School of Marketing

Customer Retention and Cross-buying in Premium Banking Services: The Roles of Switching Costs and Interaction Quality

Patria Laksamana

This thesis is presented for the Degree of
Doctor of Philosophy
of
Curtin University

August 2012

STATEMENT OF ORIGINAL AUTORSHIP

Declaration

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material that has been accepted for the award of any other degree or diploma in any university.

Patria Laksamana

1 August 2012

ABSTRACT

The emergence of e-banking and intense competition in premium banking services have essentially evolved the way banks have conventionally conducted their business and the way customers interact with banks. Consequently, banks are increasingly confronted with the conundrum: customers may appreciate the convenience of e-banking but as they migrate away from conventional banking mediums, the extent of personal interaction with bank staff –and in the case of premium banking services their Relationship Managers –decreases as do switching costs and, ultimately, long-term customer commitment.

While the constructs of commitment and trust have been widely applied in relationship marketing studies, there is a need for a more comprehensive model and more objective measurement of continuance commitment. In response, based on payment equity theory and social exchange theory, as well as logical arguments from previous research, this thesis extends Morgan and Hunt's (1994) commitment–trust model into a single model that encompasses moderating effects such as switching costs and interaction quality as well as continuance commitment in the form of retention and cross-buying. It is important to study customer retention and cross-buying simultaneously, as they have been studied separately in previous research. The purpose of the study is thus to examine the roles of switching costs and interaction quality along with other key relational variables that influence customer retention and cross-buying behaviour in the premium banking services sector.

Primary data for the study were collected from 525 bank customers in a large metropolitan area in Australia. The study identifies the importance of switching costs and interaction quality and their relationship with trust, reputation and expertise for continuance commitment (retention and cross-buying). Regression analysis and MANOVA were used to test the hypotheses. The analyses of the findings of this thesis provide support to the model and, in the main, support the hypotheses. The results confirm that while reputation and expertise have a positive impact on retention, they do not affect cross-buying. Only trust has a positive impact on both retention and cross-buying. To further investigate the roles of switching costs and interaction quality, investigation was carried out to examine if these two constructs moderate the relationship between trust and continuance commitment (retention and cross-buying). The results confirm that although switching costs have no impact on retention, they do affect cross-buying. Conversely, interaction quality has a positive impact on retention, but no effect on cross-buying. Hence, it can be concluded that customer retention is not necessarily translated into cross-buying.

The contribution of this thesis is twofold. First, from an academic and theoretical perspective, this study is the first to measure continuance commitment with more objective measurements utilising retention and cross-buying behaviour. The impacts of both switching costs and interaction quality are examined as moderating variables in the model. Consequently, the study extends commitment–trust theory in relationship marketing. Secondly, the study has practical implications for premium banking service providers. Clearly, the importance of switching costs and interaction quality must not be ignored for establishing long-term relationships with customers. Through social bonding mechanisms initiated by Relationship Managers, customers gain more trust, and their retention may be translated into cross-buying behaviour. At the same time, it is important to bear in mind that the results of the study are generated from a single industry in a developed country using cross-sectional data. Accordingly, further studies of other industries and countries with longitudinal data would enable further generalisations and the findings of the current study to be strengthened.

Keywords: Trust, Continuous commitment, Switching costs, Interaction quality, Retention, Cross-buying, Reputation, Expertise, Premium banking services

ACKNOWLEDGEMENTS

Through the countless meetings and sleepless nights, numerous flying hours and infinite printed papers, first and foremost I would like to thank God. You have given me the power to believe in my passion and pursue my dreams.

Curtin University has given me a great academic atmosphere and friends that I will cherish forever. Therefore, I would like to thank all those who have helped and inspired me during my doctoral study. My deepest gratitude goes to my supervisor, Dr. David Wong. I have been fortunate to have a supervisor who has given me the freedom to explore on my school of thoughts while at the same time the direction to restore when my steps wavered. David has taught me how to question thoughts and explore ideas. His patience and support have helped me overcome difficult situations and finish this thesis. I am grateful to him for his continuous encouragement and guidance.

