers' problems in dealing with the bank.
2. Degree of risk perceived in dealing with the bank.
3. General self-confidence.
4. Percentage of per capita income invested in the bank.
5. The length of time period in dealing with the bank.
6. Other alternatives available for investment rather than the bank.
7. Demographic data (Age, sex, and department of work).

Factors related to the bank:

1. Cost of services.
2. Interest rate on savings.
3. Promotion and advertising.
4. Reputation of the bank.
5. Financial position of the bank.

6. Profitability of the bank.
7. Liquidity of the bank.
8. Technical facility of the bank.
9. Social and societal contributions of the bank.
10. Impact of the bank on economy.
11. Layout and district of the bank.
12. Convenience of the bank to shopping areas.
13. Good parking facilities.
14. Facility offered to follow rights through legal actions.

II. FACTORS AFFECTING CUSTOMER SATISFACTION IN THE STUDY

There is a variety of factors that have impact on the satisfaction of the customers of retail banks. As many factors as possible were collected from several sources of literature as mentioned below. The purpose was to follow a multidimensional approach for researching this complex issue of customer satisfaction. This multidimensional approach in dealing with the issue of customer satisfaction might be useful in providing more complete information on customer satisfaction and attitude.

Factors are measured in this study by utilizing the D-T scale simply by asking the respondent about his feeling toward each factor. In addition, each respondent was asked to rate the importance of each factor according to a four-point scale ranging from "very important" to "not important at all".

The factors included in this multidimensional approach of handling customer satisfaction are explained accordingly:

2.1. Responsiveness To Customer's Complaints

Responsiveness to customer's complaints is one of the independent factors affecting customer satisfaction. Due to the importance of responsiveness to complaints, it has received attention from several authors. Resnik and

Narmon (1983) in an exploratory study examined consumer perceptions of appropriate responses to complaints. The responses were analyzed to determine how effectively the managers could deal with consumer requirements. They provided insights into how to deal more expeditiously and judiciously with complaints.

Richins (1983) indicated also that response to dissatisfaction-making complaints in an attempt to remedy the dissatisfaction-has received more attention in the literature. Research has grown directly out of the consumer movement. She quoted studies of Lawther et al. (1979), and Swan and Longman (1973) concluding that the severity of dissatisfaction is positively related to complaint behavior. In addition, the greater the blame for the dissatisfaction placed on someone other than the one dissatisfied, the greater the likelihood of complaint action.

Finally, Andreasen et al. (1977) aroused the more vital need of business to respond to consumer complaints. They explained, according to the findings of their survey, that there is a widespread dissatisfaction among customers toward handling of their complaints.

2.2. Quality of Service

Quality of bank service include three major factors: Accuracy of service, speed of service, and variety of service. Bank employees and management must consider

these three factors to a great extent. It is noticed that there is usually a lack in bank services in connection with these factors, which may lead to negative consequences affecting the productivity of the bank, and customer satisfaction.

Lovelock and Young (1979) explained that in service sector increasing productivity is more difficult because it is dependent partially upon customer as well as employees. For example, if the customer fails to complete his bank withdrawal slip correctly and argue with teller, then he will slow down the service and delay other customers as well. Because services involve customers, increasing productivity becomes a matter of changing customer behavior. This is dependent, of course, on customer acceptance of the change.

In services, where there is a great deal of personal contact, productivity can be increased by changing procedures at point of delivery. But these changes such as replacing a bank teller with machines, directly affect customers, and the acceptance of the change cannot be simply assumed. Sometimes the "technical core" or "back room operations" of a service can be separated from the personal service aspect. In recent years, many of the productivity gains made by service organizations have been achieved within the technical core. Customers now handle accounting procedures. But changes in the technical core may still affect consumers, requiring them to accept

changes in bank statement formats. While many innovations offer benefits to customers such as greater accuracy and faster service, customer acceptance can not be taken for granted.

It is worth to pay attention to the fact that the American productivity center has singled out banking as a particularly poor productivity performer. One strategy for improving this situation is to replace human tellers with machines for routine transactions. However, the cost/benefit analysis should be applied before introducing such device. In 1967, automatic tellers machines (ATM_s) started in Britain. In 1970, a few banks in the U.S.A. began to experiment with ATM_s.

As a matter of fact, there is always a trade off between speed and accuracy. If the speed is very high then, there may be some cases of inaccuracy. In addition, the design of ATM_s themselves may be accompanied with some pitfalls. Sometimes, ATM_s malfunction and refuse to return valid cards, and sometimes the customer himself may punch wrong data on the card. However, some of the newer ATM_s are equipped with telephone, staffed 24 hours per day, with which a customer can call for assistance in case of difficulties.

As for the variety of services, banks always plan to provide several services to their customers. In addition to the usual services of customer accounts and transfers, there are a variety of services that can be provided by

banks to the businessmen seeking commercial information. However, many people using banks for their day-to-day financial transactions remain unaware of the value of their ancillary services. One of the principal fields in which the banks have equipped themselves in recent years has been in their services to businessmen and exporters. Some banks maintain taxation departments and some provide full travel agency service. Many are also empowered to act as nominees to administer investments (Davinson, 1965).

In addition, several banks publish helpful materials relating to the practice and procedures of export. Some of these publications emphasize the role of publishing by the bank in export matters. Other bank publications are designed to assist the exporter by explaining procedures and services available from all sources, not merely from the individual bank. In addition, most banks throughout the world produce at least one periodical and many of them have an editorial policy based on a wider field than the purely financial. Businessmen can expect to find articles on the economic and social conditions in various countries and statistics of trade, population, and production, as well as much else.

Furthermore, Warmike et al. (1971) have enlisted several services that the bank can offer, some of which are: (1) Checking accounts, (2) Economic service (employing idle money of checking and time deposits accounts), (3) Joint accounts, (4) reconciliation of bank statement, (5)

Stopping payment on a check, and Postdating check, (6) Free charges on a large checking accounts, (7) Bank drafts, (8) Certified checks, (9) Cashier's checks or treasurer's checks, (10) Bank money orders, (11) Traveler's checks, (12) Saving accounts, (13) Trust functions of bank, (14) Self-deposit boxes, (15) Financial and tax advice, (16) Travel service, (17) Charge account services, (18) Instant credit, (19) Revolving credit, (20) Sale of Government bonds, (21) Commercial papers, and (22) Personal loans.

2.3. Quality of Information Given by Employees

Quality of information is one of the criteria that differentiate between banks. Quality of information can be classified into two main parts: accurateness of information and speed of information given to customers. Information is important to customers because in open market it has inherent merit relative to customer protection and security (Thorelli et al., 1980). Therefore, customer information on the part of employees and on the part of information system of the bank as a whole seems to be indispensable element of customer satisfaction.

One study, quoted by Anderson (1973), found that when marketers provide insufficient information to customers, they merely encourage or force to seek information about the product from other sources. The other sources may be friends, associates, independent ret-

ailing organizations, consumer groups, Government agencies, and competitors. Therefore, it is preferable that each bank support quick, sufficient, and accurate information to its customers.

2.4. Employees Characteristics

Among the most important factors of bank employees are helpfulness, friendliness, and attractiveness. The importance of these factors stem from the concept that customer is the king, and every aspect of marketing including personal selling effort must focus on the customer. Customers are offered better help when employees are assigned only to those tasks in which they can perform more effectively and efficiently (Shapiro, 1974).

Employees and tellers of the bank can perform functions for the customer that make them valuable. Further, helpfulness, and cooperativeness in handling customers' problems, friendliness, and attractiveness are all factors anticipated from bank's employees and tellers in dealing with their customers.

Employees should have the following characteristics in order to be helpful to their customers: promptness, understanding customer wants and needs, offering good quality of service to their customers, answer all customers questions and give better response to their complaints, give accurate information at the time they need it, and

finally give interest and respect to their customers (Lombard, 1955). In addition, employees should be friendly to their customers and attractive to some extent to be able to offer an acceptable services to them.

In fact, it is difficult to obtain all these characteristics from all employees at all times. It requires more understanding of customer behavior, good perception of customer needs, and better communication between employees and customers. It may require an extensive training and evaluation to improve employee behavior (Kolb, 1979).

In order to satisfy customers, bank's employees as well as customers should be directed toward that aim. One of the best ways that fit this situation is to change customers and employees's attitude toward each other. Shiffman and Kanuk (1978) offered five major methods of changing attitude: changing the basic motivation, associating the service with a group or event, changing relevant beliefs, relating to conflicting attitude, and altering behavior patterns.

In addition, effective communication between employees and customers should help to increase the required satisfaction. Helpful ways of communication may help in achieving higher satisfaction of customers. One of these ways is active listening. When employees tend to listen well to customers, then customers perceive employee as a source of help. This simultaneously tends to

improve employee's perception concerning customer's perception toward him as a source of help which ends with better service and more satisfaction to customers.

However, although of listening to customers may create better helpfulness and better services to them, it may not necessarily increase the productivity of the employee. Therefore other devices are necessary. Some of these devices are related to communication. It is usually more effective when the employee utilizes efficient use of time, space, and things; supportive (not defensive) communication; continuous awareness of the intricacies of the perceptual process; and increased accuracy in one's self perception (Kolb, 1979).

In addition, creation of effective work groups are required for better patterns of employee behavior in the bank. Then, employees should acquire the skills that should emerge from these new patterns of behavior. In this manner employees can achieve better productivity in addition to better satisfaction to their customers (Likert, 1979).

2.5. Severity of Problems, Self-Confidence, and Degree of Perceived Risk

Severity of problems, and handled risk have an impact on customer dissatisfaction. Richins (1983) reported that the more severe the problems created by a retail

institution for a customer, the more dissatisfaction and the greater tendency to engage in negative Word-of-Mouth Communication by the customer. In this situation customer may process and transmit negative Word-of-Mouth Communication to a greater extent. In addition, customer may take negative actions that vary in its strength according to the severity of the problem caused to him by a retail institution.

In addition to the severity of problems, degree of perceived risk have also an impact on customer dissatisfaction. Usually, the more severe the problems, the higher the perceived risk, and the lower the satisfaction. Perceived risk can be caused also by reasons other than the severity of problems. Further, perceived risk may be due to real, or unreal reasons. It may be inherent or handled. Further, General self-confidence, in addition to specific self-confidence may be considered as an intervening variable that affect the degree of perceived risk. However, further analysis of perceived risk is offered in a following part of this study.

2.6. Time Period, Demographic Data and Other alternatives

Usually, the longer the period of time in dealing with a bank, the more loyal should be the customer to that bank and the lower the dissatisfaction.

Further, demographic data, such as age or sex, may be associated with the degree of satisfaction. For example, it may be found that older people are more satisfied in dealing with their banks than younger people, or vice versa.

Other alternatives also may affect the degree of customer satisfaction. It may be hypothesized that the more the better alternatives for investment rather than customer's bank, the less satisfaction in dealing with that bank. This issue will be discussed with some detail in the analysis section of this study.

2.7. Cost of Services

Cost of services is one of the factors that may affect customer dissatisfaction. Maddox (1981) considered cost of service, as well as price of product, as an instrumental factor that corresponds to the performance of the product itself and affect customer dissatisfaction, while expressive performance corresponds to the sociological level of performance and affect customer satisfaction.

Usually, charges for a bank service are incurred when deposits are made in an account and checks are written. This service charge may be determined by each bank, or all banks in a city or a country may follow the same plan (Warmike et al., 1971). However, cost of

services may vary from bank to another, and even may vary from country to another according to the rules and regulations followed in each country.

2.8. Interest Rate on Savings

Interest is usually paid on saving accounts in banks. There are some differences in the interest earned from one bank to another or from one country to another. The income from interest on savings account is greater when interest compounded daily than when it is compounded semiannually or annually at the same rate (Warmke, 1971).

Many banks also encourage a "time deposit" or "certificate of deposit", of money for interest usually higher in rate. These special deposits may not be withdrawn until the time specified in terms of agreement is fulfilled. However, variation in interest rate in response to time dimension of deposits is an important factor to be taken in consideration.

2.9. Promotion and Advertising

Promotion and advertising are paid forms directed toward expected or existing customers. Promotion and advertising of services generally and of bank services particularly do not have wide dispersion, specially in developing countries. Banks in developing countries do not give promotion and advertising the same attention that are

given by banks in developed countries. For example, free gifts to customers are utilized to a greater extent in the United States, England, France, and other developed countries. While they may be utilized to a lower extent or may not even be utilized at all in developing countries. Catalogues, pamphlets, brochures, and advertisements about banks are widely distributed in developed countries compared to developing countries. However, in some cases, environmental and competitive circumstances may be a reason to interpret such variation in the applicability of such marketing devices.

2.10. Reputation, Liquidity, and Financial Position

Reputation of the bank is an intangible asset. It is considered as an important factor for the bank from the point of view of its customers. In fact, reputation of the bank is affected by several aspects, some of which are security, return on investment, interest on savings, liquidity and financial position of the bank.

Banks that usually: (1) secure the money of their customers against loss, (2) earn long run high return on investments, (3) give good interest rate on savings, (4) guarantee for liquidity in short run, and (5) have a good financial position are considered of good reputation.

Generally, the establishment of banks is contro-

lled by Government laws. These laws are designed to protect depositers against loss, and to make certain that the bank is financially sound and that there are adequate funds available for the operating needs of the bank (Warmke et al., 1971).

2.11. Profitability, Social, Societal, and National Economic Responsibilities

Profitability, as an objective, has been the subject of some controversy in recent years. While some authors stress the importance of profitability and make all-too-frequent references to "maximum profitability" and "maximum efficiency", there are others who stress some of the wider objectives of the business, for example, provision of goods and services, discharge of responsibility to the employees, investors, public, society, and the national economy.

The truth, surely, lies between the two extremes. Profitability must be regarded as the most important long run objective. Yet other objectives may, at times, take precedence over profitability (Kotas, 1970). It is the interplay of these various objectives that necessitates a compromise and leads to the concept of "optimum profit", which is commonly referred to as the profit target.

In fact, marketing activities play a vital role in the achievement of the above goals and objectives. In

a survey of "English Clearing Banks" it was found that after applying marketing activities, banks under study reported their highest level of satisfaction with marketing as the means of meeting their objectives. In general, high satisfaction was perceived in attaining financial and profit targets and also with adopting profitability to change in the market place, and to societal requirements. Marketing is seen as adding to employee job satisfaction and as influencing the bank's corporate image while not detracting from the public image (Watson, 1982).

2.12. Technical Facilities of the Bank

Technical facilities are very important for the bank systems. Technology and innovativeness related to the core and intervening systems of the bank must cope with successive technology and inventions in the external and competitive environment. There should be an interaction between core, intervening, and external technology (Tompson, 1969; Jelenik, 1977).

Technical facilities, like electronic funds transfer system (EFTS), provides retail bank customers with financial transactions which are convenient and safe (Vinson et al., 1978). However, resistance to change by some customers may be a problem that need to be faced in introducing a new technology, like the new

EFTS service. Strategy to introduce and implement the change, as well as educational campaigns are necessary to face the situation (Davis, 1981).

Consumer education represents a critical element in the adoption of such a new form of retail banking. Strategies designed to introduce new technical facilities, and educational programs that accompany the introduction, can affect consumer's attitude toward electronic banking.

2.13. District, Location, and Parking Facilities of the Bank

One of the factors considered in selecting a bank is its location. Location of the bank from the point of view of bank customers include the following: (1) proximity to work, (2) proximity to home, (3) proximity to shopping areas, and (4) proximity to parking areas. Several studies have considered these attributes as determinant in selecting a bank. However, in a study by Anderson (1977) location was considered as an important factor. But in spite of the importance of this factor, it was not found to be determinant, in the sense that a selection criterion may be important and yet not determinant in the decision making.

2.14. Facilities Offered to Follow
Rights Legally

Facilities offered to customers to follow their rights legally are important in some situations. Customers, occasionally, may need legal consultation to solve some financial problems. They also may need help to solve problems of transferring money from one bank to another located in the same city or in different cities or even in different countries. Delay in the transfer process may be very costly in terms of time, interest lost, and opportunity cost.

A problem arises when a customer of particular bank either cashes or deposits a check that was drawn on some other bank. In order to make "Clearing" process, the customer bank must collect the amount of the check from the bank on which the check was drawn (War-mke, 1971).

The "Clearing" process is more complicated among banks widely separated. In order to solve the problem, clearing houses may be established in some cities and among banks widely separated. It is a voluntary association of banks that has to solve problems common to the member banks. One of those problems is the clearing of checks and the arrangement of collections between banks.

At the end, it is concluded that several

factors affect customer satisfaction. Some of those factors are related to the bank, some others are related to employees of the bank, and some others are related to bank customers.

III. CUSTOMER ATTITUDE

3.1. Attitude Concept And Definition

Attitude and attitude change play a major role in both consumer research and marketing attempts to affect consumer behavior. Through studying attitude, it is easier to understand the character of thoughts and feelings that proceed or succeed purchase. And if these thoughts and feelings can be understood, then presumably they can be influenced in order to change behavior.

Although attitude are actually a way of thinking, it is known that a person has an attitude only by what he says or does. When someone prefers a retail institution or a brand consistently and recommends it to friends, it is inferred that he has a positive attitude toward it. If he was asked to rank that retail institution among all other retail institutions he would probably rank it first. And if a market research interviewer asked about this consumer's beliefs, opinions, and intentions, it is likely he would find them to be favorable also (Schiffman and Kanuk, 1978). Therefore, a mental state determines an individual's favorable or unfavorable inclination toward an attribute or an object. This inclination is known as an attitude (Hughes, 1971).

Evidently, a whole universe of activities, consistent preferences, recommendations, top rankings, beliefs,

opinions, and intentions are related to attitude. Therefore, attitude is learned tendencies to perceive and act in some consistently favorable or unfavorable manner with regard to a given object or idea (Fishbein, 1967).

3.1.1. Attitude Components

Several authors have agreed about three main components of attitude:

(1) The perceptual and cognitive component: A cognitive component is the idea which is generally some category used by humans in thinking. Categories are inferred from consistencies in responses to discriminably different stimuli. The perception of a brand, product, or service can be a part of attitude and can lead to evaluations. Conversely, evaluations can affect perceptions (Schiffman and Kanuk, 1978).

The perceptual-cognitive component of attitude is almost always basic to the other parts of attitude and behavior itself. Perception-cognition is probably the most important attitude component in the development of marketing strategy. If marketers can change consumers' beliefs, they have a chance to change evaluations, action tendencies, and subsequent behavior.

(2) The affective and evaluative component: An affective component is the emotion which changes the idea. If a person "feels good" or "feels bad" when he thinks about the category, then it is concluded that he

has a positive or negative attitude toward the members of this category (Triadis, 1971).

The nucleus of attitudes is evaluation. Sometimes it is the only component measured. In consumer behavior, the evaluation component is measured by asking consumers how well they feel the product or service will (or does) perform, especially in comparison with other brands or services.

(3) The behavioral and action-tendency component: A behavioral component is a predisposition to action. The transition from attitudes to actual buying is usually made through the action-tendency component, which can be measured by questions regarding buying intentions or preferences.

The tri-component attitude model and its relation to behavior is depicted in figure 3.1.1. Several points should be noted:

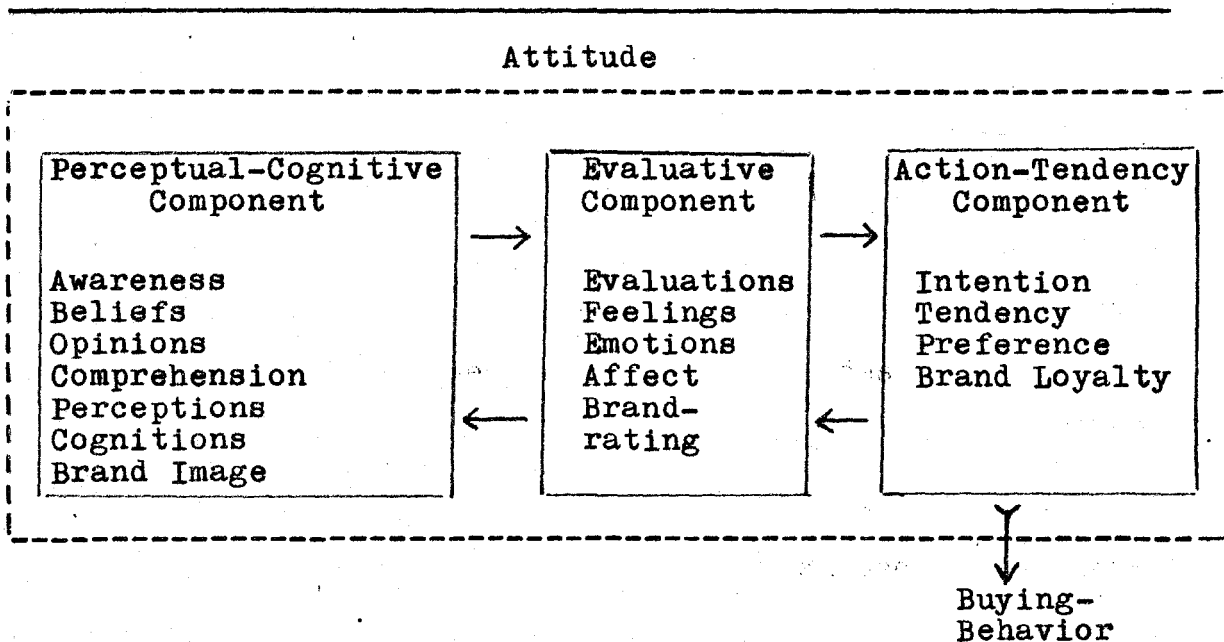
First, the three components build upon each other.

Second, evaluations are the key aspect of attitude while perception can lead to evaluations, evaluations can also affect perceptions. Similarly, though evaluations usually lead to action tendencies, the tendencies, as well as the action itself, can also affect evaluations.

Third, attitudes relate in only general ways to buying behavior. The correspondence between attitudes and actual behavior is closest when the action prediction is made from buying intentions.

Figure 3.1.1

The Tri-Component Attitude Model and Its
Relation to Buying Behavior



Source: Schiffman, Leon G. and Kanuk, Leslie Lazar, Consumer Behavior, (Englewood Cliffs, N.J.: Prentic-Hall, Inc., 1978), P. 153.

3.2. Functions Of Attitude

Attitude is developed in the process of coping with individual's social environments and, once developed, it facilitates his adjustments by regularizing his reactions to recurring events. When it is rigidly organized, however, it constricts the richness of his experiences because he tends to categorize things, people, and events too readily into overstructured patterns of thought and his feelings and reactions with regard to them become routinized (Lambert, 1964).

The major functions which attitudes perform for the individual can be grouped according to their motivational basis as follows (Katz, 1968):

1. The instrumental, adjustive, or utilitarian function: Attitude helps individual to understand the world around them, by organizing and simplifying a very complex input from their environment.

2. The ego-defensive function: Individual protects his self-esteem, by making it possible for him to avoid unpleasant truths about himself.

3. The value-expressive function: Attitude helps one adjust in a complex world, by making it more likely that he will react so as to maximize his rewards from the environment. Individual derives satisfactions from expressing attitudes appropriate to his personal values and to his concept of himself.

4. The knowledge function: Knowledge function is based on the individual's need to give structure to his universe, to understand it, to predict events.

Stated simply, the functional approach in attitude studies is the attempt to understand the reasons people hold the attitudes they do. The reasons, however, are at the level of psychological motivations. Unless we know the psychological need which is met by the holding of an attitude we are in a poor position to predict when and how it will change.

3.3. Formation Of Attitudes

The process by which consumers form beliefs and attitudes toward products and services has only recently received much attention in the literature of consumer behavior. Consumers appear to use two different types of strategies in arriving at these judgment: Compensatory and noncompensatory (Engel and Blackwell, 1978).

3.3.1. Noncompensatory Models

With noncompensatory models the weakness on one attribute is not compensated for by strength on another. It has received much less attention in the literature. However, there are three variations:

1. The conjunctive model: According to this model, the consumer establishes a minimum acceptable level for each product or service attribute. A brand or service will be evaluated as acceptable only if each attribute equals or exceeds that minimum level. A lower than acceptable rating on one attribute will lead to a negative evaluation and rejection.

