Antecedents of Customer Loyalty Towards Private Commercial Banks in Bangladesh

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ABSTRACT

Banks are an essential part of every business and economy. As the number of banks are increasing to provide valuable services to clients, customers with numerous expectations regarding new products and services are assisting to build loyalty. In this regard, the current study intended to examine the antecedents of customer loyalty towards private commercial banks in Bangladesh. The Stimulus-Organism-Response (S-O-R) was employed. A total of 257 data was received from the respondents who have been experiencing banking services. The data was analyzed by deploying the SPSS and AMOS version 21.0. The result indicated that, satisfaction has a significant influence on customer loyalty. The findings further reveal that perceived value has significant impact on both satisfaction and customer loyalty and it was also noted that satisfaction was partially mediated by perceived value and customer loyalty. On the other hand, staff competency was found to be insignificant in determining the relationship with customer loyalty but significant with customer satisfaction. The findings from this study will enhance private commercial bank service providers involved in the operations to understand the best approach that can be taken to serve customers better.

Keywords: Customer Royalty, Commercial Banks, Customer Satisfaction

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INTRODUCTION

Banking is a very prospective sector which plays an essential part in business and trade. A good banking sector can accelerate the pace of development. Banking is a crucial service provider and can be regarded as the central pillar of an economy. The growth of the banking sector has been tremendous and found to be a highly competitive industry in Bangladesh. In Bangladesh, the banking sector can mainly be divided into four categories: Local Private Commercial Banks, Nationalized Banks, Foreign Banks and Specialized Financial Institutions (Rahman, 2016). Despite many structural changes to the banking system, domestic banks are still lagging behind on several fronts especially in comparison with foreign commercial banks' networking system, modern expertise in management, experience and technological improvements. Additionally, weak service quality may result in the great downfall of domestic banks.

The banking industry is highly competitive in Bangladesh as banking customers hold a strong bargaining power (Al Karim, 2019). The demands from customers regarding the quality of services provided by the banks are the main reason for competition. As a market-based economy, there are 42 private commercial banks (PCBs) operating in Bangladesh that must comply with the rules and regulations governed by the Bangladesh Bank (Bangladesh Bank, 2020). Since the number of private commercial banks is gaining popularity, providing numerous services to its customers, the competition among private commercial banks is on the rise. Banks periodically introduce new products and services to satisfy and retain various types of customers (Kaura, Prasad, & Sharma, 2015). Achievement of high quality of service is one way of keeping customers happy and loyal (Perng, Hsia, & Lu, 2007).

Customers today are not loyal to one bank because they have accounts in different banks for various purposes. A number of banks have entered into the hyper-competitive market where existing customers are being focused on by former banks and new banks keep concentrating on new customers in an existing market (Leninkumar, 2017). As a result, banks have now begun to realize the importance of customer loyalty and its contribution to their financial success and growth. This circumstance has forced banks to think more about creating a loyal customer base for a long-term relationship. Customer loyalty has previously been examined and has drawn the attention

of researchers in the contemporary environment. A point to be noted is that, loyalty towards tangible goods are not applicable in determining loyalty towards intangible goods such as quality (Bloemer, De Ruyter, & Wetzels, 1999). Furthermore, determining customer loyalty towards the private commercial banking sector has been well documented but limited to certain factors which are to be examined such as satisfaction. Customer satisfaction has extensively been discussed by prior researchers in the field of marketing but few studies have highlighted satisfaction among customers towards private commercial banks. In Bangladesh, customer loyalty in private commercial banks has been well examined but finding a reason why consumers are loyal to several commercial banks is still highly questionable.

The primary objective of this study was to examine the antecedents of customer loyalty towards private commercial banks in Bangladesh. The specific objective of this study was to apply two variables namely perceived value and staff competency to determine consumer satisfaction and customer loyalty towards private commercial banks in Bangladesh. The remaining five sections include a review of literature, research methods, results and findings, and limitations as well as future directions of research.