I would also like to thank Dr. Russel Kingshott and Fatimah Muchtar with whom I co-authored several journal articles and proceedings articles related to this topic. My gratitude and appreciation also goes to Dr. John Fielder from Curtin Learning Centre for proofreading my academic papers. Curtin has many superb mentors and I was delighted to interact with Professor Ram Ramaseshan as my Chairperson, Prof. Ian Phau as Chair of Research and Development and Dr. Sonia Dickinson as my Adjunct Supervisor. Their knowledge and expertise in marketing is superb as is their passion and persistence in terms of research. I am grateful to them for holding me to a high research standard and teaching me how to conduct research properly.

Many friends have helped me stay focused and smiling throughout this doctoral journey. I am fortunate to have had the support of my fellow doctoral students. Our passion and love of photography helped us establish the Indonesia Australia Photography Association, which kept me sane. Further, their support and care helped me overcome setbacks and stay focused on my study. I greatly value their friendship and I deeply appreciate their belief in me.

Most importantly, none of this would have been possible without the love and patience of my family. My family, to whom this thesis is dedicated, has been a constant source of love, passion, support and strength all these years. My heart-felt gratitude goes to my wife Debby Arisianty and my son Kayla Shafalah Laksamana. I am also in endless debt and thanks to my parents Dr. Subrata and Lastari Wardiningsih for their love, prayers and encouragement throughout my life. My deepest gratitude also goes to my mother-in-law, my sister and my brothers for their lifelong support and help.

Finally, I highly appreciate the financial support from Asian Banking Finance and Informatics (ABFI) Institute Perbanas Jakarta that funded this study. Thank you for everything.

ACADEMIC PAPERS PUBLISHED AND WRITTEN DURING THE THESIS DEVELOPMENT

Journal Publications

Laksamana, P., Wong, D., Kingshott, R. P. J., and Muchtar, F. (2012). The role of interaction quality and switching costs in Premium Banking Services. *Marketing Intelligence & Planning* (accepted).

Muchtar, F., Kingshott, R.P.J., Wong, D. and Laksamana, P. (2012). A purchase intention model for foreign banks within Indonesia. *International Journal of Bank Marketing 30(6) 452-464.*

Proceedings Papers

Laksamana, P., Wong, D., Kingshott, R. P. J., and Muchtar, F. (2013). *The roles of reputation on retention and cross-buying in Premium Banking Services*, International Conference on Innovation and Management, Sapporo, Japan, January 29.

Laksamana, P., Wong, D., Kingshott, R. P. J., and Muchtar, F. (2012). *Trust and retention in premium banking services: Do switching costs matter?* Australian and New Zealand Marketing Academy, Adelaide, Australia, December 5.

Laksamana, P., Wong, D., Kingshott, R. P. J., and Muchtar, F. (2011). *Switching costs and social bonds in a blended bank service environment.* Australian and New Zealand Marketing Academy, Perth, Australia, November 29.

Muchtar, F., Kingshott, R.P.J., Wong, D. and Laksamana, P. (2011). *A conceptual model of purchase intention in banking based on Utility Theory,* Australian & New Zealand Marketing Academy, Perth, Australia, November 29.

Muchtar, F., Kingshott, R.P.J., Wong, D. and Laksamana, P. (2011). *Factors impacting purchase intentions of foreign banks within Indonesia,* Australian & New Zealand Marketing Academy, Perth, Australia, November 29.

Laksamana, P., Wong, D., Kingshott, R. P. J., and Muchtar, F. (2011). *Key issues for bank-customer commitment and trust in an e-banking era.* International Conference on Innovation and Management, Kuala Lumpur, Malaysia, July 15.

Muchtar, F., Kingshott, R.P.J., Wong, D. and Laksamana, P. (2011). *Constructing a purchase intention model for foreign banks operating within Indonesia,* International Conference on Innovation and Management , Kuala Lumpur, Malaysia, July 15.

Laksamana, P., and Wong, D. (2009). *Extending the commitment-trust model: Suggestions for future research agenda.* Australian and New Zealand Marketing Academy, Melbourne, Australia, December 1.