2. The disjunctive model: This model indicates that the consumer establishes one or more attributes as being dominant. A brand or service will be evaluated as acceptable only if it exceeds the minimum specified level on these key attributes. The other attributes really are of little significance.

3. The lexicographic model: As for this model, the consumer ranks product or service attributes from most important to least important. The brand or service that dominates on the most important criterion receives the highest evaluation. If two or more brands or services tie, then the second attribute is examined and so on until the tie is broken.

3.3.2. Compensatory Models

With compensatory models the weakness on one attribute may be compensated for by strength on an other. They are categorized into two main categories:

1. The expectancy-value model: This model included two main versions. The first assumes from the outset that there will be more than one evaluative criterion or attribute along which the alternative will be evaluated. Judgments are based on beliefs that assess whether or not the object actually possesses the attribute in question plus an evaluation of the "goodness or badness" of that belief. This in effect, is the Fishbein multiattribute attitude model (Fishbein, 1967). The other version is related to Rosenberg model (Rosenberg, 1956). This model, as initially published, contained two variables: (1) values "Evaluative criteria" and their importance in arriving at an attitude and (2) perceived instrumentality (the degree to which the taking of a point of view or following an action will either enhance or block the attainment of a value).

The Rosenberg (1956) model states that the sign and degree of an overall attitude toward an object is a function of the sum of the products of the importance of each value associated with the object times the potency of the object for realizing the value (Hughes, 1971). In the pure form, the Rosenberg model calls for the measurement of value importance on a scale containing 21 categories ranging from "gives me maximum satisfaction" (+10) to "gives me maximum dissatisfaction" (-10) (Engle and Blackwell 1978).

2. The attribute adequacy model: The expectancy value model makes no assumptions about the degree to which rating of a brand or product along an attribute approaches or even exceeds the "ideal" the consumer has in mind for that attribute. However, in the attribute adequacy model, the evaluation is arrived at in a similar manner as discussed above, with the exception that an explicit assessment is made of the difference between "ideal" and "actual" on each attribute.

3.4. Impact Of Customer Behavior And Satisfaction On Attitude

Some research on attitude admit that customer attitude infoces his behavior in a certain manner toward an object or an idea. Further, there is a group of consumer behaviorists who maintain that behavior change must be somehow generated by an attitude change (Howard

and Sheth, 1969; Pinson and Roberto, 1973). While this may be true the history of behavioral science reports conflicting views. Contesting to the above view is another group which holds the proposition that an attitude change is not necessary for behavior to change (Festinger, 1964). Attitude change comes from an antecedent behavior change. Accordingly, changes in attitudes may follow changes in behavior, thereby supporting the theory of cognitive Dissonance. Atkin (1962) concluded, after analyzing the results of a study on store patronage, that attitude toward various stores changed only after shoppers bought there.

In spite of the above conflicting views, the conflict was resolved by a general theory that showed that both views could be valid. Attitude change may precede behavioral change in some situations, while behavioral change may precede and affect attitude change in some other situations (Hughes, 1971). In a similar manner, Nicosia (1966) indicated that both attitude and behavior affect each other, while Engle and Blackwell (1978) stated in their model that attitudes and beliefs may affect behavior in terms of choice of an alternative action. They stated also that satisfaction may affect information and experience which in turn may affect evaluation, beliefs, and attitudes.

From the above, it can be generalized that customer behavior and (or) satisfaction toward a product

or service may affect his attitude. The interpretation of this may be explained by two theories: (1) Cognitive dissonance theory, and (2) Self-perception theory. Attitude change would follow changes in behavior. Experience with the product may produce cognitive dissonance, which would send the buyer in search of new behavior to immetiate. Accordingly, information processing would flow from behavior toward attitudes and beliefs (Hughes, 1971).

The basis of the changing attitudes by changing behavior strategy is that attitudes are learned from experience. The most important experience is actual behavior and receiving rewards and punishments for that behavior. Thus, if people are encouraged to behave-to have experiences with a product or service-then it is possible to change their attitudes toward that product. One process of attitude development begins with behavior. More specifically, after buying a product or service, consumers often experience what is known as post-purchase dissonance. Since the choice between two alternatives is not always a clear one, the existance of the rejected choice and its advertising can produce an unpleasant feeling of dissonance. This can lead to seeking out supportive information and, as a result, developing a stronger attitude toward the chosen alternative (Schiffman and Kanuk, 1978).

A similar process is observed when behavior is changed in order to change attitudes. By behaving in a certain way, people actually make a commitment, which can

lead to attitude change. One explanation of this type of attitude change is called self-perception theory (Bem, 1972). Self-perception theory predicts that a consumer's own behavior infers to himself an attitude and the strength of that attitude. Further, research has shown that almost any degree of commitment, even without actual induced behavior, can affect attitude (Swinyard and Ray, 1977). Accordingly, any behavior that can be induced by marketing effort can have the effect of commitment or self-perception on attitude. The greater the real personal commitment or effort on the part of the consumer, the greater the impact on his attitude.

3.5. Measuring Attitude

Measuring attitude involves the measurement of the three main component: perceptual, evaluation, and action-tendency component. The focus of this study is upon "action-tendency component that serve the hypothesized construct tested.

During "the action-tendency" stage the customer organizes his attitude into a cluster, weighting each attitude according to its perceived importance. This cluster represents his action tendency in terms of his overall preference to or repulsion from the attitude object. It is measured in several studies in terms of preference of buying a specific product or service, buying a substitute product or service, dealing with a spec-

ific retail institution, or dealing with a substitute retail institution (Hughes, 1971).

The nature of most measurement scales used in attitude studies appear to be interval at most. Most are bipolar or Likert-type scales. Attempts have been made in some studies to assign a rational zero point. Harrell and Bennett (1974) assigned a value of zero to the medium point of the seven point Likert scale, with the total scale ranging from +3 to -3. However, Schmidt and Wilson (1975) indicated that while such a zero point might correspond to the true point of indifference, operations necessary for the determination of such a zero point are quite complex and time consuming.

3.5.1. Measuring Attitude In The Present Study

In this study, attitude is measured in terms of customer preference of the bank he is dealing with most often over other banks. The overall preference is the purpose behind such measuring.

The reasons of selecting overall preference to measure attitude are as follows:

First: Each customer investigated deals already with a specific bank. Therefore, measuring attitude is directed in terms of preference of a specific bank over other banks.

Second: The measure of overall attitude is a medium to test the relationship between satisfaction and

attitude. Since it is intended (in the first and the second hypothesis) to measure the relationship between customer's feeling about several traits (attributes) and overall customer satisfaction. It is also intended (in the third hypothesis) to measure the relationship between overall satisfaction and overall attitude. Customer's evaluation of each trait (attribute) is not necessary in this stage since, it is already measured in terms of customer satisfaction in the previous stage.

Direct and indirect measuring is utilized to test for validity (specially convergent validity). The direct measuring is utilized by asking direct question about customer attitude toward his bank in general. The indirect measuring is utilized by asking indirect question about customer preference toward his bank over other banks. Six-point scales are utilized to reduce the rounding error by eliminating the mid-point. In addition, having relatively high number of scale points might have also contributed to reduce the rounding error. The scale-points ranged from "extremely good" to "extremely bad" for the direct measuring, and from "extremely prefer" to "extremely do not prefer" for the indirect measuring.

At the end, attitude definition includes three components; perceptual component, evaluative component, and action-tendency component. The last component, in terms of preference, is the most important one for this

study. Attitude is affected by customer satisfaction or dissatisfaction. Therefore, attitude in terms of preference is a function of customer satisfaction. Further, customer attitude may be accompanied with other consequences such as Word-of-Mouth Communication and related behavior. Therefore, Word-of-Mouth Communication and related buying behavior is handled in a next section.

IV. PERCEIVED RISK IN SATISFACTION-ATTITUDE STUDIES

4.1. Perceived Risk Concept And Definition

The concept of perceived risk has been handled by several writers from several dimensions. One of the important areas that have received limited attention in research is the relationship between perceived risk, satisfaction, and Word-of-mouth Communication. Some writers have related risk to information handling, but very few of them have related risk to satisfaction and Word-of-Communication.

Perceived risk is an important variable in consumer decision making. Consumers make decisions regarding what products or services to buy. Because the outcomes (or consequences) are somewhat uncertain, the consumer faces some degree of "risk" in making a purchase decision. The concept of perceived risk has been defined by Bauer (1967) as follows: "Consumer behavior involves risk in the sense that any action of a consumer will produce consequences that he cannot anticipate with anything approximating certainty." This definition highlights two relevant dimensions of perceived risk: uncertainty and consequences.

Kogan and Wallach (1964) indicated that the concept of risk have two factors. These two factors may

be somewhat different from each other as follows: a "chance" aspect where the focus is on probability, and a "danger" aspect where the emphasis is on severity of negative consequences.

Cox (1967) clarified the need to consider the subconscious as well as the conscious levels in identifying perceived risk. It is often necessary to infer the presence of "perceived" risk from behavior, since consumer may be unable or unwilling to specify that a situation confronting them is risky. At a conscious level, he may have never thought about some of the things as risky. But his behavior may be affected by risk "perceived" at a preconscious or subconscious level.

Several writers have mentioned also that the amount of perceived risk involved in any behavioral act is assumed to be a function of two factors:

(1) The amount at stake that would be lost if the consequences of the act were not favorable. The amount at stake for the consumer is determined by the importance of the buying goals, and the costs involved in attempting to achieve a particular set of goals.

(2) The individual's subjective feeling of degree of certainty that the consequences will be favorable or unfavorable.

Taylor (1974) identified risk in terms of two aspects: uncertainty about the outcome and uncertainty

about the consequences. Both aspects are thought to be present in every choice situation but in varying importance to each other, depending upon the exact nature of the decision.

However, Peter and Ryan (1976) indicated that although few conceptual definitions of perceived risk are found in the consumer behavior literature, they seem to be unacceptable for all cases. Although that Bauer (1967), and Taylor (1974) suggested that perceived risk is equivalent to the concept of uncertainty, the definition of risk in terms of uncertainty will not be applicable to the case in which consumer is perfectly certain that the brand or service is totally unacceptable for purchase. Thus, it adds little in terms of meaning specification. In addition, the identification of risk in terms of uncertainty and consequences may lead to a lack of consistency in operational definitions and a lack of comparability of results. Peter and Ryan therefore, identified risk in their conceptualization in terms of downside risk or expectations of negative utility.

4.2. Perceived Risk Models

The initial structure model of perceived risk according to Cox (1967) shows perceived risk as a function of various degrees of two components: uncertainty and consequences. Two types of risk are suggested- "perform-

to the "ideal" or tolerable level. Thus, while customers cannot always try to reduce perceived risk, it might be predicted that they will try to reduce the variance between the actual and the ideal as following:

1. When perceived risk exceeds desirable and tolerable risk, risk reducing behavior will tend to be invoked.

2. When perceived risk is less than that desired, a consumer may tend to engage in risk increasing behavior, particularly if his current brand is known to be below the acceptance level.

3. When perceived risk approximates that which is desirable, consumers will tend not to act to reduce or increase perceived risk.

The perceived risk according to Cox (1967) can be stated as multidimensional conceptual scheme including: (A) uncertainty and consequences components, (B) performance and sociological components, (C) specific, intermediate, and general components, and (D) actual, ideal, and variance components.

To some extent, propositions have been worked out concerning the relationships among various components of the perceived risk matrix and dependent information handling variables. It has been proved from writings of several authors that the nature, amount, and level of perceived risk can be strongly associated with information acquisition, information transmission, information proce-

ssing, and brand loyalty.

4.2.1. Inherent And Handled Risk

In the studies of perceived risk, little effort has been devoted to build a formal model of risk and its components. Bettman (1973) intended to model risk in terms of its components. He attempted to remedy some of the shortcomings of earlier studies. He mentioned that to obtain more precision in models dealing with perceived risk, it is helpful to partition risk into two slightly different constructs, inherent risk and handled risk. Inherent risk, according to him, is the latent risk a product class holds for a consumer—the innate degree of conflict the product class is able to arouse. It deals with the riskiness a consumer feels if no information is assumed. Handled risk is the amount of conflict the product class is able to arouse when the buyer chooses a brand from a product class in his usual buying situations. It includes the effects of particular brand information.

Most studies of risk seem to have dealt with inherent risk. However, few studies (Cox, 1967; and Spence, Engle, and Blackwell, 1970) have dealt with handled risk. In this particular context, Bettman (1973) developed a model for perceived risk and its components. He tested his model empirically for nine product types. The results generally support the hypothesized model. He hypothesized

that:

First: Inherent risk for a product class will increase with (a) variation in perceived product quality; (b) importance of the brand choice for a product class, and (c) the perceived price paid when a brand from the product class is purchased.

Second: Inherent risk for a product class will decrease with (a) the size of the acceptable set of brands in terms of quality; (b) the mean level of quality for product class.

Third: Handled risk for a product class will (a) increase with inherent risk for that product class; and decrease with (b) amount of information about the product class in general; (c) usefulness of that information; (d) confidence with which the information is held; and (e) mean familiarity with specific brands in the product class.

The hypothesized model is supported by the data, except for the perceived price variable in the inherent risk model. For the handled risk model, inherent risk is the dominant variable, with information seen as a corrective variable.

4.2.2. Perceived Risk In Retail Institution Selection

In many product categories, a consumer handles perceived risk by developing loyalty to a particular brand,

assuming a certain amount of brand comprehension and a reasonable purchase frequency. When these conditions are not present, as in retail service organizations, a possible risk-handling strategy is to shift one's focus to the retail institution.

On a priori grounds, a person's general self-confidence (self-esteem) and the amount of risk he perceives in retail institution selection ought to be inversely related. Similarly one's specific self-confidence in his ability to select a good retail institution should relate inversely to the risk perceived in retail institution selection. In handling any perceived risk, the consumer can seek information or patronize the same establishment repeatedly. Use of both strategies should vary directly with the amount of perceived risk.

To test these notions and, in effect, to ascertain the relationship of the perceived risk construct to store patronage, Hisrich et al. (1972) concluded a study through personal interviews with 300 households. The data suggested weak to moderate (though statistically significant) relationships between risk and confidence; and information seeking and risk. For each product studied, consumer's self-esteem and their-assessed ability to choose a store in which to buy seemed to bear on how much risk they perceived. Similarly, the amount of this perceived risk seemed to suggest the extent to which information seeking occurred—at least for the female

respondents. These results seem to be in general agreement with the empirical literature on perceived risk and thus extent it to the question of retail institution selection.

The relationship between general self-confidence and perceived risk are consistently weaker than those between specific self-confidence and perceived risk. Cox and Bauer (1964) found an interacting relationship between generalized and specific self-confidence and persuasibility in women, and have demonstrated the importance of considering generalized self-confidence as a key variable in consumer behavior.

4.2.3. Perceived Risk and Information Handling

Cunningham (1967) hypothesized that those who have high self-confidence would have sufficient assurance to discuss product freely with others. Those low in self-confidence, however, might feel defensive and somewhat threatened. In addition, it was predicted that those high in self-confidence would be more likely to be opinion leaders and hence would be more likely to discuss the product for reasons other than to reduce risk. In addition, data demonstrated that as perceived risk increased, so did the percentage of respondents who discussed the product.

Therefore, in examining the relationship among self-confidence, perceived risk, and product related discussion; the greatest percentage of talkers would be

expected in the high-medium risk/high confidence group. The lowest percentage of talkers would be expected to be in the low risk/low confidence group.

Cox (1967), and others, have stated that the nature, amount, and level of perceived risk can be strongly associated with:

1. Information acquisition (the source, amount, and nature of information acquired).
2. Information processing (the evaluation, utilization-persuasiveness- and storage of information acquired).
3. Information transmission (the amount, nature, audience, and initiative in interpersonal Word-of-Mouth Communication).
4. Brand loyalty and brand trial (product adoption).

4.2.4. Comprehensive Model of Risk Taking

Taylor (1974) outlined a theoretical structure for risk taking in consumer behavior by specifying the principal concepts involved and the interrelationships between the concepts. He states that any choice situation always involves two aspects of risk: uncertainty about the outcome and uncertainty about the consequences.

In his tentative framework, Taylor has drawn attention to three individual difference variables that are not studied sufficiently by marketing scholars. These variables are: generalized self-confidence, specific self-confidence, and anxiety. The importance of these

variables stems from their effect on risk reduction strategies.

In a successive study, Locander and Hermann (1979) have examined the effect of general self-confidence, anxiety, and specific self-confidence on consumer's tendency to seek information sources as a means of reducing purchasing uncertainty. Their findings suggest that specific self-confidence about the product decision is significantly related to information seeking. The general trait variables and anxiety were of no or little importance in explaining risk reduction. However, there does appear to be some evidence that the specific by general confidence interaction is significant for low performance products.

The authors suggest that specific confidence merits further examination by consumer research. It is important because the self-confidence area is strongly tied to many other psychological constructs. Of particular interest might be the formation or learning that takes place to bring about strong specific confidence. Experience may or may not bring about high specific self-confidence from which consumers education can take place.

4.3. The Relevance Of Perceived Risk Definition And Models For The Present Study

The relevant definition and models of perceived risk as they pertain to the proposed research are discussed in this section. At this point, it must be pointed out that there is no universally accepted definition or model of perceived risk.

From reviewing the literature, one can find out that there is no one best approach or framework to study perceived risk. Different views arise not only with the operationalization of the variables, but also with regards to whether perceived risk model should be based on one factor (uncertainty) or two factors (uncertainty and importance).

Even for the two factor models there are different opinions according to whether the two factors should be additive or multiplicative. In addition, according to (Cunningham, 1967), the appropriate weight of the two factors cannot be determined exactly. Some of the assumptions of the two factors model of perceived risk are that: "Both consequences and certainty are equally weighted, and the gradations are spaced equally on both scales with the distance between each gradation the same on each scale."

In addition to the controversy of whether the model should be additive or multiplicative, there is

a main problem in utilizing Cox (1967) two factor model which defines risk as a function of uncertainty and consequences. This main problem is related in particular to the second factor (consequences). This factor may not be readily operationalized, specially for services offered to bank customers. It is not expected that bank customers can readily evaluate consequences that may accompany their future dealing with a bank. Therefore, it is not preferred to utilize the two factor model in the present research.

However, this research does not seek to investigate which definition or which model is best. It is believed that since there has not been clear cut evidence of the superiority of one definition or one model to the other, attention need not be devoted to this issue. Rather the focus of this research is to discover the relationship between perceived risk, severity of problems, and customer satisfaction. In this sense, perceived risk is analyzed as a dependent variable that is affected by some attributes (as severity of problems) in one hypothesis, and as an independent variable that affect customer satisfaction and related behavior in the other one.

4.4. Measuring Perceived Risk

Several studies of perceived risk have intended to measure risk from several dimensions: ideal, actual, performance, sociological, specific, general, inherent. and handled risk. However, the focus in giving attention

to those dimension by several researchers have varied from one dimension to another.

In studying perceived risk, some scholars have followed the one-factor model in terms of uncertainty, and others have followed the two-factor model in terms of uncertainty and consequences. However, Taylor (1974) has concluded a comprehensive model to measure risk in terms of uncertainty about the outcomes and uncertainty about the consequences.

Further, Lacander and Hermann (1979) have called attention to the fact that specific-confidence, in terms of uncertainty about an object such as product or service or retail institution, merits further examination by consumer researchers. They have mentioned that the importance of this construct stems from its strong relationship to the learning process that takes place to bring about strong or weak specific-confidence. Therefore, experience about a product, service, or retail institution may or may not bring about high specific self-confidence from which consumer education and consequent behavior and action may take place.

4.4.1. Measuring Perceived Risk In The Proposed Study

Although several studies have intended to measure perceived risk from several dimensions, handled risk and specific-confidence merit more attention from consumer

researchers. Few studies have searched handled risk compared to inherent risk. In addition, relating specific-confidence to handled risk did not receive much attention from researchers, specially for specific types of services and retail institutions.

The intent of the proposed study is to measure handled risk in terms of specific-confidence of each bank customer. Each customer is asked to mention the degree of certainty or uncertainty that the bank he is dealing with most often is a good bank. In addition, each customer is asked about his confidence (general self-confidence) in making important decisions, as it may be related to perceived risk, by asking whether he hesitates in making important decisions. In addition, to test for validity (specially convergent validity), a direct question about whether each customer considers his bank as a risky or not risky bank was included. Six-point scale is utilized, for all these questions, to reduce the rounding errors.

V. WORD-OF-MOUTH COMMUNICATION AND RELATED BUYING BEHAVIOR

5.1. Word-of-Mouth Communication Concept

Word-of-Mouth Communication (WOMC) is of specific importance today because of its various aspects and ramifications that affect behavior of individuals and groups. Therefore, it may have a serious impact on various institutions, and firms on the national and international level.

Word-of-Mouth Communication is an important source of information. It may exceed the importance of mass media in many situations. It can play a vast role for individuals and society as a whole. Therefore, developing as well as developed countries should give more attention to the study of Word-of-Mouth activities. WOM Communication may play an important role in changing people's attitude and behavior toward an object, product, service, or institution to a greater extent than mass media in some situations.

There have been some studies that handled WOMC as related to products. Reynolds and Darden (1972) found that for fashion and other similar products customers relied too much on Word-of-Mouth, specially the negative WOM, at the evaluation stage of the adoption process. In addition, Chiffman and Kanuk (1978) quoted a study by Cohen (1972) in a more recent test of the Howard and Sheth model. He examined Consumer's decisions

to purchase a Vega brand automobile. From his analysis of the data, the researcher concluded that informal influence (particularly information acquired from friends) was more critical than information gained from advertisements for the Vega. Further, Word-of-Mouth Communication was found to be the most important source of information about brands of cigarettes in awareness and evaluation stages. There was also a significant association between the preference (or non-preference) and the transmission of Word-of-Mouth (Buera et al., 1982).

Katz and Lazarsfeld (1955) presented data which suggests that personal influence was seven times more effective than magazine or newspaper advertising in persuading woman to switch brands of household products.

Beal and Rogers (1957) have found interpersonal sources to be the most influential in convincing housewives to purchase new fabrics such as dacron and nylon. Further, Atkin (1962) presented data which indicate that while 48% of housewives reporting heavy exposure to advertising that advocated switching to another supermarket actually switched, and 80% of women who reported strong interpersonal pressure switched .

Czepiel (1974) has proved that groups of early adopters of a product or service become opinion leaders in the spread of Word-of-Mouth Communication to a greater extent than late adopters. While Martilla (1971) concluded that Word-of-Mouth Communication within firms

has more influence than other mass media in later stages of the adoption process. He proved that opinion leaders were found to be a more important factor in the actual decision to purchase or reject a new industrial product than in its introduction.

Although Martilla proved that opinion leaders in the industrial market were found to be more heavily exposed to impersonal sources of information, Reynolds and Darden (1972) showed only a slight tendency for nonleaders to report proportionately more interpersonal sources than leaders. They showed also that impersonal sources were the main source of information in the awareness stage. But their importance declined consistently from awareness to evaluation. Conversely, personal sources were most important at evaluation stage. The researchers suggested the use of complementary sources of information to minimize negative Word-of-Mouth Communication.

Rosen and Tesser (1970) proved that people are more reluctant to communicate information which is negative rather than positive for the recipient. They concluded that there is a MUM effect, which refers to a reluctance to communicate information that one would assume to be noxious for a potential audience. They have arranged for the following variables to be controlled and ruled out:

1. The target's prior behavior toward the communicator.

2. Any present or anticipated role relationship between communicator and target.
3. Some compelling unit relationship between communicator and message.
4. The anticipation of obvious rewards or punishments that would occur as a consequence of transmission or nontransmission of information.

Tesser, Rosen, and Tesser (1971) supported the findings of the previous study. They generalized the MUM effect to a field situation in which the conveying of bad news is a natural recurring phenomenon. They also found that more time was needed in case of transmitting bad news rather than good news.

Whyte (1954) indicated the impact of indirect Word-of-Mouth Communication. It can be of high impact as well as direct Word-of-Mouth Communication. Once a group is established, the people in it become highly sensitized to what the other's don't say. The imagined WOMC, even when it is indirect as a result of a tortured imagination, can be as much of impact as the spoken word.