LITERATURE REVIEW

Theoretical Background

The stimulus, organism and response model (S-O-R) was first developed by Mehrabian and Russell (1974) who argued that, stimuli (S) which represents the environment of the shop and organism (O) is affected by (S). The approach or avoidance response (R) results from consumers' organism (O). The SOR concept has been extensively used in marketing research and the literature on consumer behavior (Wakefield & Blodgett, 1996). In the classical SOR model, the stimulus is characterized as all those factors affecting the individual's internal states and can be conceptualized as a stimulating influence for the person (Eroglu, Machleit, & Davis, 2001). Organism is characterized as an internal process or condition mediating the relationship between the stimulus and the person's final response. The final effect is the response which determines the behavior, whether to approach or avoid. Although the S-O-R model was employed to study within the retail industry to understand consumers' behavior relatively, only a limited

number of studies have paid attention towards the S-O-R model in the banking sector. Few studies for instance Izogo et al. (2017) applied the S-O-R model to investigate customer loyalty in the banking sector. This model was also well described in Famiyeh et al. (2018) where service quality of banks was employed to examine consumers' loyalty through emotional responses called satisfaction. This study conceptualized perceived value and staff competency as the stimulus which affect customers' emotional state called satisfaction and response named customer loyalty.

Customer Loyalty

One of the key elements of a firm's success is customer loyalty (Senić & Marinković, 2014). Customer loyalty has been seen as a significant factor for achieving an advantage over other businesses in a highly competitive and diverse environment. This is a multi-dimensional construct based on two components, attitude and behavior. Oliver (1999) described customer loyalty as a commitment of a purchaser to buy an organization's products, services and brands over a consistent period of time, regardless of the new products and innovations of the competitor and these customers are not bound to switch. In addition, loyalty can also be described as a behavior that reflects customers who repeatedly purchase the same product or service from the same company, even though there are other alternatives available in the marketplace (Lenka et al., 2009). Behavioral loyalty is typically measured in the banking context by the number of transactions made by consumers and the length of a relationship (Bakar et al., 2017). In the banking context, customer loyalty has widely being adopted and exercised in many literatures related to retail banking (Kaura et al., 2015) and the private commercial banking sectors (Rabbani et al., 2016; Islam Shahabuddin, & Chowdhury, 2016; Islam, 2015; Leninkumar, 2017; Patel & Desai, 2016).

Relationship between Satisfaction and Customer Loyalty

A significant amount of literature on service management has demonstrated the correlation between customer satisfaction and customer loyalty (Kumar et al., 2013). The linkages between customer satisfaction and customer loyalty have empirically been studied and a strong theoretical foundation is associated between them as suggested by both the marketing and service management literature (Shanka, 2012). A strong positive relationship has been found between satisfaction and loyalty which has

been revealed in many studies (Schirmer et al., 2018; Al Karim, 2019). Total satisfaction is considered as one of the conditions for true customer loyalty (Madjid, 2013). Sondoh et al. (2007) reported that customer satisfaction is an essential factor and plays an important role to maximize customer loyalty. In addition, most studies have also found customer service as one of the predictive factors of customer loyalty (Faullant, Matzler, & Füller, 2008). Previous findings have shown that consumer satisfaction affects a customer's desire to revisit service organizations (Srivastava & Kaul, 2016). The retention of satisfied customers is therefore also certain for the long-term sustainability of service-based organizations (Izogo & Ogba, 2015). Wu and Li (2018) posited that, greater satisfaction among customers enhances frequency to visit and ends in generating more loyal customers. Ford et al. (2018) also asserted that satisfied customers are more loyal to an organization and a repurchase intention is positively associated (Shanka, 2012). It is also worth noting that the organizational culture especially in the banking sector appears to strengthen the positive relationship between quality of service and customer satisfaction. Furthermore, the findings show that customer satisfaction has a direct positive relationship with customer loyalty (Famiyeh et al., 2018; Nguyen et al., 2020). Based on the above literature the following hypothesis was formed:

H$_1$:   There is a positive association between satisfaction and customer loyalty.