TABLE OF CONTENTS

	Page
ABSTRACT	iii
ACKNOWLEDGEMENTS	v
ACADEMIC PAPERS PUBLISHED AND WRITTEN DURING THE THESIS DEVELOPMENT	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xiii
LIST OF FIGURES	xv
CHAPTER 1 INTRODUCTION	1
1.1. Background	1
1.1.1. Premium Banking Services	10
1.2. Studies of Relationship Marketing and their Limitations	12
1.3. Research Questions	15
1.4. Research Objectives	15
1.5. Study Overview	17
1.6. Contributions	17
1.6.1. Theoretical Contributions	17
1.6.2. Managerial Implications	20
1.7. Organisation of the Study	21
1.8. Chapter Summary	22
CHAPTER 2 LITERATURE REVIEW	23
2.1. Introduction	23
2.2. Grounding Theory	24
2.2.1. Payment Equity Theory	24
2.2.2. Social Exchange Theory	25
2.3. Relationship Marketing	26
2.4. Reputation	33
2.5. Expertise	37
2.6. Trust	39
2.7. Switching Costs	42
2.8. Interaction Quality	47

2.9. Continuance Commitment 56
2.9.1. Retention 58
2.9.2. Cross-buying 61
2.10. Summary of Focal Literature and its Gaps 64
2.11. Chapter Summary 67
CHAPTER 3 THEORETICAL FRAMEWORK 68
3.1. Introduction 68
3.2. General Framework of the Study 69
3.3. Qualitative Research 69
3.3.1. Relationship Manager Responses 70
3.3.2. Customer Responses 74
3.4. Qualitative Research Discussion 77
3.5. Research Hypotheses 80
3.5.1. Reputation 80
3.5.2. Expertise 82
3.5.3. Mediating Variable – Trust 84
3.5.4. Moderating Variables – Switching Costs 85
3.5.5. Moderating Variables – Interaction Quality 87
3.5.6. The Extension of Continuance Commitment – Retention 90
3.5.7. The Extension of Continuance Commitment – Cross-buying 91
3.6. Research Model 93
3.7. Chapter Summary 95
CHAPTER 4 RESEARCH METHODOLOGY 96
4.1. Introduction 96
4.2. Research Design 96
4.3. Qualitative Research 97
4.4. Quantitative Research 99
4.4.1. Unit of Analysis 100
4.4.2. Sampling Design 100
4.4.3. Data Collection Method 102
4.4.4. Questionnaire Design 103
4.4.5. Measurement Scale Types 105
4.4.5.1. Likert Scale 105
4.4.5.2. Simple Category Scale 105

4.4.5.3. Multiple Choice, Single-response Scale 105
4.4.6. Measurement of Variables 106
4.4.6.1. Reputation 106
4.4.6.2. Expertise 106
4.4.6.3. Trust 107
4.4.6.4. Switching Costs 107
4.4.6.5. Interaction Quality 107
4.4.6.6. Retention 108
4.4.6.7. Cross-buying 108
4.4.6.8. Demographics 111
4.4.7. Questionnaire Structure 111
4.4.7.1. Section 1: Main Bank Characteristics 112
4.4.7.2. Section 2: Relationship Manager as a Main Contact 113
4.4.7.3. Section 3: Relationship Manager Characteristics 114
4.4.7.4. Section 4: Switching to another Bank 115
4.4.7.5. Section 5: Retention with the Bank 116
4.4.7.6. Section 6: Accounts/Products Possession 117
4.4.7.7. Section 7: Demographic Information 118
4.4.8. Missing Data 120
4.4.9. Data Analysis and Research Procedure 121
4.4.9.1. Descriptive Statistics 122
4.4.9.2. Inferential Statistics 123
4.4.9.2.1. Significance Value 123
4.4.9.2.2. EFA (Exploratory Factor Analysis) 123
4.4.9.2.3. Reliability Test 124
4.4.9.2.4. Regression 125
4.4.9.2.5. Cross-tabulation 126
4.5. Chapter Summary 126
CHAPTER 5 DATA ANALYSIS: PRELIMINARY/ DESCRIPTIVE ANALYSIS 127
5.1. Introduction 127
5.2. Descriptive Analysis in Quantitative Research 127
5.3. Respondent Demographics 128
5.4. EFA and Descriptive Statistics 135