Finally, Word-of-Mouth is particularly important in situations of dissatisfaction, uncertainty, and when much is at stake for the consumer. Richins (1983) indicated that few studies have examined in detail consumer's responses to dissatisfaction. She has examined correlates of one possible response-telling others

about the dissatisfaction-and has identified variables that distinguish this response from others. Data analysis showed that as the severity of the problem associated with a dissatisfaction increased, the tendency to engage in negative WOMC increased. The study has shown that the nature of dissatisfaction problem, consumers' attitudes of blame for the dissatisfaction, and perceptions of the complaint situation are related to responses to dissatisfaction.

The strength of Word-of-Mouth Communication may be explained in terms of compliance and surveillance resulting from interpersonal relationships. A factor of at least equal importance is the unique characteristics of Word-of-Mouth Communication which make this source particularly helpful to consumers engaged in solving purchasing problems. Cox (1967) mentioned that what marketers need are more imaginative links between basic research and action. For instance, large portions of Word-of-Mouth Communication process cannot be "controlled". But they can be monitored (as some companies have done) to assess the content and consequences of what consumers are saying about products or services. Mass communication campaigns might be adjusted accordingly.

5.2. Cognitive Dissonance And WOMC

Festinger (1957) and his associates have concentrated on the ways in which people reduce dissonance after decisions are made. People will seek out information that confirms the wisdom of their decisions. When a person chooses between two or more alternatives, discomfort or dissonance will almost inevitably arise because of the person's knowledge that while the decision he has made has certain advantages, it also has some disadvantages. The theory holds that dissonance arises after almost every decision, and further that the individual will invariably take steps to reduce this dissonance. There are several ways in which this can be done, but the most likely way is to create as many advantages as one can in favor of the alternative one have chosen and to think of as many disadvantages as possible relating to other alternatives.

Bauer (1967) added that people will also perceive information in a way to reinforce their decision. People, finally, change their own attitudes to bolster their perception of the desirability to their actions. they have more favorable attitude toward product after they selected them than before they made the decision.

It is concluded that when the buyer purchases a specific product or service, or gets involved in dealing with a certain retail institution and then exposed to a negative Word-of-Mouth Communication there will be a cognitive dissonance between his behavior and opposed

information. In order to eliminate or reduce this dissonance and maintain his early favorable attitude toward his product choice, he avoids negative WOMC paying attention to any information that supports his choice and being reluctant to reveal negative WOMC about the adopted product. Engel (1963) has observed that three criteria must be met before cognitive dissonance can be demonstrated: (1) the individual must have made a commitment, (2) this commitment must have been undertaken under conditions of free will, and (3) the issue or behavior must be of some importance.

Arndt (1967) indicated that the dissonance tradition views the social group both as dissonance creating force and as a vehicle for reducing dissonance. Disagreement among members of a group may produce dissonance. The more relevant the dissident member in to the opinion at issue and the more attractive this member is, the greater will be the dissonance. In addition to changing one's own opinion or behavior, there are three ways of reducing dissonance: (1) Persuading the dissident member to change his mind, (2) Initiating conversations with people perceived as agreeers, and (3) Persuading neutral group member to side with oneself.

Arndt (1968) indicated in his study that those who received negative Word-of-Mouth Communication were far less likely to purchase the product than those who received no communication. Rogers (1962) supported

this view since personal sources are most important at the evaluation stage in the rejection process. Engel, Kegerries, and Blackwell (1969) pointed that dissatisfied users revealed negative Word-of-Mouth Communication but not greater than satisfied users who reveal positive Word-of-Mouth Communication. Dissatisfied users who revealed their dissatisfaction to others may have done so to overcome anxiety, as dissonance theory would predict.

However, if the buyer after the post purchase trial and evaluation found out that negative WOMC about the product is true, then, as a result, he may change his attitude toward the product to be unfavorable. Then there will be inconsistency between his past behavior and his present attitude, which may enhance anxiety. As a result he may reveal negative Word-of-Mouth Communication about the product.

While this fact may be true, one may suggest, on the other hand, that dissatisfied users did not reveal negative Word-of-Mouth Communication to a greater extent than satisfied users who revealed positive Word-of-Mouth Communication because some of the dissatisfied users may have tried to reduce post-purchase dissonance by not revealing negative word about the product that they have purchased, specially when they compare it with a similar product.

Stutville (1968) have a different view from Engel's and his associates. He pointed out that innova-

tors are usually reluctant to reveal negative Word-of-Mouth Communication, and further they may spread positive WOMC. Since the innovators may feel doubts, they talk to others in such a manner as to enhance the probability that more units will be sold.

Holmes and Lett (1977) have a supporting view in that individuals expressing positive Word-of-Mouth Communication were significantly inclined to transmit their opinion and reached more prospects than individuals expressing negative Word-of-Mouth Communication. In addition, their study pointed out that heavy users tended to originate positive WOMC more often, and to discuss the sampled brand with more people than the light or occasional users

5.3. Perceived Risk And WOMC

Cunningham (1967) hypothesized that woman high in perceived risk would be most likely to participate in informal gatherings because such gathering offer an opportunity to reduce risk through conversation with others. However he suggested that perceived risk is a product-specific phenomenon, and that the content and composition of perceived risk can best be understood in terms of the specific category involved.

Wilkening (1956) conducted a study about Australian farm operators. He found that Australian

farmers depended more on Word-of-Mouth Communication for adopting innovations associated with greater economic risk. Arndt quoted a study by Warneryd that related Word-of-Mouth Communication behavior of car buyers to their past ownership. He found that first-time buyers reported more discussions with other persons than did buyers who had owned a car. Those who had owned a different make of car than one purchased reported more Word-of-Mouth exposure than buyers who had bought the same make previously. Arndt (1967) summarized that Word-of-Mouth Communication seems to be a frequently used as risk reduction device, and this source of information is particularly sought for in situations characterized by high uncertainty.

Further, Cunningham (1967) found that those perceiving high risk were more likely to have discussed the product in the last six months than were those perceiving low risk. High risk perceivers were more likely than low risk perceivers to be involved in a conversation in which (1) positive brand information was recommended, (2) negative brand information was recommended, (3) new brand were discussed, and (4) information was requested, as opposed to being volunteered by one of the parties to the conversation. In addition, those high in perceived risk appear somewhat more likely to initiate conversations and when they do, they are more likely to request information than are those low in perceived risk. In addition, he pointed out that respondents high in generalized self-confidence

who were also high in perceived risk were most likely to engage in Word-of-Mouth Communication discussions, those low in self-confidence, who were also low in perceived risk, were least likely.

Arndt (1967) found that the high risk perceivers were particularly affected by kind of Word-of-Mouth Communication exposure. High risk perceivers risk seemed to be particularly responsive to information they sought in comparison with information offerer to them. He also found that information seeking was important to those high in perceived risk. They were more likely to seek information and were more likely to respond to information they have sought.

Roselus (1970) found Word-of-Mouth Communication to be less helpful as a risk reliever of hazard loss or as a main source for judging substitutes of hazardous products. Lampert (1971) concluded contradictory findings to Howard and Sheth (1969). While the later found a positive relationship between high brand confidence (low perceived risk) and the involvement in Word-of-Mouth Communication activity, Lampert found no support for this hypothesis.

5.4. Measuring Word-of-Mouth Communication

In measuring Word-of-Mouth Communication, few studies have intended to operationalize it in terms of receiving, seeking, transmitting, and processing (Cox,

1967). Further studies that have related Word-of-Mouth Communication to customers of specific type of service or retail institution are in fact very few.

There have been more studies that related Word-of-Mouth Communication to products, specially in terms of seeking and transmitting WOMC, compared to those studies that have related WOMC to services. Further, measuring negative WOMC did not receive as much attention from consumer researchers as did positive WOMC. However, reluctance to communicate negative information is searched in some studies.

In addition, only few studies have measured and related positive or negative Word-of-Mouth Communication to satisfaction or dissatisfaction. One of them is Richins (1983) who indicated that measuring WOMC is particularly important in situations of dissatisfaction, uncertainty, and when much is at stake for the consumer.

5.4.1. Measuring WOMC In The Present Study

In the present study, more attention is given to measure the detailed components of Word-of-Mouth Communication. WOMC is divided into two major types: Positive WOMC, and negative WOMC. Each type is measured in terms of receiving, seeking, transmitting, and processing Word-of-Mouth Communication.

Questions are designed to test each component of the two types of WOMC. Six-point scale is utilized

for this purpose ranging from "Always" to "Not at all". The scale was utilized in some Word-of-Mouth Communication studies and in some other studies conducted by the researchers. It has proved to be useful for measuring the hypothesized constructs. In addition, several questions were utilized in other studies conducted by the researchers and proved useful to be utilized for the present study.

Finally, in this part a conceptual framework is proposed. It includes those concepts necessary for the present study. The study focuses on customer satisfaction and related buying behavior of retail bank customers. Therefore, specific parts are devoted to customer satisfaction and factors affecting customer satisfaction of retail banks. In addition, attitude, perceived risk, and Word-of-Mouth Communication are handled in the conceptual framework since they are related to the hypothesized constructs of the present study.

In the next part an empirical framework is offered. The next part includes three main sections. One section handles the plan of the study including its nature, scope, importance, methodology and limitations. Another section includes the interpretation and results of the empirical study, and the last section includes conclusion, implication, and recommendations of the study.

PART TWO-EMPIRICAL FRAMEWORK

VI. DESIGN OF STUDY

VII. DATA INTERPRETATION AND RESULTS

**VIII. CONCLUSION, IMPLICATION, AND
RECOMMENDATION**

VI. DESIGN OF STUDY

6.1. Nature, Scope, And Importance Of Study

6.1.1. Nature Of Study

In developing countries, people are generally more reluctant to deal with or invest their money in banks. This is mainly because of the inefficient practices of banks and the bad experiences that people may have faced or may have known from others dealing with banks. Such experience may lead to the extent that people hinder depositing and investing money in banks, and cause a problem for the development of the economy as a whole.

The nature and causes of this problem is mainly related to the actions that each bank may take toward encouraging and enforcing the demand for investment by public. The less reinforcement actions taken by a bank: (1) the more perceived risk, (2) the less customer satisfaction, (3) the less favorable attitude, (4) the more negative Word-of-Mouth Communication, (5) the less demand for investment in the bank by public, and (6) the less positive consequences on the national economy accordingly. While the more reinforcement actions taken by a bank: (1) the less perceived risk, (2) the more customer satisfaction, (3) the more favorable attitude, (4) the more positive Word-of-Mouth Communication, (5) the more demand

for investment in the bank, and (6) the more positive consequences on the national economy.

6.1.2. Scope Of Study

Satisfaction and related behavioral dimensions of retail bank customers have been investigated among the teaching staff at Boğaziçi University, Istanbul, Turkey. The study is directed to investigate the relationship between concepts of satisfaction, attitude, Word-of-Mouth Communication, and related behavior. The purpose of the study is not so much to define and model these concepts, but rather to draw distinctive relationships between those who have high satisfaction and those who have low satisfaction or dissatisfaction concerning each of the important traits (attributes), and relating the degree of satisfaction or dissatisfaction about each trait or attribute to the overall satisfaction. In addition, the relationship between satisfaction and attitude, attitude and Word-of-Mouth Communication and related behavior is investigated.

The importance of satisfaction, attitude, and Word-of-Mouth Communication is recognized in considering them as mediating variables between several important attributes and traits, and behavior of banks' depositors. Therefore it is worth to give a special attention to those variables since they may affect the magnitude and

speed of customers' behavior.

In the study, several attributes (traits) are hypothesized as having an impact on satisfaction and attitude. The investigation is directed mainly toward discovering the relationship between satisfaction related to each trait (attribute) and the overall satisfaction, and then discovering the relationship between satisfaction and attitude. Therefore, there is no need to duplicate testing the relationship between each attributes (traits) and attitude. Rather, two overall measures of attitude are utilized to find out the relationship between satisfaction and attitude.

Perceived risk is given more attention as an independent variable in this study, since it is noticed in several studies that perceived risk is handled as a dependent variable. Therefore, it is an ample to add to the few studies that have handled perceived risk as an independent variable rather than a dependent variable.

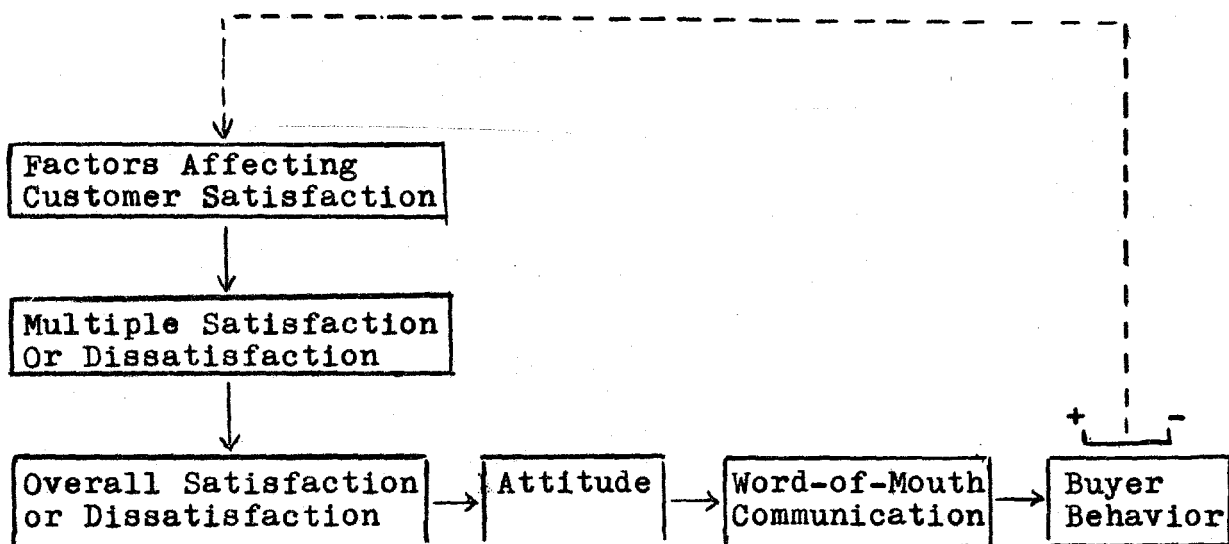
Handled risk is measured in the study through a measure of an overall risk. In addition, two measures of specific and general self-confidence are utilized for this purpose.

Word-of-Mouth Communication is related directly to attitude and behavior of consumers. It is measured in terms of receiving, seeking, transmitting, and processing positive or negative Word-of-Mouth Communication.

It is considered as a dependent variable that is affected by customer attitude on one hand, and as an independent variable that affect customer behavior toward his retail bank on the other hand, as shown in figure 6.1.1.

Figure 6.1.1

A Flow Chart Of The Variables In The Study



Note:

+ = Favorable.

- = Unfavorable.

6.1.3. Importance Of Study

The importance of study stems from the core interest of marketing practitioners in serving customer effectively and efficiently for one major sought; that is customer satisfaction. Maximimization of customer satisfaction leads to stronger positive attitude which inforce positive Word-of-Mouth Communication and positive behavior of customer toward investment in banks rather than other competitive alternatives.

If this end thought of customer is achieved, then the retail bank objectives and goals can be actualized consequently. Therefore, the importance of this research stems from the fact that customer satisfaction is the target which gurantee the successfulness of the bank in achieving its objectives and goals. Accordingly, if the data reflects a positive relationship between satisfaction and attitude, then it is recommended that banks should concenerate on those variables that affect customer satisfaction and attitude. Those variables can be identified by bank management and given priorities according to their perceived importance by the customers.

6.2. Hypotheses

6.2.1. First Hypothesis

Bank customers who perceive more positive attributes in dealing with their retail bank are more likely to have an overall satisfaction in dealing with that bank, while customers who perceive more negative attributes in dealing with their retail bank are more likely to have an overall dissatisfaction in dealing with that bank.

a. Subhypotheses. Customer who perceive:

1. Good responsiveness to their complaints. ✓
2. More accuracy of service.
3. More speed of service. ✓
4. More variety of service. ✓
5. Less cost of service. ✓
6. High interest rate on saving. ✓
7. Good promotion and advertising activities. ✓
8. More accuracy of information given to customers.
9. More speed of information.
10. More facility offered to follow their rights through legal action if necessary.
11. Good reputation of the bank. ✓
12. More helpfulness of employees.
13. More friendliness of employees.
14. More attractiveness of employees.
15. Better financial position of the bank.

16. High profitability of the bank.
17. Good liquidity of the bank.
18. Good technical facilities of the bank.
19. Good layout and location of the bank.
20. More convenience of the bank's location to shopping areas.
21. Good parking facilities.
22. High social and societal contribution of the bank.
23. High impact of the bank on economy.

are more likely to have an overall satisfaction in dealing with their bank, and vice versa.

b. Operational Definition.

Satisfaction: The customer's cognitive feeling of the extent of reward he obtains in dealing with a bank for the sacrifice he undergone. It is measured in the study in terms of three levels: (1) maximum satisfaction (Delightness), (2) optimum satisfaction (pleasure), and (3) satisfaction. D-T scale is utilized for this purpose. It is utilized to measure satisfaction or dissatisfaction. The first part of the scale measures satisfaction. It is composed of these values (Delighted, pleased, and satisfied). The other part of the scale measures dissatisfaction. It is composed of three values (dissatisfied, unhappy, and terrible). Data are gathered about overall satisfaction or dissatisfaction by responding to question

number eight. "How do you feel generally about the investment in your bank?".

6.2.2. Second Hypothesis

Bank customers who differ in concern with the following:

1. General self-confidence.
2. Perception of handled risk (specific self-confidence).
3. Availability of alternatives for investment other than the bank.
4. Percentage of annual per capita income invested in the bank they deal with most often.
5. The duration of time in holding an account in the bank they deal with most often.
6. Age.
7. Sex.
8. Department of work.

are more likely to manifest differences in their overall satisfaction levels.

a. Operational Definitions.

General self-confidence: The extent to which the customer believes himself to be capable in making important decisions. It is measured in the study utilizing question number seventeen "How often do you hesitate in making important decisions?". Six-point scale is utilized for answers. The values of the scale are as follows: (1) Not at all, (2) Hardly, (3) Rarely, (4) Sometimes, (5)

Often, and (6) Always.

Handled risk: The degree of customer's uncertainty (or certainty) that the bank he is dealing with most often is a good one. It is measured in the study utilizing question number twenty one "If somebody should ask you in which bank he should invest his money, how certain would you be in recommending your bank to him?". Six-point scale is utilized for answers. The values of the scale are as follows: (1) Extremely certain, (2) Certain, (3) Slightly certain, (4) Slightly uncertain, (5) Uncertain, and (6) Extremely uncertain.

6.2.3. Third Hypothesis

Customers who are satisfied in dealing with their bank are more likely to have favorable attitude, while customers who are dissatisfied are more likely to have unfavorable attitude toward their bank.

a. Operational Definition.

Attitude: Learned tendencies to perceive and act in some consistently favorable or unfavorable manner with regard to a given bank. It is measured in the study utilizing question number five: "How much do you generally prefer your bank over other banks?". Six-point scale is utilized for answers. The values of the scale are as follows: (1) Extremely prefer, (2) Prefer, (3) Slightly prefer, (4) Slightly do not prefer, (5) Do not

prefer, and (6) Extremely do not prefer.

6.2.4. Fourth Hypothesis

Customers who have favorable attitude toward their bank are more likely to be involved in positive Word-of-Mouth Communication (PWOMC), while customers who have unfavorable attitude toward their bank are more likely to be involved in negative Word-of-Mouth Communication (NWOMC).

a. Subhypotheses. Customers who have favorable attitude in dealing with their bank are more likely to be involved in:

1. Receiving PWOMC.
2. Seeking PWOMC.
3. Processing PWOMC.
4. Transmitting PWOMC.

While those who have unfavorable attitude are more likely to be involved in:

1. Receiving NWOMC.
2. Seeking NWOMC.
3. Processing NWOMC.
4. Transmitting NWOMC.

b. Operational Definitions.

PWOMC: Positive conversation among two or more persons in direct or indirect manner.

Receiving PWOMC: Desire to give an ear to a person or persons who talk in a positive manner. It measured in the study utilizing question number thirteen "If you hear some people praising your bank to what extent do you listen to them?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always' as follows: (1) Not at all, (2) Hardly, (3) Rarely, (4) Sometimes, (5) Often, and (6) Always.

Seeking PWOMC: Desire to search for positive information through conversation with two or more persons. It is measured in the study utilizing question number fourteen "Do you have a need to search for positive information about your bank through conversations with others?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always'.

Processing PWOMC: Positive actions that are taken as a consequence of positive conversations with others. It is measured in the study utilizing question number fifteen "When you discover from discussions with your friends some advantages of investing in your bank, do you increase your deposits in the bank?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always'.

Transmitting PWOMC: Transfer of positive information to others through verbal conversations. It is measured in the study utilizing question number sixteen "If you are convinced from conversations with your friends that

your bank is getting better, do you have an interest to tell this to other people?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always'.

NWOMC: Negative conversation among two or more persons in direct or indirect manner.

Receiving NWOMC: Desire to give an ear to a person or persons who talk in a negative manner. It is measured in the study utilizing question number nine "If you hear some people criticizing your bank, to what extent do you listen to them?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always'.

Seeking NWOMC: Desire to search for negative information through conversation with two or more persons. It is measured in the study utilizing question number ten "Are you eager to search for negative information about your bank through conversations with others?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always'.

Processing NWOMC: Negative actions that are taken as a consequence of negative conversations with others. It is measured in the study utilizing question number eleven "If you should discover from a discussion with your friends some critical disadvantages of investing in your bank, would you withdraw your money from the bank?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always'.

Transmitting NWOMC: Transfer of negative informa-

tion to others through verbal conversation. It is measured in the study utilizing question number twelve "If you are convinced from conversations with your friends of some disadvantages of your bank, would you pass on your opinion to other people?". Six-point scale is utilized for answers ranging from 'Not at all' to 'Always'.

6.2.5. Fifth Hypothesis

Customers who are more involved in positive Word-of-Mouth Communication are more likely to take positive actions toward investment in their bank, while customers who are more involved in negative Word-of-Mouth Communication are more likely to take negative actions toward investment in their bank.

a. Subhypotheses. Customers who are more involved in:

1. Receiving PWOMC.
2. Seeking PWOMC.
3. Processing PWOMC.
4. Transmittin PWOMC.

are more likely to take positive actions toward investment in their bank, while customers who are more involved in:

1. Receiving NWOMC.
2. Seeking NWOMC.
3. Processing NWOMC.
4. Transmitting NWOMC.

are more likely to take negative actions toward investment in their bank.

b. Operational Definitions.

Positive actions: Actions taken by the customer in favor of his bank, such as increasing the money deposited in the bank. It is measured in the study utilizing (No-Yes) question number nineteen (b), and question nineteen (d) "Do you intend in the future to: (b) Encourag others to invest in your bank?, (d) Increase the amount of money you invest in your bank?".

Negative actions: Actions taken by the customer and are not in favor of his bank, such as reduction or withdrawal of money deposited by the customer. It is measured in the study utilizing (No-Yes) questions number nineteen (a), niniteen (c), and nineteen (e) "Do you intend in the future to: (a) Reduce the amount of money deposited in your bank?, (c) Withdraw your money from your bank?, (e) Discourage others from investing in your bank?".

6.2.6. Sixth Hypothesis

Customers who have severe problems with a bank are more likely to perceive high risk, have less satisfaction, have unfavorable attitude, and take more negative reactions toward that bank than those who have no severe problems.

a. Subhypotheses. Customers who have severe problems with a bank are more likely to: perceive high risk, have

less satisfaction, have unfavorable attitude, and show the following reaction:

1. Complain to the managers of the bank.
2. Ask advice of employees.
3. Ask advice of friends.
4. Withdraw their money from the bank.
5. Sue the bank in court.
6. Discourage others from depositing money in the bank.

Customers reactions are measured in the study utilizing question eighteen "Below are some reactions you may follow when you have problems with a bank. How frequently would you take the following actions: complain to managers?, ask advice of employees?, ask advice of friends?, withdraw the money?, sue the bank in court?, and discourage others from depositing?". Six-point scale is utilized for this purpose ranging from 'Not at all' to 'always'.