Perceived Value

Value creation has received a significant interest which was seen as a significant part of the mission and statement of each organization. Previous research has shown that perceived value leads to consumer loyalty (Dodds et al., 1991; Grewal et al., 1998). Perceived value is conceptualized as the overall assessment by the customer of what is actually received and what is given (Zeithaml, Bitner, & Gremler, 2009). Bolton and Lemon (1999) explained that customer perceived value is a process to evaluate what a customer is paying for and in return what is received. Moreover monetary and non monetary concepts are involved in perceived value which desribe the time spent by the consumer to find particular products and in return what a consumer actually obtains and efforts include both the physical and mental. Cronin et al. (2000) defined two parts in perceived value, namely, benefit received and sacrifices made. Although perceived value has been

employed in the literature to examine satisfaction and loyalty, only little work related to the banking sector has been exposed. A study of Peng and Moghavvemi (2015) revealed that perceived value and satisfaction are positively correlated in the banking industry. Perceived value was found to be significant in determining customer loyalty (Vazifehdust & Farahmand, 2017). The study of Gillani and Awan (2014) also claimed perceived value as one of the strongest antecedents of customer satisfaction. Although Auka (2012) concluded that customer satisfaction influences customer loyalty more strongly than perceived value and quality of service, It was also found that perceived value and customer satisfaction were both significant determinants of customer loyalty. A fierce competition in the banking sector has mandated that bankers create value for customers in order to sustain in an emerging market where significant impact on customer loyalty is noteworthy (Mukerjee, 2020). Hamouda (2019) asserted omni-channel perceived value as one of the key determinant of satisfaction and customer loyalty in the banking sector. Based on the prior literature discussed above, the following hypotheses were proposed:

H_2: There is a positive association between perceived value and satisfaction.

H_3: There is a positive association between perceived value and customer loyalty.

Staff Competency

Staff competence in prior research has been well documented which can be measured by both commitment and communication. It has been pointed out that competence affects satisfaction directly. However, commitment is a way to respond to the need of a customer (Kohli & Jaworski, 1990). Communication on the contrary is defined as reliable information provided to a customer. Competence is therefore considered to be fundamental in a contractual relationship and maintaining this requirement is seen as achieving customer satisfaction (Selnes, 1998). The management of banks have to be cautious in recruiting staff because both competency and efficiency are important precursors of customer satisfaction (Manrai & Manrai, 2007). Staff competency relates to the knowledge and skills which is highly required in order to entertain customers and perform service tasks.

It is obvious that bank staff should have the ability to provide impeccable service to customers and they must be capable of operating their business and address their business-related financial problems effectively (Peng & Moghavvemi, 2015). Prior studies have revealed that staff competency is one of the significant factors determining customer satisfaction (Peng & Moghavvemi, 2015). It also supports the hypothesis that if bank employees have sufficient capacity to facilitate clients, the clients would be more satisfied with the bank. Pakurár et al. (2019) studied service quality in the Jordanian banking sector and found that customers were satisfied with staff competencies. As both commitment and communication is measured by competencies, Husnain and Akhtar (2016) articulated the determination of customer loyalty which was truly based on communication and commitment of the staff. Customers' physical experiences were discovered to be statistically significant in explaining customer loyalty behavior (Makudza, 2020). Based on the abovementioned literature, the following hypotheses were proposed:

H$_2$: There is a positive association between staff competency and satisfaction.