The following is a summary table of the relationship between hypotheses, scales, and questions designed for gathering data to test each hypothesis. In addition, independent and dependent variables are indicated in this table for each of the above mentioned hypothesis. Scales and questions necessary for each of the independent and dependent variables are indicated also in this table.

Table 6.2.1 Summary of hypotheses, scales, and questions

Hypotheses	Scales	Question numbers	
		Independent variables	Dependent variables
One	D-T scale Not at all-always scale.	1	8
Two	D-T scale Not at all-always scale. Extremely certain-extremely uncertain scale. Extremely better-extremely not better scale. Four-point scale for percentage of income held in a bank. Three-point scale of time length in having an account. Four-point scale of age. Two-point scale of sex. Four-point scale of Department of work.	17 21 6 24 25	8
Three	D-T scale. Preference scale.	8	5
Four	Preference scale. Not at all-always scale.	5	9-16
Five	Not at all-always scale. No-yes scale.	9-16	19
Six	No-yes scale. Not at all-always scale. Extremely certain-extremely uncertain scale. D-T scale. Preference scale. Not at all-always scale.	4	17 21 8 5 18

6.2.7. Rational Of Hypotheses

The purpose of hypothesis 1 and 2 is to test whether there is a relationship between every construct derived from these hypotheses and satisfaction. These hypotheses are of special importance when interrelated with: (1) Hypothesis three that tests the relationship between satisfaction and attitude, (2) Hypothesis four that tests the relationship between attitude and Word-of-Mouth Communication, and (3) Hypothesis five that tests the relationship between Word-of-Mouth Communication and consumer behavior. In addition, hypothesis six tests the consequences of problems' severity on consumer behavior.

Therefore, we can conclude at the end whether there is a relationship between: (1) Positive or negative attributes and satisfaction or dissatisfaction, (2) Satisfaction or dissatisfaction and attitude, (3) Attitude and positive or negative Word-of-Mouth Communication, and (4) Positive or negative Word-of-Mouth Communication and customer behavior toward his bank. The results of these data should encourage banks to stimulate positive perceptions of positive attributes by customers. The results of these data should contribute also to encourage the avoidance of perceiving negative attributes and severe problems by customers. This should contribute for the increase of customers' demand for investment and the development of the economy as a whole.

6.3. Methodology

6.3.1. Sampling Plan

A Quota sample was selected from University teaching and assistand staff, since they might be considered as high income people who could deposit money in bank. They might be also considered as opinion leaders in receiving, seeking, processing, and transmitting positive or negative Word-of-Mouth Communication. The sample was selected from all teaching and assistant staff at Boğaziçi University who held an account in a bank.

The population in this study was considered to be all teaching and assistant staff at Boğaziçi University. The sample was determined to be 152 of 337 representing the population of teaching staff listed in telephone directory of Boğaziçi University.

Questionnaires were handed and gathered personally. 202 questionnaire were distributed proportionately according to the size of each department until the 152 responses of the determined sample were gathered, as shown in table 6.2.1.

The sample size is determined after studying the necessary characteristics of the universe by using this formula (Balsley, 1972).

$$n = P(1-P) (Z/E)^2$$

Where: n = Sample size

P = Percentage of customers who have an account in a bank. The value of P is assumed to be 73.5 per cnet.

Z = Standard deviation. In this research 95% is the confidence interval.

E = The difference between the expected proportion (P) and the universe proportion; 7% was chosen.

The value of Z at 95 per cent level of confidence is 1.96. The sample size is calculated thus:

$$\begin{aligned} n &= .735 (1-.735) (1.96/.07)^2 \\ &= (.735) (.265) (3.8416/.0049) \\ &= 152 \text{ samples} \end{aligned}$$

The sample size is 152. approximately.

Quota sampling procedures that "The sample is representative by selecting sample elements possessing a certain characteristics is approximately the same as the proportion of the elements with the characteristic in the population" (Churchill, 1983).

Table 6.3.1 Distribution of the sample

Department of work	Population	Distributed questionnaires	Sample
Bus. Adm.	57	34	20
Engineering	82	49	45
Science	96	58	45
Others	102	61	42
Total	337	202	152

The nonresponses happened to be due to two reasons: (1) Some teaching staff were very busy, and (2) Some others were found to have no business with banks. Questionnaires were delivered and gathered personally. This procedure was followed, in spite of its cost in terms of time and effort.

The following steps were utilized to select the sample (Boyed and Westfall, 1972).

Step I: Selection of the "control characteristics" and determination of the universe having each set of characteristics: The resultant subuniverses are usually called "cells" and the bases for stratification are called "controls". Departments of teaching staff are utilized as "controls". These controls are usually chosen on two bases: (1) They are believed to be correlated with the characteristics to be studied, and (2) Reasonably up-to-date information is available on their distribution within the universe.

Step II: Allocation of the sample among cells: Once the strata or cells have been established, the next step is to decide how large a sample should be taken from each cell. In this study a proportional is taken from each cell. Each cell is given the same proportion of the sample that it represents of the universe as shown in table 6.3.1.

Step III: Selection of the sample items: After deciding the total number in each cell, selection of respondents for each cell (subuniverse) are undertaken

randomly.

6.3.2. Types Of Data Collected

Two types of data were collected in this study:

a. Secondary Data. Secondary data are gathered from several resources of publication and previous relevant empirical research to help the researcher to collect as much information as possible about satisfaction, factors affecting satisfaction of bank customers, perceived risk, attitude, Word-of-Mouth Communication, and related behavior of retail bank customers.

Secondary data does not have the same precision, accuracy, and reliability of primary data, but it is helpful as an inexpensive and quick source of information that may save money, time, and efforts in some cases (Boyed and Westfall, 1972).

Further, secondary data are typically helpful to:

1. Serve to better state the problem under investigation;
2. Suggest improved methods or data for better coming to grips with the problems; and
3. Serve as a source of comparative data by which primary data can be more insightfully interpreted (Drake and Miller, 1969).

On the other hand, since secondary data are collected for other purposes, it will be rare when they fit perfectly the problem as defined. The limitations of secondary data are basically due to three sources: (1) Units of measurements, (2) Class definitions, and

(3) Publication currency (Boyd and Westfall, 1972).

The following criteria should help to judge the accuracy of any secondary data: the source, the purpose of publication, and general evidence regarding quality (Churchill, 1983).

b. Primary Data. Primary data were gathered from teaching and assistant staff of Boğaziçi University by personal interviews, utilizing a structured and disguised questionnaire. Personal interviewing was selected as a method of gathering the data, since the best examples of survey research utilize personal interviews as the principal method of gathering data. The factual information gathered in surveys includes sociological data (Kerlinger, 1973). The reasons for selecting personal interviews are as follows (Boyd and Westfall, 1972):

(1) Flexibility: The content of personal interviews are more flexible than of mail questionnaire. On the other hand, disadvantages of personal interviews, such as bias in the results obtained, are avoided by utilizing a structured-disguised questionnaire.

(2) Amount of information to be obtained: Questionnaires can be longer and more complex with personal interviews. Therefore, as the questionnaire of this study was long, it was handled best by personal interviews. Personal interviews have an advantage over mail and telephone surveys in that interviewers can observe while asking questions. Interviewers can observe such things

as age, and evidence of income and, thereby, verify answers given by respondents.

(3) Accuracy of information obtained: Results from mail or telephone surveys generally not considered to be as accurate as results from personal interviews. People are usually found to be reluctant to report over the telephone (or through mail) personal items such as income and savings.

6.3.3. Measurement Instruments

A structured-disguised questionnaire was utilized in this survey. Measures of satisfaction, attitude, perceived risk, and Word-of-Mouth Communication and related behavior were constructed for the questionnaire. Questionnaire has permitted to test specific direct and indirect questions related to the proposed constructs. It has also included satisfaction, attitude, perceived risk and Word-of-Mouth Communication scaling tests (Wentz, 1972). These are called ordinal-interval scales. They are used in addition to the nominal categorical scales (multiple choice, and yes-no questions). However, it has been taken into consideration that the scale type used depends on the analysis desired, and the amount of response obtainable from the respondents (Lehmann, 1979).

a. Questionnaire Design. It is extremely important to emphasize that questionnaire development is closely tied to the problem, hypotheses, objectives, analytical

techniques, and available resources for the present research. The questions to be asked are relevant to the research proposal. Beyond relevancy, a questionnaire includes only those questions that are higher in priority for analysis and testing (Andrew and Hildebrond, 1976).

Questionnaire is designed carefully to collect the desired data, utilizing several useful guidelines from previous research (Alwin, 1978).

b. Development of Scales. Ordinal and interval scales were utilized in addition to nominal and ratio scales. Ordinal and interval scales were of six-point, removing the mid-point to reduce the rounding error. Some of the ordinal and interval scales and their usefulness were mentioned in the previous part.

The reasons for utilizing six-point scales are as follows: These scales that have no mid-point and have high number of scale points make it possible to reduce the rounding error as a most important benefit. In spite of some disadvantages of six-point scale in terms of increasing cost of administration, nonresponse bias and respondent fatigue, these disadvantages will be of minor importance in this survey since the main purpose is to get accurate information (even if it is on the account of some higher cost), furthermore, the respondents were all teaching staff who are responsible and interested in research. In addition, utilizing personal interviews in gathering data had contributed to reduce response bias and the nonresponse rate

(Lehmann, 1972).

c. Reliability and Validity. Testing of reliability and validity of the questionnaire and scales were considered in the study as follows:

Testing reliability: Test and retest of the questionnaire and scales before the research with a typical sample of ten respondents in both testing and retesting was administered for the purpose of testing reliability. The purpose of testing and retesting of the questionnaire and scales is to insure stability, consistency, dependability, predictability, and accuracy (Kerlinger, 1973). Reliability is indicated by the size of the correlation between the measure taken at different times (test-retest stability), with equivalent forms (Heeler and Ray, 1972).

Several procedures are considered to increase reliability of the questionnaire and scales: (1) Developing simple, clear, and unambiguous items, (2) Writing accurate and clear instructions, (3) Avoiding short scales, (4) Providing reasonable length of the questionnaire, and (5) Removing the poor items.

Testing validity: The issue of validity was tested for the questionnaire and scales as follows:

(1) Face validity: Several consultations were utilized to make sure that the questionnaire and scales look proper and there was no problems in wording and phrasing.

(2) Content validity: Several revisions of the questionnaire and scales have been made to make sure that items to be included in the research were well represented. Careful literature review had also helped to find out all of the ways in which other researchers have handled the constructs related to the study and to utilize them to include all items necessary for the present research.

(3) Concurrent validity: The questionnaire and scales should have the ability to distinguish respondents who differ in their present feelings and evaluations with respect to the constructs measured, such as satisfaction and preferences. This was mainly assured with testing of reliability (test-retest stability).

(4) Predictive validity: The questionnaire and scales should have the ability to distinguish respondents who will differ concerning future reactions to be taken (Wright, 1979) as a consequence of severity of problems or negative Word-of-Mouth Communication. This was mainly assured from testing of reliability.

(5) Construct validity: It refers to the patterns of relationships between the trait measured and the measurement instrument based on the notion that some underlying constructs or traits should be reflected in the scores obtained with a measurement instrument (Heeler and Ray, 1972). Assurance that the scales utilized have construct validity was proven as follows: Assurance that

different measures of the same construct yield similar result was proven by testing each construct by two different measures. For example, overall satisfaction was measured by two different measures (feeling of each customer about his bank, and the degree of happiness about investement in such bank). Other constructs also were measured by at least two different measures. These different measures of the same construct showed similar results.

6.3.4. Data Analysis

The analysis of data involved the following:

(1) Logical ordering of data.

(2) Statistical analysis which include:

a. Discriminant analysis. This technique is utilized to discriminate between those who are satisfied and those who are dissatisfied concerning several attributes or traits as hypothesized in hypotheses one and two.

Multiple discriminant analysis (MDA) is a technique employed to discover the characteristics that distinguish the members of one group from another, so that given a set of characteristics for a new individual, the group to which he should be assigned can be predicted. MDA works by providing maximum separation between the groups. This is obtained by maximizing the difference between the means of the groups in relation to the standard deviation within the groups. The first step in MDA is to estimate the discriminant function. After this it

is necessary to define a critical value, or breakpoint, along the function, which will divide the population into separate groups (Lawson, 1980).

The problem is compounded as the number of variables under investigation increases. With a great many variables, it is exceedingly difficult to interpret the differences between two or more groups on each variable taken singly, and some alternative ways of describing group differences appear desirable. Discriminant analysis is the method by which such linear combinations are determined (Churchill, 1983).

b. Measures of Association. Concerning the relationship between some variables, measures of association can be utilized to determine the association between independent and dependent variables. The most important of all measures of association tests is the Chi-Square test (X^2). The X^2 test is suitable to analyze data related to the degree of association between customer satisfaction and attitude, attitude and Word-of-Mouth Communication, Word-of-Mouth Communication and related behavior, and severity of problems and behavioral patterns.

In order to be able to compare an observed with an expected group of frequencies, expected frequencies are stated in the null hypotheses. The null hypothesis states the proportion of objects falling in each of the categories in the presumed population. The X^2 technique tests whether the observed frequencies are sufficiently

close to the expected ones to be likely to have occurred under H_0 (Siegel, 1965).

c. Factor Analysis. This analysis can be utilized to determine the most important factors that influence Word-of-Mouth Communication and actions taken toward a bank. Factor analysis is a multivariate statistical technique that addresses itself to the study of interrelationships among a total set of observed variables (Kelinger, 1973).

The primary purpose of factor analysis is the resolution of a set of observed variables in terms of new categories. It is a tool for reducing large number of variables to a few interpretable constructs.

There are two basic reasons for using factor analysis. First, there is the desire for simplification. One use of factor analysis is to reduce the variables with the minimum possible loss of information. The second reason for using factor analysis is to uncover an underlying structure in the data. These two reasons for using factor analysis are, though closely related, sufficiently different that they place different emphases on how results are interpreted and used (Lehmann, 1979).

d. Frequency Distribution. It is a technique for systematically arranging collection of measures on a given variable to indicate the frequency of occurrence of the different values of the variable. It enables the researcher to describe with precision a collection of quantitative information in a form that is more concise and convenient than

the original collection without loss of information (Roscoe, 1975).

Finally, a summary table describing the type of statistical analysis utilized to test each hypothesis is offered in table 6.3.2.

Table 6.3.2 A summary table of statistical analysis utilized for each hypothesis.

Hypothesis	Type of Statistical Analysis
One	Discriminant analysis
Two	Discriminant analysis
Three	Chi-Square
Four	Chi-Square
Five	Chi-Square
Six	Chi-Square

At the end, the interpretation of the data was given more concern in this research in order to interpret the statistical analysis and to conclude certain points and make recommendations.

6.4. Limitations Of The Study

The study as a descriptive one aims to obtain complete and accurate information, therefore the research design has to consider much more provision for protection against bias than is required in experimental studies

(Selltiz et al., 1976).

As a field study, it is difficult to have complete control over individuals as well as conditions of contact. The field situation always has a plethora of variables and variance. In an experimental study, these variables can be controlled to a large extent, but in a field study, they must be related somehow to achieve the highest possible degree of control by more direct and less satisfactory means. Another methodological weakness is the lack of precision in the measurement of field variables. Much of the lack of precision is due to the greater complexity of field situation (Kerlinger, 1973).

In addition, the greatest problem in interpreting the findings of the field studies is that, in real life, conditions that may influence satisfaction and attitude tend to be tied together, so that it is difficult to isolate the effects of any single condition or to test inferences about underlying process (Selltiz et al., 1976).

Other limitations of this field study as a survey research are: feasibility, sampling, cost of effort, and time. In addition, survey information does not penetrate very deeply below the surface. The scope of the information sought is usually emphasized at the expense of depth. also, there should be reservation in generalizing the results of the study, since the study is directed toward a specific population (Churchill, 1983). Further, any research that uses sampling is naturally subject to

sampling error, and there is always a chance that an error more serious than might be caused by minor fluctuations of chance may occur. However, larger sample size enables to minimize sampling error in any study (Kerlinger, 1973).

In addition, survey research is demanding of time, effort, and money specially in this type of survey research. Without further assistance, it may take months before any single hypothesis can be tested. Sampling and development of a good schedules are major operations. Reliability and validity testing of the questionnaire and scales require experience and effort. Survey and data analysis require skill, time, and money. They also require a good deal of research knowledge and sophistication.

VII. DATA INTERPRETATION AND RESULTS

In this section data interpretation and results are presented. Data interpretation is devoted to access a meaning to the statistical analysis which include the following:

First: Data tabulation and frequencies.

Second: Discriminant analysis to test first and second hypotheses.

Third: Chi-Square to test third, fourth, fifth, and six hypotheses.

Fourth: Factor analysis to conclude the most important factors that influence customers in choosing a bank to deposit their money in, and initiating positive conversations and positive actions among others.

Data analysis presents the major findings of the study which include the following: (1) The results of testing each hypothesis and significance behind these findings, and (2) The most important factors considered in choosing a bank and in enforcing positive conversations and actions among others.

7.1. Data Interpretation

7.1.1. Results On Frequency Distributions

The following table represents frequencies of the most important variables considered in the study:

Table 7.1.1: Distribution of the most important variables.

Variables	Respondents	Per cent
<u>Sex:</u>		
Female	79	51.97
Male	73	48.03
Total	152	100.0
<u>Age:</u>		
20-29	48	31.6
30-39	86	56.6
40-up	18	11.8
Total	152	100.0
<u>Length of time:</u>		
Under 2 years	33	21.7
2-5	51	33.6
Over 5	68	44.7
Total	152	100.0
<u>% of income invested:</u>		
0-10	89	58.6
11-20	21	13.8
21-30	30	19.7
31-up	12	7.9
Total	152	100.0
<u>Certainty:²</u>		
Certain	73	48.3
Slightly certain	59	39.1

Table 7.1.1. (Continue)

Slightly uncertain	11	7.3
Uncertain	8	5.3
Total	151 ¹	100.0
<u>General self-confidence:</u> ²		
Confidence	37	24.5
Somewhat confident	35	23.2
Slightly confidence	59	39.1
Not confident	20	13.2
Total	151 ¹	100.0
<u>Problems:</u>		
No	115	77.2
Yes	34	22.8
Total	149 ¹	100.0
<u>Satisfaction:</u> ²		
Pleased	29	19.3
Satisfied	90	60.0
Dissatisfied	23	15.3
Unhappy	8	5.3
Total	150 ¹	99.9 ³
<u>Preference:</u> ²		
Prefer	69	46.3
Slightly prefer	57	38.3
Slightly do not prefer	13	8.7
Do not prefer	10	6.7
Total	149 ¹	100.0

Table 7.1.1. (Continue)Receiving NWOMC:²

Not at all	24	16.1
Rarely	33	22.1
Sometimes	57	38.3
Often	35	23.5
Total	149 ¹	100.0

Seeking NWOMC:²

Not at all	78	52.3
Rarely	26	17.4
Sometimes	31	20.8
Often	14	9.4
Total	149 ²	99.9 ³

Transmitting NWOMC:²

Not at all	42	28.0
Rarely	29	19.3
Sometimes	38	25.3
Often	41	27.3
Total	150 ¹	99.9 ³

Processing NWOMC:²

Not at all	25	16.7
Rarely	30	20.0
Sometimes	50	33.3
Often	45	30.0
Total	150 ¹	100.0

Receiving PWOMC:²

Not at all	35	23.5
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Table 7.1.1. (Continue)

Rarely	28	18.8
Sometimes	62	41.6
Often	24	16.1
Total	149 ¹	100.0
<u>Seeking PWOMC:²</u>		
Not at all	86	57.3
Rarely	28	18.7
Sometimes	25	16.7
Often	11	7.3
Total	150 ¹	100.0
<u>Transmitting PWOMC:²</u>		
Not at all	72	48.0
Rarely	28	18.7
Sometimes	31	20.7
Often	19	12.7
Total	150 ¹	100.1 ³
<u>Processing PWOMC:²</u>		
Not at all	55	36.7
Rarely	27	18.0
Sometimes	37	24.7
Often	31	20.7
Total	150 ¹	100.1 ³
<u>Complain to managers:²</u>		
Not at all	48	32.0
Rarely	24	16.0

Table 7.1.1. (Continue)

Sometimes	36	24.0
Often	42	28.0
Total	150 ¹	100.0
<u>Ask advice of employees:</u> ²		
Not at all	40	26.8
Rarely	23	15.4
Sometimes	44	29.5
Often	42	28.2
Total	149 ¹	99.9 ³
<u>Withdraw the money:</u> ²		
Not at all	40	27.2
Rarely	37	25.2
Sometimes	41	27.9
Often	29	19.7
Total	147 ¹	100.0
<u>Sue the bank:</u> ²		
Not at all	111	76.0
Rarely	18	12.3
Sometimes	12	8.2
Often	5	3.4
Total	146 ¹	99.9 ³
<u>Discourage others:</u> ²		
Not at all	63	43.8
Rarely	27	18.8
Sometimes	26	18.1

Table 7.1.1. (Continue)

Often	28	19.4
Total	144 ¹	100.1 ³
<u>Reducing money deposited:</u>		
No	129	85.4
Yes	22	14.6
Total	151 ¹	100.0
<u>Withdraw the money:</u>		
No	133	89.3
Yes	16	10.7
Total	149 ¹	100.0
<u>Discourage others:</u>		
No	145	97.97
Yes	3	2.03
Total	148 ¹	100.00
<u>Encourage others:</u>		
No	106	70.2
Yes	45	29.8
Total	151 ¹	100.0
<u>Increase investment:</u>		
No	91	61.5
Yes	57	38.5
Total	148 ¹	100.0

¹ Frequencies in the "no answer" category are not included.

² Values of the scale are collapsed into four values.

³ Percents does not total 100 due to rounding.

It is noticed from table 7.1.1 that the most critical percentages are:

1. Over 40 per cent of respondents have dealt with their banks for more than five years.
2. Over 40 per cent of respondents invest more than 10 per cent of their income in the bank they deal with most often.
3. Over 45 per cent of respondents are certain of the bank they deal with most often.
4. Over 75 per cent of respondents do not have problems with the bank they deal with most often.
5. Over 75 per cent of respondents are satisfied with the bank they deal with most often.
6. Over 80 per cent of respondents prefer the bank they deal with most often rather than other banks.
7. Over 20 per cent of respondents extremely involve in receiving negative Word-of-Mouth Communication (NWOMC).
8. About 10 per cent of respondents extremely involve in seeking NWOMC.
9. Over 25 per cent of respondents extremely involve in transmitting NWOMC.
10. Exactly 30 per cent of respondents extremely involve in processing NWOMC.
11. Over 15 per cent of respondents extremely involve in receiving positive Word-of-Mouth Communication (PWOMC).

12. Over 5 per cent of respondents extremely involve in seeking PWOMC.

13. Over 10 per cent of respondents extremely involve in transmitting PWOMC.

14. Over 20 per cent of respondents extremely involve in processing PWOMC.

15. Over 25 per cent of respondents often complain to bank manager when they have problems with their banks

16. Over 25 per cent of respondents often ask advice of employees of bank when they have problems with their banks

17. Over 15 per cent of respondents often withdraw their money from their bank when they have problems with it.

18. Less than 4 per cent sue their bank in court when they have problems with the bank.

19. Less than 20 per cent of respondents discourage others from investing in their bank when they have problems with the bank.

20. Less than 15 per cent of respondents intend to reduce the amount of money deposited in the bank they deal with most often in the future.

21. Over 10 per cent of respondents intend to withdraw their money in the future from the bank they deal with most often.

22. Only 2 per cent of total respondents intend to discourage others from investing in their banks in

the future.

23. About 30 per cent of respondents intend to encourage others to invest in their bank in the future.

24. Over 38 per cent of respondents intend to increase the money they invest in their bank in the future.

7.1.2. Results On Discriminant Analysis

Multiple discriminant analysis (MDA) as a multivariate technique is depicted mainly to test first and second hypotheses. The purpose behind the analysis is to test the relationships between: (1) Customer feeling about bank attributes, (2) Customer traits and demographic data; and overall customer satisfaction. Therefore, MDA is utilized to test these hypotheses. Its main function is to discover the characteristics that distinguish those who are highly satisfied from those who are not satisfied.

a. Testing First Hypothesis. For testing the first hypothesis, MDA is utilized to differentiate between those who are highly satisfied and those who are dissatisfied according to several independent variables related to bank attributes. The rationale behind the first hypothesis is that respondents who perceive more positive attributes in dealing with their banks express an overall satisfaction, while those who perceive more negative attributes in dealing with their banks express an overall dissatisfaction in dealing with their banks.

In testing the first hypothesis, computer output indicated a significant discriminant function since Alpha is equal .018, and canonical correlation is equal .756, while R^2 is equal .571. Wilks, Lambda ($1-R^2$) supports the results since it is equal .429. It is an inverse measure of the amount of explanation remaining in the independent variables that has not been removed by the discriminant function.

Accordingly, table 7.1.2 indicates percentage of variance unexplained (Wilks. Lambda), and F calculated for each variable. The lower the Lambda, the better the variable as a discriminator between the two groups. Comparing F computed with F from the table (7.31) at Alpha equal 0.01, it is found that variables 2, 3, 4, 6, 9, 12, 13, and 15, are significant in the sense that they discriminate between the two groups. These variables are: Accuracy of services, speed of service, variety of service, interest rate on savings, speed of information given to customers, helpfulness of employees, friendliness of employees, and financial position of the bank, as indicated in table 7.1.2.

Accordingly, table 7.1.3 represents 23 independent variables, with their discriminant coefficients and the group means.

Taking 0.2 as a cut off point for the coefficients, it is found that variables 2, 4, 8, 9, 10, 12, 13, 14, 15, and 16 discriminate the satisfied and dissatisfied

Table 7.1.2 Wilks (λ) Lambda and F statistics related to bank attributes discriminating highly satisfied and dissatisfied groups.

Variable	Wilks (λ) Lambda	F
1. Responsiveness to complaints.	.9479	3.1888
2. Accuracy of service.	.7808	16.2813 ¹
3. Speed of service.	.7324	21.1956 ¹
4. Variety of service.	.8317	11.7362 ¹
5. Cost of service.	.9358	3.9762
6. Interest rate on savings.	.8228	12.4916 ¹
7. Promotion and advertising.	.9463	3.2930
8. Accurateness of information.	.9682	1.9036
9. Speed of information.	.8851	7.5317 ¹
10. Facilities offered to follow rights legally.	.9564	2.6448
11. Reputation of the bank.	.9876	.7301
12. Helpfulness of employees.	.8339	11.5533 ¹
13. Friendliness of employees.	.8074	13.8396 ¹
14. Attractiveness of employees.	.9530	2.8596
15. Financial position of the bank.	.8036	14.1727 ¹
16. Profitability of the bank.	.9130	5.5247
17. Liquidity of the bank.	.9473	3.2255
18. Technical facilities.	.8898	7.1832
19. Layout and district.	.9889	.6539
20. Convenience to shopping areas.	.8997	6.4666
21. Parking facilities.	.9597	2.4327
22. Social and societal contributions.	.9555	2.6999
23. Impact on economy.	.9965	.2010

¹ Significant at $\alpha = .01$; where $F = 7.31$.

Table 7.1.3 Linear discriminant function of highly satisfied and dissatisfied groups in relation to bank attributes:

Variable	Standardized Discriminant Coefficients	Group Means ¹	
		Highly Satisfied	Dissatisfied
Responsiveness to complaints.	-.15285	3.1034	2.6774
Accuracy of service.	-.25035 ¹	3.6207	2.7742
Speed of service.	-.10276	3.0690	1.8387
Variety of service.	-.42174 ¹	3.2759	2.1613
Cost of service.	.12886	3.3793	2.9032
Interest rate on savings.	.01644	3.3793	2.5806
Promotion and advertising.	-.10523	3.2759	2.4839
Accurateness of information.	.27176 ¹	3.2069	2.7419
Speed of information.	-.28183 ¹	3.2069	2.1935
Facilities offered to follow rights legally.	.40033 ¹	3.0690	4.1613
Reputation of the bank.	-.11785	3.8621	3.5484
Helpfulness of employees.	-.53264 ¹	3.3793	2.6129
Friendliness of employees.	.24538 ¹	3.4483	2.5484
Attractiveness of employees.	.21759 ¹	3.0345	2.6452
Financial position of the bank.	-.39998 ¹	3.6897	2.8387
Profitability of the bank.	.25313 ¹	3.4828	2.9355
Liquidity of the bank.	.04749	3.7586	3.1290
Technical facilities.	-.16067	3.3793	2.6774
Layout and district	.15316	3.3448	3.0645
Convenience to shopping areas.	-.05362	3.5862	2.9355
Parking facilities.	-.13584	3.3793	2.7419
Social and societal contributions.	-.13584	3.8276	2.7419
Impact on economy.	-.00543	4.0000	3.7419

¹Based on D-T scale

customers. The groups centroids are: (1) Highly satisfied $-.774$ and (2) Dissatisfied $.724$.

Those who reported high overall satisfaction were more satisfied with: accuracy of service, variety of service, speed of information given to customers, helpfulness of employees, and financial position of the bank as it means that those variables are the main variables that enforce the high degree of overall satisfaction for those who are highly satisfied.

Those who reported high overall dissatisfaction were in general less satisfied with accurateness of information given to customers, facility offered to follow rights legally, friendliness of employees, attractiveness of employees, and profitability of the bank. It means that those variables are the main variables that caused dissatisfaction to those who reported dissatisfaction.

Application of the discriminant function to the original data produces the results given in table 7.1.4.

Table 7.1.4 Confusion matrix for classification of highly satisfied and dissatisfied groups according to bank attributes:

Actual group membership	Predicted Group Membership		Number of cases
	Highly Satisfied	Dissatisfied	
Highly satisfied	27	2	29
Dissatisfied	6	25	31
			60(100%)

Table 7.1.4 is known as a "confusion matrix". It depicts the number and percentage of correct and incorrect classifications predicted by the model. It represents a method of summarising the success of the technique. In effect, the results in 86.7 per cent of cases significantly distinguish between the highly satisfied and the dissatisfied respondents.

According to Movvisons rule: $(29/60) (29/60) + (31/60) (31/60) = .06235 = 6.235$ per cent chance classification. Comparing the 86.7 per cent with the chance classification, it is obvious that the first is better.

b. Testing Sencond Hypothesis. For testing the second hypothesis, MDA is utilized to differentiate between those who are highly satisfied and those who are dissatisfied according to several independent variables related to demographic data and customers traits. The rational behind this hypothesis is that some demographic data and customer traits may discriminate those who are highly satisfied from thos who are dissatisfied.

In testing the second hypothesis, computer output indicated a significant discriminant function since Alpha is equal .000, and cannonical correlation is equal .704, while R^2 is equal .4962. Wilks, Lambda $(1-R^2)$ supports the results since it is equal .5048. It is an inverse measure of the amount of explanation remaining in the independent variables that not been removed by the dis-

criminant function.

Accordingly, table 7.1.5 indicates percentage of variance unexplained (Wilks, Lambda), and F calculated for each variable. The lower the Lambda, the better the variable as a discriminator between the two groups. Comparing F computed with F from the table (7.31) at Alpha equal 0.01 it is found that variables 2, 6, and 8 are significant in the sense that they discriminate between the two groups. These variables are age, specific self-confidence, and length of time in dealing with a bank, as indicated in table 7.1.5.

Table 7.1.5 Wilks (λ) Lambda and F statistics related to customers' traits discriminating highly satisfaction and dissatisfaction groups:

Variables	Wilks, Lambda	F
1. Department.	.9685	1.8846
2. Age.	.8446	10.6718 ¹
3. Sex.	.9732	1.5986
4. Better alternatives.	.9674	1.9551
5. General self-confidence.	1.0000	.0009
6. Specific self-confidence.	.7240	22.1140 ¹
7. Percentage of income invested.	.9969	.1780
8. Length of time (in dealing with a bank).	.8627	9.2329 ¹

¹Significant = .01; F=7.31.

Accordingly, Table 7.1.6 presents eight independent variables with their discriminant coefficients and the group means. Taking 0.3 as a cut-off point for interpreting coefficients, it is found that variables 2, 6, and 8 discriminate the highly satisfied and dissatisfied customers. The groups centroids are: (1) Highly satisfied .721 and (2) Dissatisfied -.674.

Those who reported dissatisfaction have low specific self-confidence. It means that this variable is the main variable related to dissatisfaction. Those who are dissatisfied are found to be less certain that their bank is a good bank.

Table 7.1.6 Linear discriminant function of highly satisfied and dissatisfied groups in relation to customers' traits:

Variable	Coefficient	Group means	
		Highly Satisfied	Dis-satisfied
1. Department.	.19710	2.7241	2.3548
2. Age.	.33456 ¹	2.1724	1.6129
3. Sex.	.07372	1.5172	1.3548
4. Better alternatives.	.02376	3.1724	2.6774
5. General self-confidence.	.10724	2.3793	2.3871
6. Specific self-confidence.	-.67556 ¹	1.3103	2.3871
7. Percentage of income invested.	-.09815	1.5172	1.4194
8. Length of time (in dealing with a bank).	.46243 ¹	2.5862	1.9677

¹ Significant

The variables that discriminate those who are highly satisfied are age, and length of time dealing with a bank. It means that those two variables are the main variables related to satisfaction. Those who are highly satisfied are found to be older in age and to be dealing for long time with a specific bank, as shown in table 7.1.6.

Application of the discriminant function to the original data produces the results given in table 7.1.7.

Table 7.1.7 Confusion matrix for classification of highly satisfied and dissatisfied groups according to customers' traits.

Actual group membership	Predicted Group Membership		Number of cases
	Highly Satisfied	Dissatisfied	
Highly satisfied	25	4	29
Dissatisfied	5	26	31
			60(100)

Table 7.1.7 is known as a "confusion matrix" and represents a method of summarizing the success of the technique. In effect, the results in 85 per cent of cases significantly distinguish between the highly satisfied and the dissatisfied respondents.

According to Movvisons rule: $(29/60) (29/60) + (31/60) (31/60) = .06235 = 6.235$ per cent chance classification. Comparing the 85 per cent with the chance classification, it is obvious that the first is better.

7.1.3. Results On Chi-Square Analysis

Chi-Square statistics is depicted mainly to test third, fourth, fifth, and sixth hypotheses. The purpose behind the analysis is to test the relationship between: (1) Customer satisfaction and customer attitude, (2) Customer attitude and Word-of-Mouth Communication, (3) Word-of-Mouth Communication and customer action toward his bank; and (4) Severity of problems that customer face with a bank and related behavioral concepts, as perceived risk, satisfaction, attitude, and customer reactions.

a. Testing Third Hypothesis. The third hypothesis states that customers who are satisfied in dealing with their bank are more likely to have favorable attitude while those who are dissatisfied in dealing with their bank are more likely to have unfavorable attitudes.

In testing this hypothesis, respondents are asked about their attitude toward their banks (How much they prefer their banks) utilizing six-point scale ranging from "Extremely prefer" to "Extremely do not prefer". The two extremes are collapsed into four values.

The results have shown that over 88 per cent of those who are satisfied in dealing with their banks were found to have preference to their banks compared to only 67.7 per cent of those who are dissatisfied. At the opposite end of the scale only 11.8 per cent of those who are satisfied in dealing with their banks were found not to prefer their

banks compared to 32.3 per cent of those who are dissatisfied. This differences are statistically significant ($\chi^2 = 11.982$, $df=3$, $P < .01$), as shown in Table 7.1.8. Therefore, third hypotheses is accepted. The strength of association (Cramer, S V) is equal .310.

Table 7.1.8 Satisfaction and preference of bank.

Preference (Attitude)	Satisfied ²		Dissatisfied ²	
	Number	Per cent	Number	Per cent
Prefer.	62	52.1	7	22.6
Slightly prefer.	43	36.1	14	45.1
Slightly do not prefer.	7	5.9	6	19.4
Do not prefer.	7	5.9	4	12.9
Total ¹	119	100.0	31	100.0

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

b. Testing Fourth Hypothesis. The fourth hypothesis states that customers who have favorable attitude toward their banks are more likely to be involved in positive Word-of-Mouth Communication (PWOMC) than those who have unfavorable attitude toward their banks. On the other hand, customers who have unfavorable toward their banks are more likely to be involved in negative WOMC than those who have favorable attitude.

In testing this hypothesis, respondents are asked

to assign the frequency of their involvement in receiving, seeking, processing, and transmitting positive or negative WOMC. Six-point scale are utilized for this purpose ranging from "Not at all" To "Always". However, for data interpretations, the values of scales are collapsed into four values.

Testing subhypothesis one. Subhypothesis one states that customers who have favorable attitude toward their banks are more likely to be involved in receiving positive WOMC than those who have unfavorable attitude.

Data are gathered from respondents through their response to the question "If you hear some people praising your bank, to what extent do you listen to them?".

In testing this subhypothesis, it is found that 60.8 per cent of those who have positive attitude toward their banks involve in receiving more frequent PWOMC about their banks compared to 41.7 per cent of those who have negative attitude about their banks. Further, 16.8 per cent of those who prefer their banks are found to be strongly involve in receiving PWOMC compared to only 12.5 per cent of those who do not prefer their banks as shown in Table 7.1.9. The results are not significant ($\chi^2 = 4.878$, $df=3$, $P < .3$), therefore, subhypothesis one is rejected.

The interpretation of this conclusion is that some of those who have unfavorable attitude toward their banks may have cognitive dissonance after their involvement

in dealing with their banks. They already are involved in dealing with such bank. After their experience, their attitude might have changed to a negative one. However, since they have already taken a decision and are involved in dealing with such bank, they try to reduce their cognitive dissonance by receiving PWOMC about that bank at least to convince themselves that their early decision was true.

Table 7.1.9 Attitude and receiving PWOMC

Receiving PWOMC	Attitude of bank ²			
	Favorable	Per cent	Unfavorable	Per cent
Not at all.	28	22.40	7	29.17
Rarely.	21	16.80	7	29.17
Sometimes.	25	44.00	7	29.17
Often.	21	16.80	3	12.50
Total ¹	125	100.00	24	100.01 ³

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

³Percents does not total 100 due to rounding.

Testing subhypothesis two. Subhypothesis two states that customers who have favorable attitude toward their banks are more likely to be involved in seeking PWOMC than those who have unfavorable attitude.

Data are gathered from respondents through their response to the question "Do you have a need to search for positive information about your bank through conversa-

tions with others?"

In testing this subhypothesis it is found that 77.8 per cent of those who have positive attitude toward banks do not involve in seeking PWOMC compared with 66.67 per cent of those who have negative attitude toward their banks. On the other hand, only 22.2 per cent of those who have favorable attitude involve in seeking PWOMC compared with 33.34 per cent of those who have unfavorable attitude. The results are not statistically significant ($\chi^2 = 4.907$, $df=3$, $P < .3$). Therefore subhypothesis two is rejected, as indicated in table 7.1.10.

Table 7.1.10 Attitude and seeking PWOMC.

Seeking PWOMC	Attitude of bank ²			
	Favorable	Per cent	Unfavorable	Per cent
Not at all.	76	60.30	10	41.67
Rarely.	22	17.50	6	25.00
Sometimes.	18	14.30	7	29.17
Often.	10	7.9	1	4.17
Total ¹	126	100.00	24	100.01 ³

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

³Percents does not total 100 due to rounding.

The interpretation of this conclusion is supporting dissonance theory to some extent, since some of those who have favorable attitude after their experience

in dealing with a bank are trying to reduce post-behavior dissonance by seeking positive WOMC about their bank.

Testing subhypothesis three. Subhypothesis three states that customers who have favorable attitude toward their banks are likely to be involved in processing PWOMC to a greater extent than those who have unfavorable attitude.

Data are gathered from respondents through their response to the question "When you discover from discussions with your friends some advantages of investing in your bank, do you increase your deposits in the bank?".

In testing this hypothesis it is found that 32.5 per cent of those who have favorable attitude toward their banks involve in processing PWOMC compared to 37.53 per cent of customers who have unfavorable attitude toward their banks. However, 14.2 per cent of those who have favorable attitude involve strongly in processing PWOMC compared with only 4.2 per cent of those who have unfavorable attitude. The results are not statistically significant ($\chi^2 = 3.820$, $df=3$, $P < .5$), as indicated in Table 7.1.11. Therefore subhypothesis three is rejected.

Table 7.1.11 Attitude and processing PWOMC.

Processing PWOMC	Attitude of bank ²			
	Favorable	Per cent	Unfavorable	Per cent
Not at all.	62	49.20	10	41.67
Rarely.	23	18.30	5	20.80
Sometimes.	23	18.30	8	33.33
Often.	18	14.20	1	4.20
Total ¹	126	100.00	24	100.00

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

Testing subhypothesis four. Subhypothesis four states that customers have favorable attitude toward their banks are more likely to transmitting positive WOMC to a greater extent than those who have unfavorable attitude.

Data are gathered from teaching staff through their response to the question "If you are convinced from conversations with your friends that the bank you deal with most often is having better reputation, do you have an interest to tell this to other people?".

In testing this subhypothesis it is found that 45.24 per cent of customers who have favorable attitude toward their banks involve in transmitting positive WOMC compared to 45.83 per cent of those who have unfavorable attitude. While 34.92 per cent of those who have favorable

attitude did not involve in transmitting any PWOMC compared to 45.83 per cent of those who have unfavorable attitude as shown in Table 7.1.12.

Table 7.1.12 Attitude and transmitting PWOMC

Transmitting PWOMC	Attitude of bank ²			
	Favorable	Per cent	Unfavorable	Per cent
Not at all.	44	34.92	11	45.83
Rarely.	25	19.84	2	8.33
Sometimes.	29	23.02	8	33.33
Often.	28	22.22	3	12.50
Total ¹	126	100.00	24	99.99 ³

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

³Percents does not total 100 due to rounding.

The results are not statistically significant ($\chi^2 = 3.931$, $df=3$, $P < .5$). Therefore, subhypothesis four is rejected. However, 22.22 per cent of those who have favorable attitude toward their bank are strongly involved in transmitting PWOMC compared to 12.5 per cent of those who have unfavorable attitude.

Testing subhypothesis five. Subhypothesis five states that customers who have unfavorable attitude toward their banks are more likely to receive negative Word-of-Mouth Communication (NWOMC) to a greater extent than those

who have favorable attitude.

Data are gathered from teaching staff by responding to the question "If you hear some people criticizing your bank, to what extent do you listen to them?".

In testing this subhypothesis it is found that 61.1 per cent of customers who have favorable attitude toward their banks receive negative WOMC compared to 65.2 per cent of those who have unfavorable attitude toward their banks. The results are not statistically significant ($\chi^2 = 1.853$, $df=3$, $P < .7$). Therefore, subhypothesis five is rejected.

However 17.5 per cent of those who have favorable attitude did not receive any negative WOMC compared to 8.7 per cent of those who have unfavorable attitude as shown in Table 7.1.13. The interpretation of these results is that higher percentage of those who have favorable attitude, compared to those who have unfavorable attitude, may not listen to people who criticize their bank. This interpretation is in accordance with dissonance theory, in the sense that those who do not listen to negative WOMC may have cognitive dissonance against any listening to negative information about their banks. While those who listen more to negative information may do so as a relieve to their anxiety. Since they feel anxious, they listen to others as a way to relieve their anxiety as dissonance theory may predict.

Table 7.1.13 Attitude and receiving NWOMC.

Receiving NWOMC	Attitude ²			
	Favorable	Per cent	Unfavorable	Per cent
Not at all.	22	17.5	2	8.7
Rarely.	27	21.4	6	26.1
Sometimes.	47	37.3	10	43.5
Often.	30	23.8	5	21.7
Total ¹	126	100.0	23	100.0

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

Testing subhypothesis six. Subhypothesis six states that customers who have unfavorable attitude toward their banks are more likely to seek negative WOMC to a greater extent than those who have favorable attitude.

Data are gathered from respondents through their answer to the question "Are you eager to search for negative information about your bank through conversations with others?".

In testing this subhypothesis, it is concluded that 60.9 per cent of those who strongly prefer their banks were found not to seek any negative WOMC compared to 36.4 per cent of those who strongly do not prefer their banks. While 5.8 per cent of those who strongly prefer their banks were found to be involved in seeking seeking negative WOMC compared to 9.1 percent of those

who strongly do not prefer their banks. However the results are mixed for the other categories of preference. So the results are not statistically significant ($\chi^2 = 15.223$, $df=9$, $P < .09$). Therefore, subhypothesis six is rejected at α equal .07, as shown in Table 7.1.14.

Table 7.1.14—Attitude and seeking NWOMC

Seeking NWOMC	Favorable attitude		Unfavorable attitude	
	Strong	Slight	Slight	Strong
Not at all.	42 (60.9%)	29 (51.8%)	3 (23.1%)	4 (36.4%)
Rarely. Sometimes.	8 (11.6%)	10 (17.9%)	3 (23.1%)	5 (45.5%)
Sometimes.	15 (21.7%)	11 (19.6%)	4 (30.8%)	1 (9.1%)
Often.	4 (5.8%)	6 (10.7%)	3 (23.1%)	1 (9.1%)
Total ¹	69 (100.0%)	56 (100.1%) ²	13 (100.1%) ²	11 (100.1%) ²

¹Frequencies of the "no answer" category are not included.

²Percents does not total 100 due to rounding.

Testing subhypothesis seven. Subhypothesis seven states that customers who have unfavorable attitude toward their banks are more likely to process negative WOMC to a greater extent than those who have favorable attitude toward their banks.

Data are gathered from teaching staff by respond-

ing to the question "If you should discover from a discussion with your friends more critical disadvantages of investing in your bank, would you withdraw your money from the bank?".

In testing this subhypothesis it is found that 34.8 per cent of those who have strong favorable attitude toward their banks do not involve in processing negative WOMC compared to 36.4 per cent of those who have strong unfavorable attitude toward their banks. On the other hand, 23.2 percent of those who have strong favorable attitude are found to be involved in processing negative WOMC to a greater extent compared to 27.3 per cent of those who have strong unfavorable attitude. However, the results are not statistically significant ($\chi^2 = 14.439$, $df=9$, $P < .2$). Therefore, subhypothesis seven is rejected as shown in Table 7.1.15.

Table 7.1.15 Attitude and processing NWOMC.

Processing NWOMC	Favorable attitude		Unfavorable attitude	
	Strong	Slight	Slight	Strong
Not at all.	24 (34.8%)	11 (19.3%)	3 (23.1%)	4 (36.4%)
Rarely.	9 (13.0%)	14 (24.6%)	3 (23.1%)	3 (27.3%)
Sometimes.	20 (29.0%)	11 (19.3%)	6 (46.2%)	1 (9.1%)
Often.	16 (23.2%)	21 (36.8%)	1 (7.7%)	2 (27.3%)
Total ¹	69 (100.0%)	57 (100.0%)	13 (100.1%) ²	11 (100.1%) ²

¹Frequencies of the "no answer" category are not included.
²Percents does not total 100 due to rounding.

Testing subhypothesis eight. Subhypothesis eight states that customers who have unfavorable attitude toward their banks are more likely to transmit negative WOMC to a greater extent than those who have favorable attitude.

Data are collected from respondents by answering the question "If you are convinced from conversations with your friends of some disadvantages of your bank, would you pass on your opinion to other people?".

In testing this hypothesis it is found that 14.29 per cent of those who have favorable attitude did not involve in transmitting any negative WOMC compared to 29.17 per cent of those who have unfavorable attitude. While 31.75 per cent of those who have favorable attitude involve in transmitting negative WOMC compared to 20.83 per cent of those who have unfavorable attitude toward their banks. The results are not statistically significant ($X^2 = 6.018$, $df=3$, $P < .2$). Therefore, subhypothesis eight is rejected, as shown in Table 7.1.16.

The results of this subhypothesis may reflect the fact that over 70 per cent of both groups of respondents, who have favorable or unfavorable attitude toward their banks, are involved in transmitting negative WOMC about their banks. They have the eagerness to criticize their banks, since they may be considered as opinion leaders, they are always looking for the best. If the analysis proceeded further, more in depth interpretation may be concluded related to each group. Those who have unfavorable attitude

may be transmitting negative WOMC but not greater than those who have favorable attitude, because they may be reluctant to transmit negative information as dissonance theory may predict. In addition, people may be reluctant to transmit negative information, since they keep MUM about undesirable messages (Tesser et al., 1971).