H$_3$: There is a positive association between staff competency and customer loyalty.
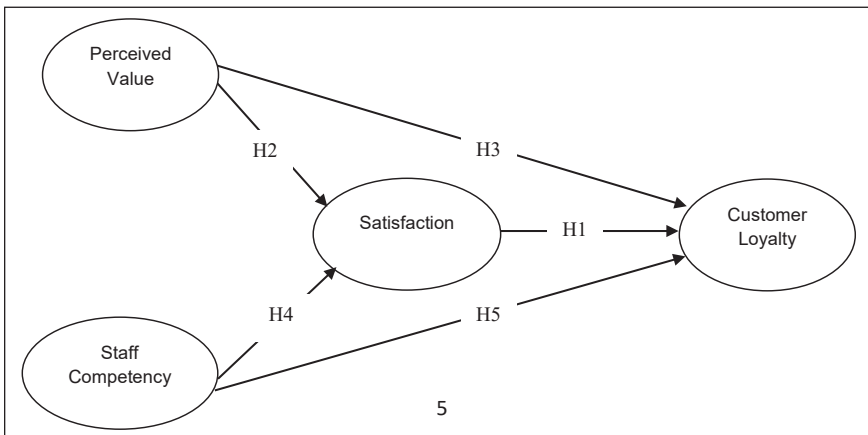
Proposed Model for this Study

Figure 1: Proposed Model

RESEARCH METHODOLOGY

Construct Measurement

The research model consisted of four constructs, including perceived value, staff competency, satisfaction, and customer loyalty. All the measuring elements from previous work were adapted and further modified to ensure that these elements were accurate and fit for the current study. The survey questionnaire for this study was mainly adopted from Peng and Moghavvemi (2015). A total of thirteen items from which both perceived value and staff competency comprised of three items, satisfaction with four items and customer loyalty consisted of three items. To demonstrate the degree of agreeability, a five pointlikert scale was used to assess all the items (1= strongly disagree with 5= strongly agree). Items from each of the variables were designed using the English language. The last section of the questionnaire asked for background information of the respondents such as, gender, age, monthly income and frequency of bank visits.

Data Collection

To quantify the research variables discussed in the preceding section, 13 items were used in this analysis, all of which were adapted from earlier studies. Hair et al. (2010) recommended that the sample size for a study similar to this one be at least five times the number of items in the questionnaire. Because the current questionnaire contained 13 items, the sample size should be at least 65. Based on the above recommendation, a total of 285 questionnaires were distributed. However, a total of 257 replies were received from the respondents living int Dhaka,Bangladesh. Data for this study was collected from March to April, 2020. A total of nine (9) weeks were utilized from which 45 working days were counted. An average of 5-6 customers per day were surveyed from several private commercial banks' branches namely, Islamic Bank Bd Ltd., Dutch Bangla Bank Ltd., Uttara Bank Ltd., Bank Asia Ltd., BRAC Bank Ltd. Locacted in Dhaka city. After the data screening and cleaning processes were done, 231 responses remained. After deletion, the response rate dropped to 89% which was good enough for the analysis (Baruch & Holtom, 2008) The surveyed 231 respondents indicated a diverse demographic profile. They comprised 61.47 percent males and 38.53 percent females, and close to half

of the respondents (39.39 percent) were aged between 31-39 years. The remaining 28.57 per cent were 40 years and above. In terms of educational qualification, 56.71 percent revealed that they had an undergraduate degree. On the other hand, 22.86 percent were holding postgraduate degrees. The rest were higher secondary and secondary school certificate holders. Finally the respondents were asked about their monthly allowance; near about half of the respondents' (41.56 percent) monthly income was below BDT 20,000. On the contrary, 31.6 percent specified that, their monthly income was between BDT 20,001 and 30,000, followed by 16.45 percent (BDT 30,001- BDT 50,000) and 10.39 percent (BDT50,001 and above) respectively.

ANALYSIS

Exploratory Factor Analysis (EFA)

Exploratory factor analysis was used for the purpose of analysis and interpretation. Factor analysis is mainly conducted for data reduction. It takes a large set of variables and looks for a way the data may be reduced or summarized using a smaller set of factors or components. The Kaiser-Meyer-Olkin (KMO) test is usually used to determine the adequacy of data to be used to analyze the factors, The aim of this analysis is to evaluate the degree of unidimensionality of the scales in the data gathered. A total of 13-items for the four variables were factor analyzed. The KMO and the Bartlett tests were performed in order to validate if the data was sufficient for factor analysis purposes and the results are shown in Table 1.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.807
Bartlett's Test of Sphericity	Approx. Chi-Square	1431.157
	df	78
	Sig.	.000