Table 7.1.16 Attitude and transmitting NWOMC.

Transmitting NWOMC	Attitude ²			
	Favorable	Per cent	Unfavorable	Per cent
Not at all.	18	14.29	7	29.17
Rarely.	23	18.25	7	29.17
Sometimes.	45	35.71	5	20.83
Often.	40	31.75	5	20.83
Total ¹	126	100.00	24	100.00

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

c. Testing Fifth Hypothesis. The fifth hypothesis states that customers who are more involved in positive WOMC are more likely to take positive actions toward investment in their banks, while customers who are more involved in negative WOMC are more likely to take negative actions toward investment in their banks.

In testing this hypothesis respondents were asked to answer "no or yes" questions about their intention in the future to (1) encourage others to invest in

their banks, (2) increase the amount of money they invest in their banks, (3) reduce the amount of money deposited in their banks, (4) withdraw their money from their banks, and (5) discourage others from investing in their banks.

Testing subhypothesis one. Subhypothesis one states that customers who are more involved in receiving positive WOMC are more likely to: (1) encourage others to invest in their banks, and (2) increase the amount they invest in their banks to a greater extent than those who are less involved in receiving positive WOMC.

In testing the first part of this subhypothesis it is found that 25 per cent of those who often involved in receiving positive WOMC intend to encourage others to invest in their banks compared to 14.3 per cent of those who did not involve in receiving any positive WOMC. This result is statistically significant ($\chi^2 = 10.443$, $df=3$, $P < .02$). The strength of association (Crammer, S V) is equal .263. Therefore, the first part of subhypothesis one is accepted, as shown in Table 7.1.17.

Table 7.1.17. Receiving PWOMC and positive actions

Positive actions	Receiving PWOMC			
	Not at all	Rarely	Sometimes	Often
<u>Encourage investment:</u>				
No	30 (85.7%)	22 (78.6%)	36 (57.1%)	18 (75.0%)
Yes	5 (14.3%)	6 (21.4%)	27 (42.9%)	6 (25.0%)

Table 7.1.17 (Continue)

Total ¹	35 (100.0%)	28 (100.0%)	63 (100.0%)	24 (100.0%)
<u>Increase depositing:</u>				
No	17 (51.5%)	17 (60.7%)	44 (71.0%)	13 (54.2%)
Yes	16 (48.5%)	11 (39.3%)	18 (29.0%)	11 (45.8%)
Total ¹	33 (100.0%)	28 (100.0%)	62 (100.0%)	24 (100.0%)

¹Frequencies of the "no answer" category are not included.

The implication of this result is that those who receive positive WOMC and tend to encourage others to invest in their banks may be utilized as opinion leaders to encourage others to deposit in their banks.

In testing the second part of the subhypothesis, it is found that 45.8 per cent of those who often involved in receiving positive WOMC are more likely to increase the amount of money they invest in their banks compared to 48.5 per cent of those who do not involve in receiving any positive WOMC. The results are not statistically significant ($X^2 = 4.29, df=3, P < .3$). Therefore, the second part of subhypothesis one is rejected, as shown in Table 7.1.17 above.

Testing subhypothesis two. Subhypothesis two states that respondents who are more involved in seeking positive WOMC are more likely to (1) encourage others to

invest in their banks, and (2) increase the amount of money they invest in their banks to a greater extent than those who are less involved in seeking positive WOMC.

In testing the first part of this subhypothesis it is found that 45.5 per cent of those who were involved often in receiving positive WOMC are eager to encourage others to invest in their banks compared to 31.4 per cent of those who do not involve in seeking any positive WOMC. The results are not statistically significant ($X^2 = 2.239$, $df=3$, $P < .6$). Therefore, the first part of subhypothesis tow is rejected, as shown in Table 7.1.18.

Table 7.1.18 Seeking PWOMC and taking positive actions.

Positive actions	Seeking PWOMC			
	Not at all	Rarely	Sometimes	Often
<u>Encourage investment:</u>				
No	59 (68.6%)	22 (75.9%)	19 (76.0%)	6 (54.5%)
Yes	27 (31.4%)	7 (24.1%)	6 (24.0%)	5 (45.5%)
Total ¹	86 (100.0%)	29 (100.0%)	25 (100.0%)	11 (100.0%)
<u>Increase investment:</u>				
No	48 (57.1%)	18 (62.1%)	18 (75.0%)	7 (63.6%)
Yes	36 (42.9%)	11 (37.9%)	6 (25.0%)	4 (36.4%)
Total ¹	84 (100.0%)	29 (100.0%)	24 (100.0%)	11 (100.0%)

¹Frequencies of the "no answer" category are not included.

In testing the second part of subhypothesis two it is found that 36.4 per cent of those who were often involved in seeking positive WOMC are more likely to increase the amount of money they invest in their banks compared to 42.9 per cent of those who did not involve in seeking any positive WOMC.

The results of the second part of subhypothesis two are not statistically significant ($\chi^2 = 2.545$, $df=3$, $P < .5$). Therefore, the second part of this subhypothesis is rejected, as show in Table 7.1.18 above.

Testing subhypothesis three. Subhypothesis three states that respondents who are more involved in processing positive WOMC are more likely to: (1) encourage others to invest in their banks, and (2) increase the amount of money they invest in their banks to a greater extent than those who are less involved in processing positive WOMC.

In testing the first part of this subhypothesis it is found that 57.9 per cent of those who were often involved in processing positive WOMC are more likely to encourage others to invest money in their banks compared to 25 per cent of those who did not involve in processing any positive WOMC. The results are statistically significant ($\chi^2 = 8.414$, $df=3$, $P < .04$). The strength of association (Cramer, S V) is equal .236. Therefore, the first part of subhypothesis three is accepted, as shown in Table 7.1.19.

Table 7.1.19 Processing PWOMC and taking positive actions.

Positive actions	Processing PWOMC			
	Not at all	Rarely	Sometimes	Often
<u>Encourage others to invest:</u>				
No	54 (75.0%)	22 (75.9%)	22 (71.0%)	8 (42.1%)
Yes	18 (25.0%)	7 (24.1%)	9 (29.0%)	11 (57.9%)
Total ¹	72 (100.0%)	29 (100.0%)	31 (100.0%)	19 (100.0%)
<u>Increase money invested:</u>				
No	49 (71.0%)	15 (51.7%)	20 (64.5%)	7 (36.8%)
Yes	20 (29.0%)	14 (48.3%)	11 (35.5%)	12 (63.2%)
Total ¹	69 (100.0%)	29 (100.0%)	31 (100.0%)	19 (100.0%)

¹Frequencies of the "no answer" category are not included.

In testing the second part of subhypothesis three it is found that 63.2 per cent of those who were often involved in processing positive WOMC are more likely to increase the amount of money they invest in their banks compared to 29 per cent of those who did not involved in processing any positive WOMC, as shown in Table 7.1.19 above. The results are statistically significant ($\chi^2 = 8.805$, $df=3$, $P < .04$). The strength of association (Cramer, S V) is equal .111. Therefore, the second part of this subhypothesis is accepted.

Testing subhypothesis four. Subhypothesis four states that respondents who are more involved in transmitting positive WOMC are more likely to: (1) encourage others to invest in their banks, and (2) increase the amount of money they invest in their banks to a greater extent than those who are less involved in transmitting positive WOMC.

In testing the first part of this subhypothesis it is found that 51.6 per cent of those who were often involved in transmitting positive WOMC are more likely to encourage others to invest money in their banks compared to 18.2 per cent of those who did not involved in transmitting any positive WOMC, as shown in table 7.1.20.

The results of the first part of subhypothesis four are statistically significant ($\chi^2 = 10.850$, $df=3$, $P < .02$). The strength of association (Cramer, S V) is equal .268. Therefore, the first part of this subhypothesis is accepted.

In testing the second part of subhypothesis four it is found that 45.2 percent of those who were often involved in transmitting positive WOMC are more likely to increase investment in their banks compared to 36.5 per cent of those who did not involved in transmitting any positive WOMC.

The results of the second part of this subhypothesis are not statistically significant ($\chi^2 = 1.836$, $df=3$, $P < .7$). Therefore the second part of this subhypothesis is rejected, as shown in Table 7.1.20.

Table 7.1.20 Transmitting PWOMC and positive actions.

Positive actions	Not at all	Rarely	Sometimes	Often
<u>Encourage others to invest:</u>				
No	45 (81.8%)	20 (74.1%)	26 (68.4%)	15 (48.4%)
Yes	10 (18.2%)	7 (25.9%)	12 (31.6%)	16 (51.6%)
Total ¹	55 (100.0%)	27 (100.0%)	38 (100.0%)	31 (100.0%)
<u>Increase money invested:</u>				
No	33 (63.5%)	15 (55.6%)	26 (68.4%)	17 (54.8%)
Yes	19 (36.5%)	12 (44.4%)	12 (31.6%)	14 (45.2%)
Total ¹	52 (100.0%)	27 (100.0%)	38 (100.0%)	31 (100.0%)

¹Frequencies of the "no answer" category are not included.

Testing subhypothesis five. Subhypothesis five states that respondents who are more involved in receiving negative WOMC are more likely to: (1) reduce the amount of money deposited in their banks, (2) withdraw their money from their banks, and (3) discourage others from investing in their banks to a greater extent than those who are less involved in receiving negative WOMC.

In testing the first part of this subhypothesis it is found that 21.3 percent of those high involved in receiving negative WOMC are more likely to reduce their

deposits in their banks compared to only 3.5 per cent of those low involved in receiving negative WOMC. The results are statistically significant ($\chi^2 = 8.988$, $df=1$, $P < .005$, and $\Phi \phi = \sqrt{\chi^2/N} = \sqrt{8.988/151} = .24$). Therefore, the first part of this subhypothesis is accepted, as shown in Table 7.1.21.

In testing the second part of subhypothesis five it is found that 13.0 per cent of those high involved in receiving negative WOMC are more likely to withdraw their money from their banks compared to 7.0 per cent of those low involved in receiving any negative WOMC. The results are not statistically significant ($\chi^2 = 1.33$, $df=1$, $P < .3$). Therefore, the second part of subhypothesis five is rejected as shown in Table 7.1.21.

In testing the third part of this subhypothesis it is found that 1.1 per cent of those high involved in receiving negative WOMC are more likely to discourage others from investing in their banks compared to 1.9 per cent of those low involved in receiving negative WOMC, as shown in Table 7.1.21.

The results of the third part of this subhypothesis are not statistically significant, since Fisher test = $P = \frac{(145!)(2!)(53!)(94!)}{(147!)(52!)(93!)(1!)(1!)} = .464$ which is greater than $\alpha .07$ (Siegel, 1954). Therefore, this part of subhypothesis five is rejected.

Table 7.1.21 Receiving NWOMC and negative actions.

Negative actions	Receiving NWOMC ²			
	Low	Per cent	High	Per cent
<u>Reduce deposits:</u>				
No	55	96.5	74	78.7
Yes	2	3.5	20	21.3
Total ¹	57	100.0	94	100.0
<u>Withdraw money:</u>				
No	53	92.9	80	86.9
Yes	4	7.0	12	13.0
Total ¹	57	99.9 ³	92	99.9 ³
<u>Discourage others:</u>				
No	52	98.1	93	98.9
Yes	1	1.9	1	1.1
Total ¹	53	100.0	94	100.0

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

³Percents does not total 100 due to rounding.

Testing subhypothesis six: Subhypothesis six states that respondents who are more involved in seeking negative WOMC are more likely to: (1) reduce the amount of money deposited in their banks, (2) withdraw their money from their banks, and (3) discourage others from investing in their banks to a greater extent than those who are less involved in seeking negative NWOMC.

In testing the first part of this subhypothesis it is found that 28.9 per cent of those high involving in seeking negative WOMC are more likely to reduce their deposits in their banks compared to only 8.5 per cent of those low involved in seeking negative WOMC, as shown in Table 7.1.22. The results of the first part are statistically significant ($\chi^2 = 10.545$, $df=1$, $P < .005$, and $\phi = .26$). Therefore, the first part of subhypothesis six is accepted.

Table 7.1.22 Seeking NWOMC and negative actions.

Negative actions	Seeking NWOMC ²			
	Low	Per cent	High	Per cent
<u>Reduce deposits:</u>				
No	97	91.5	32	71.1
Yes	9	8.5	13	28.9
Total ¹	106	100.0	45	100.0
<u>Withdraw money:</u>				
No	93	88.5	40	90.9
Yes	12	11.4	4	9.0
Total ¹	105	99.9 ³	44	99.9 ³
<u>Discourage others:</u>				
No	105	100.0	42	95.5
Yes	0	00.0	2	4.5
Total ¹	103	100.0	44	100.0

¹Frequencies of the "no answer" category are not included.

²Scales values are collapsed into two values.

³Percents does not total 100 due to rounding.

In testing the second part of this subhypothesis it is found that 9.0 per cent of those high involved in seeking negative WOMC are more likely to withdraw their money from their banks compared to 11.4 per cent of those low involved in seeking negative WOMC. However, the results are not statistically significant ($\chi^2 = .196$, $df=1$, $P < .4$). Therefore, the second part of this subhypothesis is rejected, as shown in Table 7.1.22 above.

In testing the third part of subhypothesis six it is found that 4.5 per cent of those high involved in seeking negative WOMC are more likely to discourage others from investing in their banks compared with 0.0 per cent of those low involved in seeking negative WOMC. The results are slightly significant, since Fisher Test = $P = .088$ which is slightly greater than $\alpha .07$. Therefore, the third part of subhypothesis six is not accepted, as shown in Table 7.1.22 above.

Testing subhypothesis seven. Subhypothesis seven states that respondents who are more involved in processing negative WOMC are more likely to: (1) reduce the amount of money deposited in their banks, (2) withdraw their money from their banks, and (3) discourage others from investing in their banks to a greater extent than those who are less involved in processing negative WOMC.

In testing the first part of this subhypothesis

it is found that 13.5 per cent of those high involved in processing negative WOMC are more likely to reduce the amount of money deposited in their banks compared to 15.4 per cent of those low involved in processing negative WOMC. However, the results are not statistically significant ($\chi^2 = .110$; $df=1$, $P < .3$). Therefore, the first part of this subhypothesis is rejected, as shown in Table 7.1.23.

Table 7.1.23 Processing NWOMC and negative actions.

Negative actions	Processing NWOMC ²			
	Low	Per cent	High	Per cent
<u>Reduce deposits:</u>				
No	60	84.5	70	86.4
Yes	11	15.4	11	13.5
Total ¹	71	99.9 ³	81	99.9 ³
<u>Withdraw money:</u>				
No	62	88.5	72	90.0
Yes	8	11.4	8	10.0
Total ¹	70	99.9 ³	80	100.0
<u>Discourage others:</u>				
No	67	98.5	79	98.75
Yes	1	1.5	1	1.25
Total ¹	68	100.0		100.00

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

³Percents does not total 100 due to rounding.

In testing the second part of this subhypothesis it is found that 10.0 per cent of those high involved in processing negative WOMC are more likely to withdraw their money from their banks compared to 11.4 per cent of those low involved in processing negative WOMC, as shown in Table 7.1.23 above. However, the results of the second part are not statistically significant ($\chi^2 = .078$, $df=1$, $P < .2$). So the second part of this subhypothesis is rejected.

In testing the third part of subhypothesis seven it is found that 1.25 per cent of those high involved in processing negative WOMC are more likely to discourage others from investing in their banks compared to 1.5 per cent of those low involved in processing negative WOMC. The results are not statistically significant, since Fisher Test= $P = .5$ which is greater than $\alpha .07$. Therefore, the third part of subhypothesis seven is rejected, as shown in Table 7.1.23 above.

Testing subhypothesis eight. Subhypothesis eight states that respondents who are more involved in transmitting negative WOMC are more likely to: (1) reduce the amount of money deposited in their banks, (2) withdraw their money from their banks, and (3) discourage others from investing in their banks to a greater extent than those who are less involved in transmitting negative WOMC.

In testing the first part of this subhypothesis it is found that 16.4 per cent of those high involved in

transmitting negative WOMC are more likely to reduce the amount of money deposited in their banks compared to 10.9 per cent of those low involved in transmitting negative WOMC. The results are not statistically significant ($\chi^2 = .406$, $df=1$, $P < .5$). Therefore, the first part of this subhypothesis is rejected, as shown in table 7.1.24.

Table 7.1.24 Transmitting NWOMC and negative actions

Negative actions	Transmitting NWOMC ²			
	Low	Per cent	High	Per cent
<u>Reduce deposits:</u>				
No	49	89.0	81	83.5
Yes	6	10.9	16	16.4
Total	55	99.9 ³	97	99.9 ³
<u>Withdraw money:</u>				
No	47	87.0	87	90.6
Yes	7	12.9	9	9.3
Total ¹	54	99.9 ³	96	99.9 ³
<u>Discourage others:</u>				
No	50	98.04	96	98.97
Yes	1	1.96	1	1.03
Total ¹	51	100.00	97	100.00

¹Frequencies of the "no answer" category are not included.

²Scale values are collapsed into two values.

³Percents does not total 100 due to rounding.

In testing the second part of subhypothesis eight it is found that 9.3 per cent of those high involved in transmitting negative WOMC are more likely to withdraw their money from their banks compared to 12.9 per cent of those low involved in transmitting negative WOMC. In spite, results are not statistically significant ($X^2 = .440$, $df=1$, $P < .4$). Therefore, the second part of this subhypothesis is rejected, as shown in Table 7.1.24 above.

In testing the third part of subhypothesis eight it is found that 1.03 per cent of those high involved in transmitting negative WOMC are more likely to discourage others from investing in their banks compared to 1.96 per cent of those low involved in transmitting negative WOMC. The results are not statistically significant, since Fisher Test = $P = .45$ which is greater than $\alpha .07$. Therefore, the third part of subhypothesis eight is rejected, as shown in Table 7.1.24 above.

d. Testing Sixth Hypothesis. The sixth hypothesis states that customers who have severe problems with a bank are more likely to perceive high risk, have less satisfaction, have negative attitude, and take more negative reactions toward their banks than those who do not have severe problems.

In testing this hypothesis respondents were asked to answer "no or yes" to a question which probed if they had problems with their bank. In addition to asking them the usual questions about their certainty

of whether their banks are good, satisfaction, attitude (utilizing scales mentioned before); they were also asked about their reactions toward their banks when they had problems. Six-point scales were utilized for this purpose to reduce the rounding error. Scales were collapsed into four-point for purpose of computations.

Testing subhypothesis one. Subhypothesis one states that customers who have severe problems with a bank are more likely to perceive high risk to a greater extent than customers who have no severe problems.

In testing this subhypothesis it is found that 20.6 per cent of those having problems with their banks are not confident that their bank is a good one compared to 10.2 per cent of those who do not have any problem with banks. However, 29.4 per cent of those having problems are slightly confident that their bank is a good one compared to 41.9 per cent of those who do not have problems with their banks. However, the results are not statistically significant ($X^2 = 4.679$, $df=3$, $P < .2$). So subhypothesis one is rejected, as shown in Table 7.1.25.

Testing subhypothesis two. Subhypothesis two states that customers who have severe problems with a bank are more likely to have less satisfaction in dealing with their banks to a greater extent than those who have no severe problems.

In testing this subhypothesis it is found that 67.6 per cent of those who have problems with their banks

are more likely to be pleased or satisfied with their banks compared to 82.6 per cent of those who have no problems. While 32.3 per cent of those who have problems are dissatisfied or unhappy with their banks compared to 17.3 per cent of those who have no problems. However, the results are not statistically significant ($\chi^2 = 3.700$, $df=3$, $P < .3$). Therefore, this subhypothesis is rejected, as shown in Table 7.1.25.

Testing subhypothesis three. Subhypothesis three states that customers who have severe problems with a bank are more likely to have unfavorable attitude in dealing with their banks to a greater extent than those who have no problems with their banks.

In testing this subhypothesis it is found that 79.5 per cent of those who have problems with their banks are found to prefer or extremely prefer their banks compared to 85.2 per cent of those who do not have problems with their banks. The results are not statistically significant ($\chi^2 = 1.111$, $df=3$, $P < .8$). Therefore, this subhypothesis is rejected, as shown in Table 7.1.25.

Table 7.1.25 The relationships between customers' problems and related behavioral aspects.

Behavioral aspects	No	Customers' problems	
		Per cent	Yes Per cent
<u>Perceived risk:</u>			
Certain.	56	47.9	17 50.0

Table 7.1.25 (Continue)

Slightly certain.	49	41.9	10	29.4
Slightly uncertain.	8	6.8	3	8.8
Uncertain.	4	3.4	4	11.8
Total ¹	117	100.0	34	100.0
<u>Satisfaction:</u>				
Pleased.	24	20.9	5	14.7
Satisfied.	71	61.7	18	52.9
Dissatisfied.	15	13.0	8	23.5
Unhappy.	5	4.3	3	8.8
Total ¹	115	99.9 ²	34	99.9 ²
<u>Preference of bank:</u>				
Extremely prefer.	52	45.2	16	47.1
Prefer.	46	40.0	11	32.4
Slightly prefer.	9	7.8	4	11.8
Do not prefer.	8	7.0	3	8.8
Total ¹	115	100.0	34	100.1 ²
<u>Complain to managers:</u>				
Not at all.	35	30.2	13	38.2
Rarely.	23	19.8	1	2.9
Sometimes.	29	25.0	7	20.6
Often.	29	25.0	13	38.2
Total ¹	116	100.0	34	99.9 ²
<u>Ask employees' advice:</u>				
Not at all.	28	24.3	12	35.3
Rarely.	20	17.4	3	8.8

Table 7.1.25 (Continue)

Sometimes.	34	29.6	10	29.4
Often.	33	28.7	9	26.5
Total ¹	115	100.0	34	100.0
<u>Ask friends' advice:</u>				
Not at all.	36	31.0	20	58.8
Rarely.	26	22.4	5	14.7
Sometimes.	37	31.9	4	11.8
Often.	17	14.7	5	14.7
Total ¹	116	100.0	35	100.0
<u>Withdraw money:</u>				
Not at all.	32	28.3	8	23.5
Rarely.	25	22.1	12	35.3
Sometimes.	34	30.1	7	20.6
Often.	22	19.5	7	20.6
Total ¹	113	100.0	34	100.0
<u>Sue the bank:</u>				
Not at all.	80	72.2	23	71.9
Rarely.	12	10.5	6	18.8
Sometimes.	10	8.8	2	6.3
Often.	4	3.5	1	3.1
Total ¹	114	100.0	32	100.1 ²
<u>Discourage others:</u>				
Not at all.	47	42.3	16	48.5
Rarely.	22	19.8	5	15.2

Table 7.1.25 (Continue)

Sometimes.	18	16.2	8	24.2
Often.	24	21.6	4	12.1
Total ¹	111	99.9 ²	33	100.0

¹Frequencies of the "no answer" category are not included.

²Percents does not total 100 due to rounding.

Testing subhypothesis four. Subhypothesis four states that customers who have severe problems with their banks are more likely to complain to managers of the bank, as a reaction in facing problems, to a greater extent than those who have no problems.

In testing this hypothesis it is found that 38.2 per cent of those who have problems with their banks complain often to managers of their banks, as a reaction in facing these problems, compared to 25.0 per cent of those who do not have any problem with their banks. The results are statistically significant ($\chi^2 = 7.078$, $df=3$, $P < .07$ at $\alpha = .07$). The strength of association (Cramer, S V) is equal .217. Therefore, this subhypothesis is accepted, as shown in Table 7.1.25 above.

Testing subhypothesis five. Subhypothesis five states that customers who have severe problems with their banks are more likely to ask advice of employees, as a reaction in facing problems, to a greater extent than those who have no problems.

In testing this subhypothesis it is found that 26.5 of those who have severe problems were often asked advice of employees, as a reaction in facing problems, compared to 28.7 per cent of those who do not have problems with their banks. The results are not statistically significant ($\chi^2 = 2.465$, $df=3$, $P < .5$). Therefore, subhypothesis five is rejected, as shown in Table 7.1.25 above.