Exploratory factor analysis was carried out using the main axis factoring and varimax rotation approach for the purification of the data. The varimax rotation approach was used to generate the matrix containing the coefficients or loading factors that describe the correlation of factors

and variables. The higher values resulting from the KMO and Bartlett tests showed that the data was suitable for factor analysis. Five-factor solutions with a KMO statistic of 0.807 indicated that the sample size was adequate while further the Bartlett test of Sphericity was found significant at .000 and a chi-square statistic of 1431.157 with 78 degrees of freedom. The total variance in the five factors explained was 75.768. The Eigen value is commonly used in deciding on the number of factors and usually a cutoff value of 1 is used to determine factors that are based on eigenvalues. The eigenvalues for the four factors were 4.673, 1.963, 1.775 and 1.439 respectively.

The results indicated that the data was suitable for factor analysis. The items were aggregated resulting in four major factors being uncovered. To meet the purpose of the study, these four factors were encoded with new names, which were Factor 1 as Satisfaction, Factor 2 as Perceived Value, Factor 3 as Customer Loyalty and finally, Factor 4 as Staff Competency. A further reliability test was calculated using Cronbach's alpha. Using the SPSS, the alpha value of 0.874 for perceived value (3 items), 0.787 for staff competency (3 items), 0.875 for satisfaction (4 items) and 0.860 for customer loyalty (3 items) were calculated which indicated that all items in the scale used for measuring the variables involved were reliable. The Cronbach's alpha coefficient of a scale should be 0.7 and above as suggested by Pallant (2007).

Confirmation Factor Analysis (CFA)

To test the hypotheses, the measurement model was examined first for goodness-of-fit indices and significant and acceptable factor loadings. The hypothesized model for measurement (Figure 2) was assessed using AMOS.
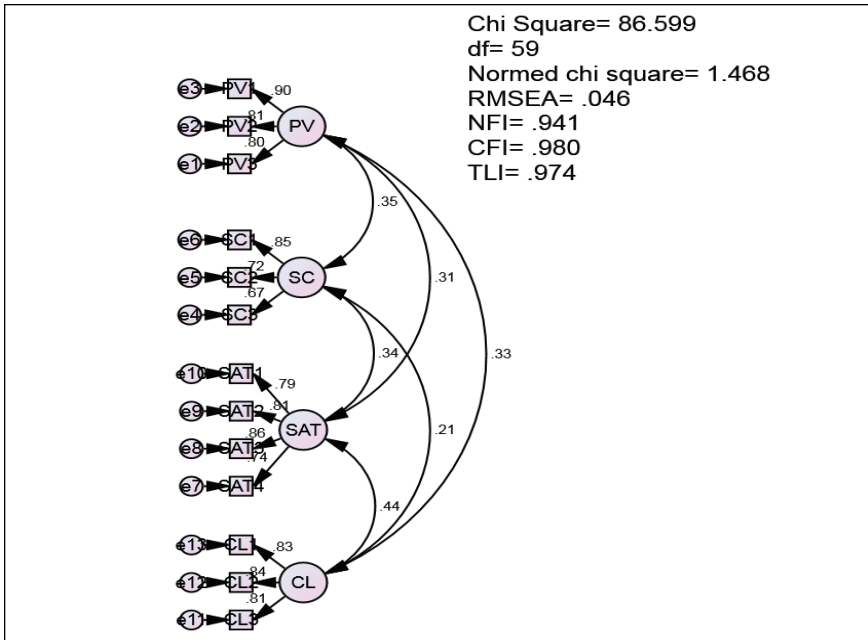
Chi Square= 86.599
df= 59
Normed chi square= 1.468
RMSEA= .046
NFI= .941
CFI= .980
TLI= .974

Figure 2: Measurement Model

The CFA (Confirmation Factor Analysis) was conducted to test the structure of factors consisting of a 20-item scale using AMOS. The correlation of five latent constructs was assumed. According to the modification indices provided by AMOS, no indicators were removed from the measurement model as the loadings for each item were 0.7 and above. Hair et al. (2010) denoted that any loading value of less than 0.5 will be considered to be insignificant. Table 2 demonstrates the overall fit model to ensure a good model fit. The nine fit indices (good-of-fit) were assessed. According to Hair et al. (2010), the value of GFI (Goodness of Fit Index) and CFI (Comparative Fit Index) are suggested to be more than 0.95 and RMSEA (Root Mean Square Error of Approximation) should be smaller than 0.05 in order to clarify well fit. For X^2/df, below 3 was considered a good value and acceptable. The TLI should be at least 0.90 or above than that value. The 13-item scale showed a good model fit and acceptable at the minimum threshold.

Table 2: Model Fit

x^2	df	x^2/df	GFI	RMSEA	NFI	CFI	IFI	TLI
86.599	59	1.468	0.942	0.046	0.941	0.980	0.980	0.974

To assess the measurement model, convergent validity and discriminant validity were conducted. For evaluation of convergent validity, composite reliability was calculated. For the purpose of getting good composite reliability the minimum accepted value was suggested to be 0.7 as recommended by Chin (1988). Additionally, the average variance extracted (AVE) value should be at least 0.5 or more as recommended by Hair et al. (2006). This study calculated AVE which showed a good indication. AVE was calculated by using standardized loadings (Figure 2) of each item by squaring each item of the constructs, then adding each item of the construct together and dividing it by the number of indicators. The result showed that all the AVE values ranged from 0.562 to 0.704 which was greater than 0.5. The study indicated values ranging from 0.792 to 0.879 for CR which exceeded the ideal threshold value of 0.7. The test result of the current study can therefore be concluded as having good reliability for all of the items of the constructs.

In order to create discriminant validity, it is further needed to show that measures that should not be related are not actually related (Hair et al., 2013). Discriminant validity can indeed be measured by measuring cross loads between buildings using the Fornel-Larcker test and the correlation ratio of Heterotrait-Monotrait (HTMT). Discriminating construct validity can also be calculated by comparing the square root of the AVE values with the latent variable correlations (Fornell & Larcker, 1981). Table 3 shows the high discriminant validity as it demonstrates that the square AVE of each factor exceeded all its correlations with the other factors.

$$AVE = \frac{\sum \lambda_i^2}{\sum \lambda_i^2 + \sum_i \text{Var}(\varepsilon_i)}$$

$$CR = \frac{(\sum \lambda_i)^2}{(\sum \lambda_i)^2 + \sum_i \text{Var}(\varepsilon_i)}$$

Table 3: Confirmation Factor Analysis (CFA) Report

Variables	AVE	CR	PV	SC	SAT	CL
Perceived Value (PV)	0.704	0.877	**0.839**			
Staff Competency (SC)	0.562	0.792	0.351	**0.749**		
Satisfaction (SAT)	0.680	0.864	0.313	0.339	**0.823**	
Customer Loyalty (CL)	0.645	0.879	0.330	0.215	0.436	0.803

Note: AVE= Average variance extracted, CR= Composite reliability

Structural Model

The five (5) hypotheses used in this research were tested to look at the causal pathways. The results of hypotheses testing are described in Table 4 on the basis of the hypothesized structural model. Among the five tested hypotheses, four were statistically significant ($p < 0.05$) and the remaining one failed to be significant. R^2 value was evaluated. Perceived value and staff competency accounted for 13.4% of variance ($R^2 = 0.134$) in explaining customer satisfaction. Meanwhile, customer satisfaction accounted for 21.8% of the variance ($R^2 = 0.218$) in explaining customer loyalty towards private commercial banks.