Testing subhypothesis six. Subhypothesis six states that customers who have severe problems with their banks are more likely to ask advice of friends as a reaction, in facing problems, to a greater extent than those who have no problems.

In testing this subhypothesis it is found that 14.7 per cent of those who have problems with their banks often ask advice of their friends, as a reaction in facing their problems, compared to 14.7 per cent of those who do not have problems. In spite, 31.9 per cent of those who do not have problems ask advice of their friends sometimes compared to 11.8 per cent of those who have problems with their banks. Therefore, this subhypothesis is rejected. The results are statistically significant in the sense that those who have no problems ask advice of their friends to a greater extent than those who have problems ($\chi^2 = 10.093$, $df=3$, $P < .02$). The strength of association (Cramer, S V) is equal .259. The results are shown in Table 7.1.25 above.

Testing subhypothesis seven. Subhypothesis seven

states that customers who have severe problems with their banks are more likely to withdraw their money from their banks, as a reaction in facing problems, to a greater extent than those who have no problems.

In testing this subhypothesis it is found that 20.6 per cent of those who have problems intended often to withdraw their money when they have problems with their banks compared to 19.5 per cent of those who do not have problems. The results are not statistically significant ($X^2 = 2.883$, $df=3$, $P < .5$). Therefore, subhypothesis seven is rejected, as shown in Table 7.1.25 above.

Testing subhypothesis eight. Subhypothesis eight states that customers who have severe problems with their banks are more likely to sue their banks in court, as a reaction in facing problems, to a greater extent than those who have no problems.

In testing this subhypothesis it is found that 9.4 per cent of those who have problems intend to sue their banks in court, as a reaction in facing problems, compared to 12.3 per cent of those who do not have problems with their banks and intend to do so when they have problems with their banks. The results are not statistically significant ($X^2 = 1.667$, $df=3$, $P < .7$). Therefore, subhypothesis eight is rejected, as shown in Table 7.1.25 above.

Testing subhypothesis nine. Subhypothesis nine states that customers who have severe problems with their

banks are more likely to discourage others from depositing money in their banks to a greater extent than those who have no problems.

In testing this subhypothesis it is found that 51.5 per cent of those who have problems with their bank intend to discourage others from investing in their banks compared to 57.6 per cent of those who do not have any problems and intend to discourae others when they have such problems with their banks. Th results are not statistically significant ($\chi^2 = 2.603$, $df=2$, $P < .5$). Therefore, subhypothesis nine is rejected, as shown in Table 7.1.25 above.

7.1.4. Results On Factor Analysis

Factor analysis is used mainly to identify the most important and meaningful variables from customers' point of view. The respondents were asked to rate the importance of thrity-one variables which might attract them to deposit their money in the future and to talk in a positive way about a bank. Each respondent was asked about the importance of each variable utilizing four-point scale ranging from "Very important" to "Not important at all".

The computer printout for a typical factor analysis program contains:

1. A list of variables used in the analysis.
2. A table which details the percentage of total variance each factor explains.

3. A table of factor loadings of the variables on the principal component factors.

4. A table of factor loadings of the variables on the varimax rotated principal component factors.

The last table is used to arrive at a subjective interpretation of the factors identified. Each of the original variables have a factor loading on each factor. The closer to one the factor loading is, the stronger the association between the variable and the factor.

A subjective decision is taken to determine what particular weighted linear combination of variables really means and give the factor a name. The computer printout has given ten factors, six of them with Eigenvalues greater than one explain 80 per cent of total variance. Since 80 per cent is explained by six factors analysis in this instance is restricted to these. These factors are named as follows:

1. Efficiency of service.
2. Attractiveness of service.
3. Position of the bank.
4. Facilitating services.
5. Working hours.
6. Promotion.

Table 7.1.26 presents all of the variables under analysis. While Table 7.1.27 presents factor loading of the variables on the varimax rotated principal component factors.

Table 7.1.26 Bank service attributes.

-
1. Responsiveness to complaints.
 2. Accuracy of services.
 3. Speed of services.
 4. Variety of services.
 5. Low cost of services.
 6. High interest rate on savings.
 7. Twenty-four hour automated tellers.
 8. Early morning and evening hours.
 9. Good parking facilities.
 10. Drive-up windows.
 11. Walk-up windows.
 12. Free checking with minimum balance in savings accounts
 13. Good promotion and advertising.
 14. Free gifts for savers
 15. Good reputation for the bank.
 16. Accuracy of information given to customers.
 17. Speed of information given to customers.
 18. Financial consulting facilities.
 19. Facilities to follow rights through legal actions when necessary.
 20. Less severe problems between the bank and its customers.
 21. Helpfulness of employees to customers.
 22. Friendliness of employees.
 23. Attractiveness of employees.
 24. Financial position of the bank.
 25. Profitability of the bank.
 26. Liquidity of the bank.
 27. Technical facilities of the bank.
 28. Layout and district of the bank.
 29. Convenient location to shopping areas.
 30. Social and societal contributions of the bank.
 31. Impact of the bank on economy.
-

Table 7.1.27 Factor loadings of the most meaningful variables (attributes) related to each factor:

Variables	Factors					
	(1)	(2)	(3)	(4)	(5)	(6)
Responsiveness to complaints.	.77	-.10	-.15	.03	-.18	-.06
Accuracy of services.	.76	.06	.08	.07	-.03	-.03
Accuracy of information.	.67	.20	.18	-.04	.18	.14
Friendliness of employees.	-.01	.87	.02	.02	-.14	-.01
Low cost of services.	.10	.70	.04	-.06	.08	.14
Speed of services.	.11	.67	.02	.04	.12	.14
Technical facilities of the bank.	.00	.04	.74	-.02	.10	.11
Profitability.	.15	.00	.73	.01	.00	-.10
Layout and district of the bank.	.09	.09	.57	.11	.12	-.04
Drive-up windows.	-.13	.05	.06	.88	.13	.01
Walk-up windows.	.07	.00	.06	.60	-.05	.00
Good parking facilities.	-.05	-.02	-.09	.52	.19	.07
Twenty-four hour automated tellers.	-.04	.06	.12	.15	.80	-.08
Early morning and evening hours.	-.02	.52	-.12	.03	.50	-.02
Good promotion and advertising.	-.03	.13	-.08	.08	-.06	.75
Free checking with minimum balance in savings account.	.14	.09	.14	-.01	.04	.52
Eigenvalues.	4.37	2.33	1.98	1.52	1.17	1.09
Per Cent of variance explained.	28.40	15.10	12.90	9.90	7.60	7.10

The multivariate factor analysis shows the most important and meaningful variables under each factor, from customers' point of view, as follows:

First: Efficiency of service (from customers' point of view):

- (1) Responsiveness to customer complaints.
- (2) Accuracy of service offered to customers.
- (3) Accuracy of information given to customers.

Second: Attractiveness of service (from customers' point of view):

- (1) Friendliness of employees.
- (2) Low cost of service.
- (3) Speed of service.

Third: Position of the bank:

- (1) Technical facilities of the bank.
- (2) Profitability of the bank.
- (3) Layout and district of the bank.

Fourth: Facilitating services:

- (1) Drive-up windows.
- (2) Walk-up windows.
- (3) Good parking facilities.

Fifth: Working hours:

- (1) Twenty-four hours automated tellers.
- (2) Early morning and evening hours.

Sixth: Promotion:

- (1) Promotion and advertising.
- (2) Free checking with minimum balance in savings accounts

Finally, it should be understood that factor

analysis does not establish which factor is more important. Therefore, factor one cannot be said to be more important than factor two. Rather, factor analysis enables to reduce the variables (Bank attributes) to the most meaningful variables without serious loss of information.

7.2. Summary Of Results

In this study, satisfaction and related behavioral concepts of retail bank customers among the teaching staff of Boğaziçi University in Istanbul were investigated. The main objectives of the study were to discover:

First: The relationships between the feelings of customers toward specific bank attributes, and overall customer satisfaction.

Second: The relationship between specific customer traits and overall customer satisfaction.

Third: The relationship between customer satisfaction and attitudes.

Fourth: The relationship between attitudes and Word-of-Mouth Communication.

Fifth: The relationship between Word-of-Mouth Communication and actions taken toward the preferred bank.

Sixth: The relationship between severity of problems the customer faces in dealing with his preferred bank; and his perceived risk, satisfaction, attitude, Word-of-Mouth Communication, and the related behavior.

Seventh: The most meaningful factors customers consider in choosing a bank to deposit money in and in enforcing positive conversations and actions among others

7.2.1. Major Findings Of The Study

The results of this study are depicted mainly from logical interpretation of data utilizing discriminant analysis, Chi-Square, and factor analysis.

Multiple discriminant analysis was used to test the first and second relationships mentioned above; while Chi-square was utilized to test the third, fourth, fifth, and sixth relationships described. Further, factor analysis was utilized to reach the seventh objective.

In the following paragraphs, conclusions will be drawn based on the field study.

a. Bank Attributes and Satisfaction. The first hypothesis in the study focused on the relationship between customer feelings toward bank attributes and his overall satisfaction or dissatisfaction. Multiple discriminant analysis was utilized to test the hypothesis.

The results indicated a significant discriminant function. It was found that in 86.667 per cent of cases function correctly classified the present sample as satisfied or dissatisfied.

The variables that discriminated those who were highly satisfied from the dissatisfied group were:

(1) Accuracy of service;

- (2) Variety of service;
- (3) Speed of information given to customers;
- (4) Helpfulness of employees; and
- (5) Financial position of the bank.

Therefore, it is concluded that there is a significant relationship between the above attributes and customer satisfaction in the sense that the better the feeling of the customer about these attributes the higher his overall satisfaction.

On the other hand, the variables that discriminated those who were dissatisfied from the satisfied group were:

- (1) Accurateness of information given to customers;
- (2) Facility offered to follow rights legally;
- (3) Friendliness of employees;
- (4) Attractiveness of employees; and
- (5) Profitability of the bank.

Therefore, it is concluded that there is a significant relationship between the above attributes and customer dissatisfaction in the sense that the worse the feeling of the customer about these traits the higher his overall dissatisfaction.

b. Customer Traits and Satisfaction. The second hypothesis in the study focused on the relationship between customer traits and his overall satisfaction or dissatisfaction. Multiple discriminant analysis was again used to test the hypothesis.

The results showed a significant discriminant function. It was found that 85 per cent of the cases function correctly classified the present sample as satisfied or dissatisfied.

Two variables were found to discriminate those who were highly satisfied. These variables were age and length of time (in dealing with a bank). Therefore, it is concluded that there is a significant relationship between the above variables and customer satisfaction.

The only variable that discriminated those who were dissatisfied from the satisfied group was specific self-confidence.

It is concluded that there is a significant relationship between the above variable and customer dissatisfaction in the sense that the less the specific self-confidence (the higher the handled risk) the higher the overall dissatisfaction.

c. Customer Satisfaction and Attitude. The third hypothesis in the study focused on the relationship between customer satisfaction or dissatisfaction and attitudes held toward the bank.

The results of the study yielded a significant relationship. The third hypothesis was strongly accepted. About 50 per cent of those who were satisfied with their banks were found to prefer their banks extremely compared to almost 20 per cent of those who are dissatisfied. Therefore, it is concluded that there is a strong relationship

between satisfaction or dissatisfaction and attitudes held toward the bank.

d. Customer Attitude and Word-of-Mouth Communication. The third hypothesis in the study focused on the relationship between attitudes and Word-of-Mouth Communication.

The results of the study in this concern were as follows:

(1) Customers who had favorable attitudes toward their banks were not likely to be involved in receiving, seeking, processing, and transmitting positive Word-of-Mouth Communication more than customers who had unfavorable attitudes toward their banks.

(2) Customers who had negative attitude toward their banks were not likely to be involved in receiving, processing, and transmitting negative Word-of-Mouth Communication more than customers who had favorable attitude toward their banks.

(3) Customers who had unfavorable attitude toward their banks were likely to be involved in seeking negative Word-of-Mouth Communication more than those who had favorable attitude toward their banks.

e. Word-of-Mouth Communication and Related Behavior. The fifth hypothesis focused on the relationship between the type of Word-of-Mouth Communication and the consequent behavior.

The results of the study with respect to this

hypothesis were as follows:

(1) Customers who were more involved in receiving, processing, and transmitting positive Word-of-Mouth Communication were more likely to encourage others to invest in their banks than those who were less involved in receiving, processing, and transmitting positive Word-of-Mouth Communication.

(2) Customers who were more involved in receiving, seeking, and transmitting positive Word-of-Mouth Communication were not more likely to increase the amount they invest in their banks than those who were less involved in receiving, seeking, and transmitting positive Word-of-Mouth Communication.

(3) Customers who were more involved in seeking positive Word-of-Mouth Communication were not more likely to encourage others to invest in their banks than those who were less involved in seeking positive Word-of-Mouth Communication.

(4) Customers who were more involved in processing positive Word-of-Mouth Communication were more likely to increase the amount they invest in their banks than those who were less involved in processing positive Word-of-Mouth Communication.

(5) Customers who were involved in receiving and seeking negative Word-of-Mouth Communication were more likely to reduce the amount of money deposited in their banks than those who were less involved in receiving and seeking negative Word-of-Mouth Communication.

(6) Customers who were more involved in seeking negative Word-of-Mouth Communication were not more likely to discourage others from investing in their banks than those who were less involved in seeking negative Word-of-Mouth Communication.

(7) Customers who were more involved in processing and transmitting negative Word-of-Mouth Communication were not more likely to reduce the amount of money deposited in their banks than those who were less involved in processing and transmitting negative Word-of-Mouth Communication.

(8) Customers who were more involved in receiving, seeking, processing, and transmitting negative Word-of-Mouth Communication were not more likely to withdraw their money from their banks than those who were less involved in receiving negative Word-of-Mouth Communication.

(9) Customers who were more involved in receiving, processing, and transmitting negative Word-of-Mouth Communication were not more likely to discourage others from investing in their banks than those who were less involved in receiving, processing, and transmitting negative Word-of-Mouth Communication.

f. Severity of Problems and Related Behavioral Aspects. The sixth hypothesis in the study focused upon the relationship between the severity of problems that customer faced and his perceived risk, satisfaction, attitude, Word-of-Mouth Communication, and related behavior.

The results were as follows:

(1) Customers who had severe problems with a bank were not more likely to :

- (A) Perceive high risk;
- (B) Have less satisfaction; and
- (C) Have unfavorable attitude;

than those who had no problems with their banks.

(2) Customers who had severe problems with their banks were more likely to complain to managers of those banks than those who had no problems.

(3) Customers who had severe problems were not more likely to:

- (A) Ask advice of employees;
- (B) Ask advice of friends;
- (C) Withdraw their money from their banks;
- (D) Sue their banks in court; and
- (E) Discourage others from depositing money in

their banks as a reaction in facing problem; than those who had no problems.

g. Meaningful Factors in Inforcing favorable customer Behavior toward a bank. In addition to testing hypotheses mentioned previously, one of the tentative objectives of this study was to identify the most meaningful factors, related to bank attributes, that affect customers in choosing a bank to deposit their money in and in enforcing positive conversations and actions among others.

The results indicated the following factors as being the most important:

First factor: Efficiency of service involving:

- (1) Responsiveness to customers complaints;
- (2) Accuracy of service offered to customers; and
- (3) Accuracy of information given to customers.

Second factor: Attractiveness of service involving:

- (1) Friendliness of employees;
- (2) Low cost of service; and
- (3) Speed of service.

Third factor: Position of the bank including:

- (1) Technical facilities of the bank;
- (2) Profitability of the bank; and
- (3) Layout and district of the bank.

Fourth factor: Facilitating services such as:

- (1) Drive-up windows;
- (2) Walk-up windows; and
- (3) Good parking facilities.

Fifth factor: Working hours:

- (1) Twenty-four hours automated tellers; and
- (2) Early morning and evening hours.

Sixth factor: Promotion:

- (1) Promotion and advertising; and
- (2) Free checking with minimum balance in saving accounts.

VIII. CONCLUSION, IMPLICATION, AND RECOMMENDATIONS

8.1. Conclusion

Satisfaction and related behavior of bank customers are important aspects that deserve further research. One of the directions to research customer satisfaction is to relate it to perceived risk, attitude, Word-of-Mouth Communication, and related buyer behavior.

The study of bank customer satisfaction and related behavior is important since few studies handled customer satisfaction of retail services in general and bank services in particular. Furthermore, there is almost no study that interrelated customer satisfaction, perceived risk, attitude, Word-of-Mouth Communication and customer behavior of bank services.

The results of this study should stimulate the attention of bank managers to focus on priority of customer satisfaction as a main goal for their banks. Accordingly, bank managers should give more attention to the most important attributes from customer's point of view. Therefore, offering new services or improving the original ones of the bank should be planned and performed to fulfill multiple customer satisfactions.

The conceptual framework followed in this study has a specific purpose. The purpose is to develop an integ-

rated conceptual framework that enables the researcher to proceed further to test the proposed hypotheses of the study and interpret the data in a way that produces meaningful implications. The conceptual framework serves the purpose of relating the empirical findings concluded in the second part of the study to the constructs explained in the first part. In doing so, several concepts have been filtered out through the stage of gathering the secondary data to fit the purpose of the research and its developed hypotheses.

Data were gathered from teaching staff at Bogaziçi University in Istanbul by personal interviews utilizing structured-disguised questionnaires. Reliability and validity of the questionnaire and scales were assured. The sample was determined to be 152 of 337 teaching staff at the university. The data were coded, tabulated, and computer printout was utilized to test hypotheses. Multiple discriminant analysis, Chi-square, and multivariate factor analysis were utilized to analyze the data.

Certain conclusions can be drawn from this study. These findings and conclusions may need further support by future research directed specially to service sector since research related to this sector is relatively less than that directed to tangible products. However, the results deducted from this study seem to be encouraging, since they clarify some of the main variables that affect overall customer satisfaction. Some of these variables can be controlled by banks, such as bank attributes; and some others

can be manipulated (e.x. perceived risk). Therefore, banks' efforts can be directed to increase customer satisfaction by increasing the efficiency of those attributes that affect customer satisfaction, and decrease customer dissatisfaction by eliminating the deficiencies in attributes that cause customer dissatisfaction.

People's evaluative criteria in choosing a bank consists of:

1. Efficiency of service.
2. Attractiveness of service.
3. Position and profitability of the banks.
4. Facilitating services.
5. Working hours, and
6. Promotion.

Some of the variables that were found to be satisfactory for the sample of this study were:

1. Accuracy of service.
2. Variety of service.
3. Speed of information given to customers.
4. Helpfulness of employees, and
5. Financial position of the bank.

On the other hand, some other variables were found to be dissatisfactory to the customers of the study. These dissatisfactory variables were:

1. Accurateness of information given to customers.
2. Facility offered to follow rights legally.
3. Friendliness of employees.

4. Attractiveness of employees, and
5. Profitability of the bank.

Further conclusions can also be depicted from this study. It is concluded that customer satisfaction contributes to strengthen or weaken customer's favorable attitude. Therefore, it can be deducted that customer attitude can be changed by increasing customer satisfaction or dissatisfaction. The more satisfied the customer is, the more favorable his attitude is.

It can also be concluded that customer attitude is related to Word-of-Mouth Communication, in the sense that customers who have unfavorable attitude are more likely to be involved in seeking negative Word-of-Mouth Communication than those customers who have favorable attitude.

In addition, it is found that customers who are more involved in receiving and transmitting positive Word-of-Mouth Communication are more likely to encourage others to invest in their banks to a greater extent than customers who are less involved in these types of Word-of-Mouth Communication. Further, customers who are more involved in processing positive Word-of-Mouth Communication are more likely to: (1) increase the amount they invest in their banks, and (2) encourage others to invest in their banks to a greater extent than customers who are less involved in processing positive Word-of-Mouth Communication.

On the other hand, it is found that customers who are more involved in receiving and seeking negative Word-of-

Mouth Communication are more likely to reduce the amount of money deposited in their banks than those who are less involved in receiving and seeking negative Word-of-Mouth Communication. While customers who are found to be more involved in seeking negative Word-of-Mouth Communication are not found to be more likely to discourage others from investing in their banks than those who are less involved in seeking negative Word-of-Mouth Communication.

Finally, it can be concluded that customers who have severe problems with their banks are more likely to complain to managers of those banks than those customers who have no problems.

8.2. Implications

In the long-range planning of bank services, customer satisfaction must be considered as the main goal that have a priority over all other goals of the bank. This logic stems from the simple fact that market share as well as profitability in the long run are completely dependent upon customer satisfaction.

The main implication of this study is that a bank's success in the long run is dependent completely on satisfying its customers. The failure to achieve this goal may lead to inefficiency and deterioration of bank's activities that may lead to a gap between the goals planned and the fulfilled ones.

Therefore, considering customer satisfaction as

a major (feedback) input as well as an output in bank operations system is necessary to achieve the desired goals of the bank in long run. Accordingly, customer satisfaction should be considered as a main (feedback) input as well as an output in strategic and long range planning.

The phenomenon of underestimation of customer satisfaction in strategic and long range planning is an obvious one in producing and offering services generally and bank services particularly. In planning bank services and defining its purposes, managers may consider other goals to have priority over customer satisfaction; however, it should not be forgotten that other goals as profitability, or productivity of the bank are totally dependent upon customer satisfaction.

8.2.1. Customer Satisfaction and Related Buyer Behavior

Since customer satisfaction is an important goal for retail banks, its relation to customer behavior in terms of perceived risk, attitude, Word-of-Mouth Communication, and future customer actions gains importance.

This study found several factors that affected overall customer satisfaction. Some of these factors were related to customers, such as perceived risk, while some others were related to the bank and its employees. Customers satisfaction influences his favorable attitude, therefore Word-of-Mouth Communication (specially negative Word-of-Mouth Communication) is minimized.

It is also concluded that positive Word-of-Mouth Communication and minimization of negative Word-of-Mouth Communication are accompanied by several positive actions from customers' side, such as increasing deposits and encouraging others to deposit money in the bank, which strengthen the bank's position. The relationships between the above mentioned variables are indicated in figure 8.2.1.

The implication of the research is that customer satisfaction and related customer behavior should be given higher priority in marketing research and studies conducted by banks, as well as in planning and controlling bank's activities.

8.2.2. Customer Satisfaction and Planning Process

Customers of banks have the right to get enough information and good quality of services. They have the right to get an accurate information about each service specially in terms, conditions, and details of descriptive information about the quality of each service.

a. Lack of Customer Satisfaction. Customer of banks suffer a lot in the Middle East area from the lack of perfect information that enables the customer to take the right decision at the right time and at the right place. Further, the information that are offered may be misleading to a great extent in some situations.