The results of hypotheses testing signified that H1 which states that satisfaction will have a positive influence on customer loyalty was supported based on $\beta = 0.361$; SE = 0.098; CR = 4.386. Similarly, H2 and H3 were supported based on the β value which showed 0.241 for H2 and 0.211 for H3 respectively. H2 also showed the SE= 0.042; CR= 3.245 and a significant P value which indicated that perceived value had a positive and significant influence on satisfaction. A similar status can be seen for H3 where SE=0.050; CR= 2.825 thus, H3 was also supported by explaining that there was a positive relationship between perceived value and customer loyalty. Similar condition for H4 is highlighted. The result of H4 showed that, a significant relationship is associated between staff competency and satisfaction. With a value of $\beta= 0.275$; SE= 0.083 and CR= 3.401 and a *p* value of less than 0.05 the hypothesis was supported. H5 which expressed that no positive relationship is associated between staff competency and customer loyalty. The result showed a $\beta= 0.027$; SE=0.096 and CR=0.348 for H5 and was not supported.

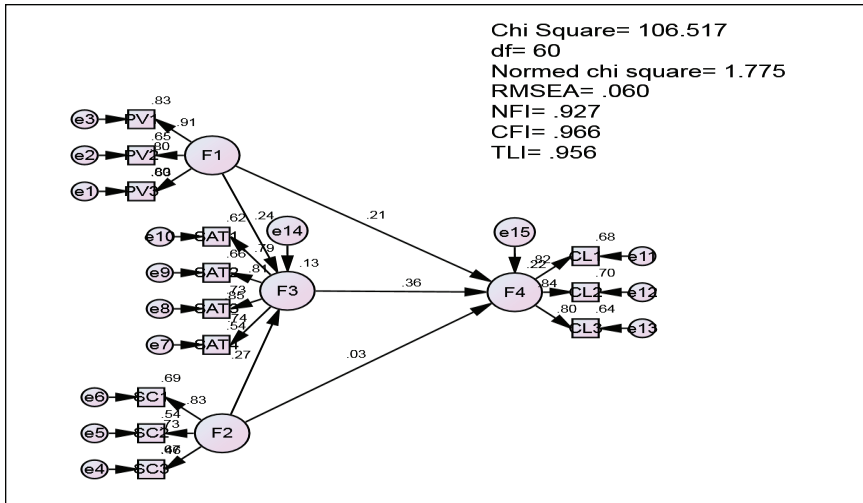**Figure 3: Structural Model**

Table 4: Hypotheses Testing

H	Relationship	SRW (β)	S.E.	C.R.	p- value	Decision
H1	CL←SAT	0.361	0.098	4.386	***	Supported
H2	SAT←PV	0.241	0.042	3.245	0.001	Supported
H3	CL←PV	0.211	0.050	2.825	0.005	Supported
H4	SAT←SC	0.275	0.083	3.401	***	Supported
H5	CL←SC	0.027	0.096	0.348	0.728	Not Supported

Note: *p<0.05; **p<0.01; ***p<0.001

DISCUSSION

This study proposes a model for customer loyalty towards private commercial banks based on the Stimulus organism response (S-O-R) model. In addition to explore the validity of the S-O-R to customer loyalty from a Bangladeshi viewpoint, the current study also examined the antecedents of customer loyalty towards banks, as well as, the influence of perceived value, staff competency towards customer loyalty through satisfaction. The result of the study clearly showed that customer satisfaction will lead customers being loyal to private commercial banks in Bangladesh (H1was supported). The result is in line with previous studies of Schirmer et al.,

2018 and Al Karim, 2019. Secondly, perceived value was found to be significant in determining satisfaction (H2 was supported). Consumers perceived that value-added services are an important precursor for being satisfied. The findings are consistent with Peng and Moghavvemi (2015). Perceived value was also found to be significant in deciding customer loyalty (H3 was supported). Vazifehdust and Farahmand (2017) found that loyal customers are affected by the value of the services and there is a strong relationship between perceived value and customer loyalty. In this extremely competitive industry, the consumer expects organizations to give the highest prices and organizations are constantly searching for new and creative ways to create value. Similarly, this study found that staff competency had a significant impact on customer satisfaction and hypothesized a substantial relationship between employee competency and customer satisfaction (H4 was supported). The findings support the hypothesis and indicated that the qualifications and capabilities of the staff to provide good customer service would also accelerate customer satisfaction. It is implied that the degree of competence among bank staff will stimulate customer trust and confidence, and that the functionality of the staff will directly influence customer satisfaction. The finding is in line with the study of Peng and Moghavvemi (2015). This finding indicated that banks need to train their staff in a wide range of skills that can make the employees receptive and empathetic towards their customers and thus increase their satisfaction. On the contrary, staff competency was found to have no significant impact on customer loyalty towards PCB's (H5 was not supported). This result contradicts previous research conducted by Husnain and Akhtar (2016).

Mediating Effects

Three mediating effects in this study were investigated. Firstly, customer's satisfaction mediated the relationship between perceived value (PV) and customer loyalty (CL) towards PCBs. Secondly, satisfaction mediated the relationship between staff competency (SC) and customer loyalty. With 95% confidence intervals, 5000 stimulation were bootstrapped and the results are shown in Table 5. The effects of satisfaction between PV and CL were found to be significant and partially mediated, meaning that, the direct relationship between PV and CL was significant. The relationship between SC and CL with the mediating role of SAT were found to have no significant impact, thus here was no mediation.

Table 5: Mediation Analysis

Variables	p value	Result	Decision
PV→SAT→CL	0.006	Significant	Partial Mediation
SC→SAT→CL	0.125	Not Significant	No Mediation

Implication

The present study addresses the theoretical and managerial implications resulting from this research. Firstly, the findings of this study signified the reliability and validity of the S-O-R model in measuring customer loyalty towards using private commercial banks in Bangladesh through satisfaction. This research also contributed to the S-O-R model by endorsing satisfaction in the Bangladeshi context. The study also supported the conceptual S-O-R model by providing evidence from several researchers for the relationship between perceived value, staff competency, satisfaction and customer loyalty towards PCB's.

The study provides few managerial implications for Bangladeshi private commercial bank operators. Firstly, this study would help the authorities involved in this service operation and administration to undertake the best policies in order to gain access to potential consumers. On the other hand, offering suitable services to consumers may lead an organization to build customer loyalty and gain competitive advantages. Additionally, satisfaction among consumers is the key aspect which determines whether they stick with the service provided by a particular PCB or to switch to another to expect better services.

LIMITATION AND CONCLUSION

The study has a few limitations. Firstly, the convenience sampling technique was used to evaluate data that may not be useful in assessing consumer loyalty to private commercial banks in Bangladesh. Due to the limited time, the researcher focused especially on customers from easily accessible locations and banks instead of having users from remote locations. Secondly, the high likelihood of receiving incorrect information from respondents or obtaining inappropriate responses from them is possible. Thirdly, the research was carried out in Dhaka, the capital of Bangladesh, so consideration should be

given to the main administrative region in Bangladesh named "division" for further review in order to bring clarity.

The number of variables applied in this study to determine customer loyalty towards private commercial banks in Bangladesh. To analyze customer's loyalty in private commercial banks, it is further suggested to add few more variables. The current study implied that perceived value is the strongest determinant of customer satisfaction and customer loyalty because customers spend time for acquiring information and assessing the value of a product or service and its ability to meet its needs and expectations, especially when compared to its peers.

It is obvious that banks need to develop a loyal relationship with its customers through customer satisfaction. Usually, when a client seeks services, the client tries to develop and maintain a relationship with the bank. Once the client is pleased with the services of a bank, he / she aims to establish a relationship that emerges from his / her emotional attachment with the bank. Service infrastructure such as equipment and machinery, empathetic customer support, efficient and safe customer service, and online banking would result in increased quality of service delivery, resulting in higher perceived value. On the other hand, staff competency such as employee's ability to explain products and services of the banks, problem solving capacity and assisting customers regarding transactions within a short period of time may satisfy customers but does not indicate loyalty among Bangladeshi PCB customers.

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