Feedback information also are lacking in some banks. Some banks do not follow-up their services to find

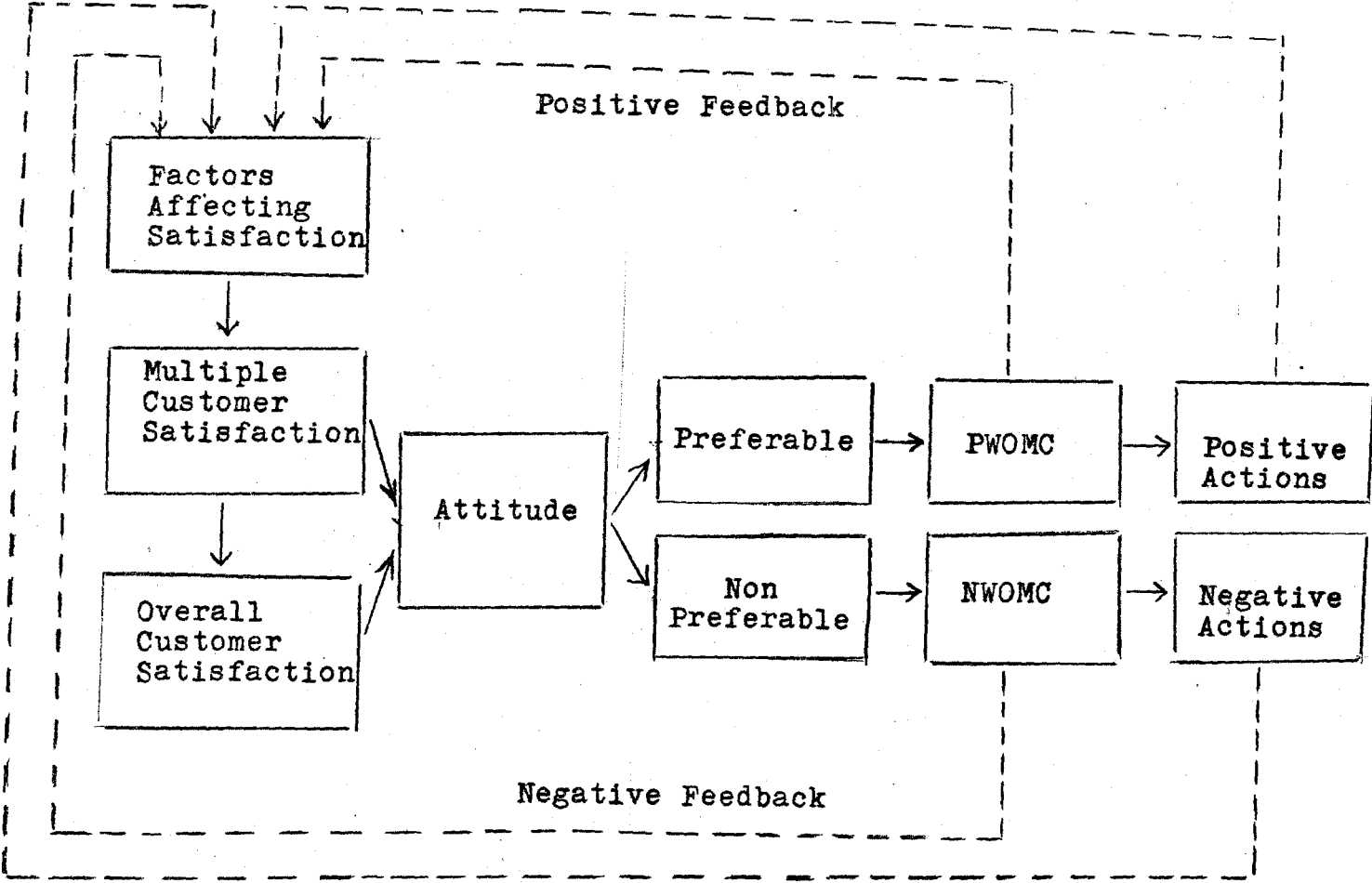


Figure 8.2.1
 Post Purchase Customer
 Behavior Model

out customers' view about them and the extent of their satisfaction. Furthermore, the problem is more serious when the customer complains and finds no one to listen to him. In those situations the least the consumer may do is to transmit negative Word-of-Mouth Communication to others, which may lead to serious consequences.

The minimization of customer dissatisfaction and negative feedback should be done through different measures:

First: The bank has to provide right and thruthful information about its services.

Second: The bank should develop an early system of controls through subsystems of marketing research (focusing on customer research), market testing, customer complaints, customer Word-of-Mouth Communication, and customer actions (specially the intended future actions).

Third: Utilization of the feedback coming from the above subsystems of controls to take corrective actions that enable to minimize the lack of information, customer dissatisfaction, and negative feedback.

Fourth: Tracing the consequences of the above actions, repeating the process continuously in a cyclical manner. The corrective actions should ba a dynamic process for the favor of customers. These corrective actions may be targeted toward the quality of services, promotion, attractiveness of services, and other factors.

The main purpose of these corrective actions is to fulfill customers needs and expectations of services. If

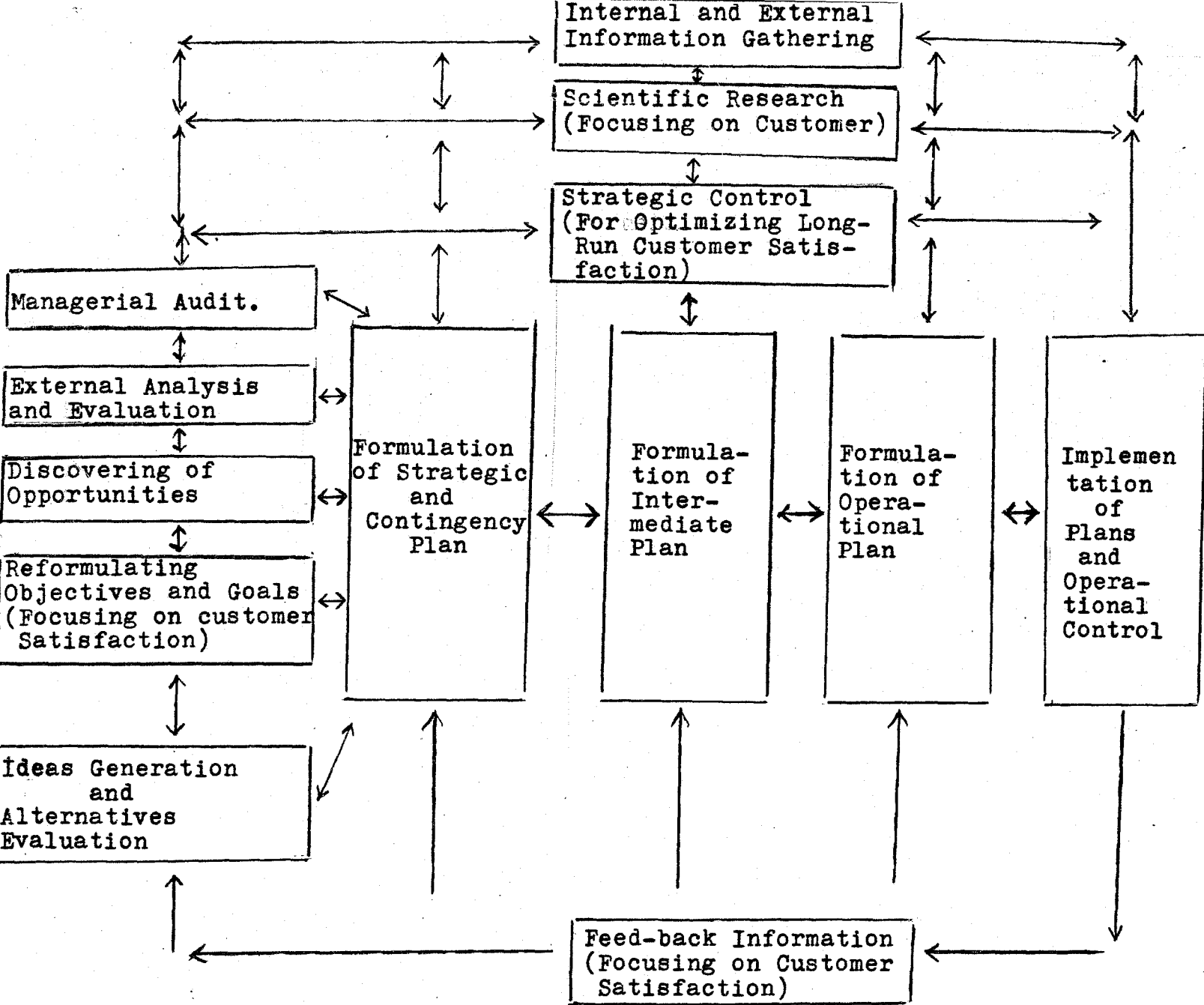
Expectations of customers are too high, then the corrective actions are needed in terms of the quality of services and other related factors, to inforce the positive features of these factors. The main aim should be to fulfill customer's expectations or to manipulate customer's expectations according to the real features of services and their components.

Finally, the avoidance of customer dissatisfaction and the maximization of customer satisfaction is the real truthful goal for the success of bank services, therefore it should receive greater emphasis in the planning and implementation processes.

Planning and control that consider customer satisfaction as a mean and an end are most important for guaranteeing the success and minimizing the failure of bank services.

Since customer satisfaction as a long range goal should have a priority over the other goals of the bank, a tentative integrated model of planning that contains customer satisfaction as a major component in its formulation is presented here.

b. An Integrated Model. The following is a description of an integrated model proposed for planning and control of bank services. The variables used in the construction of this model are all well known. What is new in this model is the way these items are interrelated. In others words, variables generally used in planning and control are grouped in a unique way in this model to emphasize the interrela-



An Integrated Model Of Planning
And Control

Figure 8.2.2

tionships that have often been ignored in other models. Furthermore customer satisfaction has been introduced as an integral part of the model, as shown in Figure 8.2.2.

The variables used in the model are:

First: Inteneral and external information gathering:

The first step is to gather information from the internal and external environment. The internal information are related to production of service, marketing, personnel, finance, costing and accounting, research and development, and others.

The external information are related to economic and competitive variables, technology, political and legal factors, sociological and cultural variables, and others.

Second: Managerial audit: The information gathered enables the managers to examine the external environment and to evaluate the internal environment. Accordingly, the bank has to analyze the external variables and the strategic variables of the bank service's sector related to growth, technology, production of services, investment, marketing and competition. Further, the bank has to evaluate its internal environment related to production of services, technology, marketing, finance, costing and accounting, research and development, and legal affairs.

The analysis of the external environment and the evaluation of the internal environment should enable the bank to move to the next steps necessary for the introduction of new services or the improvement of existing services.

Third: Discovery of opportunities: The analysis and evaluation of external and internal environment enables the bank to discover opportunities, and anticipate its probable resources and restrictions. Accordingly, the bank can determine the possibilities and direction of utilizing future opportunities and resources, and determine how to overcome restrictions if it is possible, or to get acquainted with the environmental forces that impose these restrictions.

Under some circumstances it is difficult to make accurate forecast of opportunities, resources, and restrictions due to the high variability of the environment. In those circumstances banks may devise some others methods, one of these methods is called "Multiple Scenario Analysis (MSA)". This method is not used mainly for forecasting but it is utilized to discover the various dimensions of environmental expectations under which the bank's activities will be performed in the future. Through this method more than one scenerio can be developed, one is optimistic, the second is pessimistic, the third is between, and so on. The management at the end selects one of these scenarios as a guide for the future (Kleinald and Linneman, 1981).

The MSA enables managers of several banks to think in a creative way about the future of their business to create new ideas and new concepts for more broader understanding of the environment they work in. Therefore, the ideas of managers of several banks may come upon similar lines of thinking that guide in situations of highly

uncertain and risky circumstances.

Fourth: Revision of objectives and goals: The bank should consider customer satisfaction as the top priority objective. It should reformulate its objectives according to the new opportunities, resources, and limitation. Then these objectives should be translated into more detailed operational goals. Segmentation of market according to different classes of customers is useful in this respect.

Fifth: Ideas generation and alternative evaluation: According to the new objectives and goals, the bank may proceed to search for ideas of new services or to improve the original services. In this respect, generation of new ideas can be done in several ways, some of which are ideas classification through brain storming, customers and employees participation, customer preference maps, and description of the present services to find out the possibilities of any improvements.

The evaluation of alternatives should be done according to specific criteria established, before the evaluation process, in accordance to the bank's future goals and objectives. Since customer satisfaction is considered as the most important goal, each criterion should be related to this goal.

Sixth: Formulation of strategic and contingency plans: After deciding on the bank's goals and selecting the best alternatives for improving the original services or introducing new services, the bank should proceed

toward formulating its strategic plan for the new services. This plan should include policies and long range programs and the estimated total budgets of required resources. The bank should also be ready to provide a contingency plan at the right time when necessary according to customer needs. Finally, the strategic and technological plans, should be coordinated together to fulfill customer needs and expectations.

Seventh: Formulation of intermediate plans: The bank should formulate an intermediate plan "administrative plan" for the new services on the basis of its strategic plan. The administrative plan should permit the best arrangement and distribution of resources among various departments in the bank. It should also provide the best physical and social atmosphere necessary for the execution of operational plans.

Eighth: Formulation of operational plans: At this stage the bank should determine the operational plans and tactics for its new services at the levels of operational units. These plans should include operational policies, procedures, and estimated budgets for each functional department.

Ninth: Execution of operational plans: At this step the bank should be able to execute its operational plans. The purpose here should be focused upon the maximization of the operational outcomes to achieve the maximum

of the operational goals. If customer satisfaction is considered as the most important goal, then maximizing customer satisfaction should be given top priority.

In this place, the important role of middle management should not be overlooked. It is up to the middle management to coordinate the various operational functions and to solve any conflict that arises. It should also help to provide an effective information system as well as an efficient performance measurements and an efficient system of control.

Tenth: Strategic and operational control: Now it should be indicated that control is as important as planning. The two sides of control, strategic and operational should be considered in the control of activities of improving the original services or introducing and launching new services. These two sides of control should be done on a dynamic and continuous basis. Strategic control should focus mainly on long run customer satisfaction, while operational control should focus mainly on short range customer satisfaction.

Eleventh: Feedback information: At this level the importance of feedback information should be obvious. It enables management to transfer the information that results out of the control processes to all levels in the bank which are used again for managerial audit, re-evaluation, and reformulation of objectives and plans. Feedback should reflect the levels of customer satisfaction for

different classes of customers, so vital steps can be taken to improve customer satisfaction.

Twelfth: Scientific research and development: At the end it must be assured that scientific marketing research with more focus on customer research should precede and support all these stages. It should be noted also that there is a mutual interaction between all of the above stages mentioned in the model. These interrelationships are indicated by the direction of the arrows used in the model.

8.3. Recommendations

Several recommendations can be suggested for better bank services, higher customer satisfaction, and favorable attitude and behavior toward banks.

8.3.1. Recommendations Directed to Bank Managers

Bank managers should consider the following aspects:

- (1) In managing the business they should consider customer satisfaction as the core of their objectives. Planning, organizing, directing, controlling, and staffing should be executed to fulfill the main goal of customer satisfaction.
- (2) Overall customer satisfaction is the result of satisfaction with multiple attributes that affect the overall customer satisfaction. These factors should be clarified and given priority according to their importance.

- (3) Bank managers should discover the highly satisfied customers who have favorable attitude in dealing with their banks. They should recognize them as opinion leaders who encourage others to deal with their banks.
- (4) Bank managers should take all necessary measures and actions to increase customer satisfaction, encourage positive Word-of-Mouth Communication and positive actions toward their banks. While doing so, they should also take the necessary procedures and actions to minimize customer dissatisfaction, negative Word-of-Mouth Communication and negative actions toward their banks.

8.3.2. Recommendations Directed to Bank Employees

Employees and tellers of the bank should offer prompt and accurate service to their customers. They should give their customers the feeling that they are very helpful to them. In addition, they should be very friendly and somewhat attractive in offering their services to customers. Further, they should devote their efforts to solve customer problems.

8.3.3. Recommendations Directed to Customers

Customers should know that they are entitled to maximum satisfaction in dealing with their banks. They should insist on good quality of service and other factors that affect satisfaction. In addition, customers should be aware of their rights to be well served.

Finally, customers who are more satisfied in dealing with their banks can be expected to express their satisfaction in terms of positive actions to increase their deposits in these banks as possible, and in terms of positive Word-of-Mouth Communication to encourage others to deal with their banks.

8.3.4. Recommendations Directed to Customer Organizations

Currently, bank customers are not organized. Such organizations can be expected to emerge as consumerism gains momentum. When that happens, these organizations should create awareness between banks to increase their efficiency toward better services and higher customer satisfaction. Further, customer organizations should create awareness between people to participate more in investing their money in banks rather than other alternative. In addition, Customer organizations should educate customers to follow up their rights and insist on acquiring better and efficient bank services.

8.3.5. Recommendations Directed to Governmental Agencies

Governmental agencies should establish procedures and regulations that:

1. Stimulate demand for depositing and investing in banks, and
2. Gurantee customers' rights and enable them to have more facilites to follow their rights legally when

necessary.

8.3.6. Recommendations Directed to Marketing Academicians

Marketing academicians should give more focus in searching customer satisfaction for measuring multiple satisfaction of several attributes rather than overall satisfaction. A multidimensional approach to the complex issue of customer satisfaction is useful in providing more complete and useful information on customer satisfaction.

In addition, marketing academicians should give more attention to study the interrelationships between customer satisfaction, perceived risk, attitude, Word-of-Mouth Communication, and related behavior with the application on other fields of retail services as well as retail banks. In doing so, it is necessary to study the post-purchase behavior of different types of customers of various retail institutions. In this particular, research are needed to develop and test a model for post-purchase behavior of customers of retail services.

Finally, in coming to the end of this study it should be noted that the results of the study may have its limitations. Therefore, these results should not be generalized among all bank customers. Several research are needed among several segments of bank customers to generalize the findings.

APPENDIX

Dept. _____
 Age _____ Sex _____

Please answer the following questions in relation to the bank that you deal with most often:

Circle the appropriate value:

The scale values are: 1=Terrible, 2=Unhappy, 3=Mostly dissatisfied, 4=Mostly satisfied, 5=Pleased, 6=Delighted.

How do you feel about:

Responsivness to your complaints?.....	1	2	3	4	5	6
Accuracy of service?.....	1	2	3	4	5	6
Speed of service?.....	1	2	3	4	5	6
Variety of service?.....	1	2	3	4	5	6
Cost of service?.....	1	2	3	4	5	6
Interest rate on savings?.....	1	2	3	4	5	6
Promotion and advertising activities?.....	1	2	3	4	5	6
Accurateness of information given to customers?.....	1	2	3	4	5	6
Speed of information?.....	1	2	3	4	5	6
Facility offered to follow your rights through legal action if necessary?.....	1	2	3	4	5	6
Reputation of the bank?.....	1	2	3	4	5	6
Helpfulness of employees?.....	1	2	3	4	5	6
Friendliness of employees?.....	1	2	3	4	5	6
Attractiveness of employees?.....	1	2	3	4	5	6
Financial position of the bank?.....	1	2	3	4	5	6
Profitability of the bank?.....	1	2	3	4	5	6
Liquidity of the bank?.....	1	2	3	4	5	6
Technical facilities of the bank?.....	1	2	3	4	5	6
Layout and district of the bank?.....	1	2	3	4	5	6
Convenience of the bank's location to shopping areas?.....	1	2	3	4	5	6
Good parking facilities?.....	1	2	3	4	5	6
Social and societal contribution of the bank?.....	1	2	3	4	5	6
Impact of the bank on economy?.....	1	2	3	4	5	6

2. If you have extra money do you prefer to keep it in a bank?..... No Yes
 Why? _____

3. What percentage of your total annual income is held in banks? _____

4. Have you ever had any problem with a bank? No Yes
 If yes, how severe was it?

Extremly severe	Severe	Slightly severe	Slightly not severe	Not severe	Extremly not severe
-----	-----	-----	-----	-----	-----

5. How much do you generally prefer your bank over other banks?

Extremly prefer -----	Prefer -----	Slightly prefer -----	Slightly do not prefer -----	Do not prefer -----	Extremly not prefer -----
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6. How much better are the other alternatives available to you for investment rather than your bank?

Extremly better -----	Better -----	Slightly better -----	Slightly not better -----	Not better -----	Extremly not better -----
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7. A friend asked your advice about the degree of risk of investing in your bank, what would be your answer?

Extremly risky -----	Risky -----	Slightly risky -----	Slightly not risky -----	Not risky -----	Extremly not risky -----
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8. How do you feel generally about the investment in your bank?

Delighted -----	Pleased -----	Satisfied -----	Dissatisfied -----	Unhappy -----	Terrible -----
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Answer the following by circling the appropriate number, Where: 1=Not at all, 2=Hardly, 3=Rarely, 4=Sometimes, 5=Often, 6=Always.

-
- 9. If you hear some people criticizing your bank, to what extent do you listen to them?.. 1 2 3 4 5 6
 - 10. Are you eager to search for negative information about your bank through conversations with others?..... 1 2 3 4 5 6
 - 11. If you should discover from a discussion with your friends some critical disadvantages of investing in your bank, would you withdraw your money from the bank?..... 1 2 3 4 5 6
 - 12. If you are convinced from conversations with your friends of some disadvantages of your bank, would you pass on your opinion to other people?..... 1 2 3 4 5 6
 - 13. If you hear some people praising your bank to what extent do you listen to them?..... 1 2 3 4 5 6
 - 14. Do you have a need to search for positive information about your bank through conversations with others?..... 1 2 3 4 5 6
 - 15. When you discover from discussions with your friends some advantages of investing in your bank, do you increase your deposits in the bank?..... 1 2 3 4 5 6

Answer the following by circling the appropriate number, where: 1=Not at all, 2=Hardly, 3=Rarely, 4=Sometimes, 5=Often, 6=Always.

16. If you are convinced from conversations with your friends that your bank is getting better, do you have an interest to tell this to other people?..... 1 2 3 4 5 6

17. How often do you hesitate in making important decisions?..... 1 2 3 4 5 6

18. Below are some reactions you may follow when you have problems with a bank. How frequently would you take the following actions:

- Complain to managers?..... 1 2 3 4 5 6
Ask advice of employees?..... 1 2 3 4 5 6
Ask advice of friends?..... 1 2 3 4 5 6
Withdraw the money?..... 1 2 3 4 5 6
Sue the bank in court?..... 1 2 3 4 5 6
Discourage others from depositing?..... 1 2 3 4 5 6
Others (Please specify): 1 2 3 4 5 6

19. Do you intend in the future to:

A) Reduce the amount of money deposited in your bank?..... No Yes
Why? _____

B) Encourage others to invest in your bank? No Yes
Why? _____

C) Withdraw your money from your bank?.... No Yes
Why? _____

D) Increase the amount of money you invest in your bank?..... No Yes
Why? _____

E) Discourage others from investing in your bank?..... No Yes

Why? _____

20. How happy are you with your experience in investing in your bank?

Extremely happy -----	Happy -----	Slightly happy -----	Slightly unhappy -----	Unhappy -----	Extremely unhappy -----
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21. If somebody should ask you in which bank he should invest his money, how certain would you be in recommending your bank to him?

Extremely certain -----	Certain -----	Slightly certain -----	Slightly uncertain -----	Un- certain -----	Extremely uncertain -----
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22. How good is your attitude toward your bank in general?

Extremely good -----	Good -----	Slightly good -----	Slightly bad -----	Bad -----	Extremely bad -----
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23. Which bank do you deal with most often? _____

Why? _____

Where is it located? _____

24. What percentage of your total annual income is held in the bank that you deal with most often? _____

25. For how long did you have an account in the bank that you deal with most often? _____

26. Do you intend to change this bank in the future? No Yes

Why? _____

If yes, which bank are you going to deal with most often in the future? _____

Why? _____

7. People talk about various aspects of banks and whether they put money in a bank or not are influenced by a variety of factors. Some of these are listed below. Indicate how important is each of the following factors for you in choosing a bank to deposit your money in and in inforing positive conversations and actions among people? (Circle the appropriate value where: 1=Not important at all, 2=Slightly important, 3=Important, 4=Very important).

Responsiveness to complaints?.....	1	2	3	4
Accuracy of services?.....	1	2	3	4
Speed of services?.....	1	2	3	4
Variety of services?.....	1	2	3	4
Low cost of services?.....	1	2	3	4
High interest rate on savings?.....	1	2	3	4
Twenty-four hour automated tellers?.....	1	2	3	4
Early morning and evening hours?.....	1	2	3	4
Good parking facilities?.....	1	2	3	4
Drive-up windows?.....	1	2	3	4
Walk-up windows?.....	1	2	3	4
Free checking with minimum balance in savings account?.....	1	2	3	4
Good promotion and advertising?.....	1	2	3	4
Free gifts for savers?.....	1	2	3	4
Good reputation for the bank?.....	1	2	3	4
Accuracy of information given to customers?.....	1	2	3	4
Speed of information given to customers?.....	1	2	3	4
Financial consulting facilities?.....	1	2	3	4
Facilities to follow rights through legal actions when necessary?.....	1	2	3	4
Less severe problems between the bank and its customers?.....	1	2	3	4
Helpfulness of employees to customers?.....	1	2	3	4
Friendliness of employees?.....	1	2	3	4
Attractiveness of employees?.....	1	2	3	4
Financial position of the bank?.....	1	2	3	4
Profitability of the bank?.....	1	2	3	4
Liquidity of the bank?.....	1	2	3	4
Technical facilities of the bank?.....	1	2	3	4
Layout and district of the bank?.....	1	2	3	4
Convenient location to shopping areas?.....	1	2	3	4
Social and societal contribution of the bank?.....	1	2	3	4
Impact of the bank on economy?.....	1	2	3	4

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