5.4.1. Reputation 135
5.4.2. Expertise 137
5.4.3. Trust 138
5.4.4. Switching Costs 140
5.4.5. Interaction Quality 142
5.4.6. Retention 144
5.5. Cross-buying 145
5.6. Descriptive Analysis and Discussion 148
5.7. Chapter Summary 150
CHAPTER 6 DATA ANALYSIS: MODEL TESTING 151
6.1. Introduction 151
6.2. EFA and the Reliability Test of the Constructs 151
6.2.1. EFA 151
6.2.2. Reliability Test 154
6.3. Correlation Matrix 155
6.4. Hypotheses Testing 156
6.4.1. There is a Positive Relationship between a Bank's Perceived Reputation and Trust (H1) 156
6.4.2. A Bank's Perceived Reputation has a Direct Positive Effect on Continuance Commitment (H2) 157
6.4.3. There is a Positive Relationship between a Bank's Perceived Expertise and Trust (H3) 158
6.4.4. A Bank's Perceived Expertise has a Direct Positive Effect on Continuance Commitment (H4) 158
6.4.5. Trust has a Direct Positive Effect on Continuance Commitment (H5) 159
6.4.6. Switching Costs Negatively Moderate the Relationship between Trust and Continuance Commitment (H6) 160
6.4.7. Interaction Quality Positively Moderates the Relationship Between Trust and Continuance Commitment (H7) 162
6.5. Chapter Summary 167
CHAPTER 7 DISCUSSION AND FINDINGS 168
7.1. Introduction 168
7.2.1. There is a Positive Relationship between a Bank's Perceived

Reputation and Trust (H1) 168
7.2.2. A Bank's Perceived Reputation has a Direct Positive Effect on Continuance Commitment (H2) 169
7.2.3. There is a Positive Relationship between a Bank's Perceived Expertise and Trust (H3) 170
7.2.4. A Bank's Perceived Expertise has a Direct Positive Effect on Continuance Commitment (H4) 171
7.2.5. Trust has a Direct Positive Effect on Continuance Commitment (H5) 172
7.2.6. Switching Costs Negatively Moderate the Relationship between Trust and Continuance Commitment (H6) 173
7.2.7. Interaction Quality Positively Moderates the Relationship Between Trust and Continuance Commitment (H7) 174
7.3. Chapter Summary 176
CHAPTER 8 CONCLUSION 177
8.1. Introduction 177
8.2. Contributions of the Study 177
8.3. Theoretical Contributions 177
8.4. Managerial Implications 178
8.5. Limitations of the Study and Guidelines for Future Research 181
REFERENCES 184
Appendix
Appendix A Relationship Manager Qualitative Survey 205
Appendix B Customer Qualitative Survey 209
Appendix C Customer Quantitative Survey 213

LIST OF TABLES

	Page
Table 1.1 Electronic Transaction Statistics	2
Table 2.1 Differences between Transaction Marketing and Relationship Marketing and their Implications	27
Table 2.2 Summary of Selected Empirical Studies of Relationship Marketing	30
Table 2.3 Summary of Selected Empirical Studies of Reputation	36
Table 2.4 Summary of Selected Empirical Studies of Expertise	38
Table 2.5 Summary of Selected Empirical Studies of Trust	41
Table 2.6 Summary of Selected Empirical Studies of Switching Costs	46
Table 2.7 Extended Role of the Relationship Manager	50
Table 2.8 Summary of Selected Empirical Studies of Interaction Quality	55
Table 2.9 Summary of Selected Empirical Studies of Retention	59
Table 2.10 Summary of Selected Empirical Studies of Cross-buying	62
Table 4.1 Differences between Qualitative and Quantitative Research	97
Table 4.2 Perth's Wealthy Suburbs	101
Table 4.3 Summary of Respondents from the Targeted Sample Frame	103
Table 4.4 Overview of Construct Measures	109
Table 4.5 Questionnaire: Main Bank Characteristics	112
Table 4.6 Questionnaire: Relationship Manager as a Main Contact	114
Table 4.7 Questionnaire: Relationship Manager Characteristics	114
Table 4.8 Questionnaire: Switching to another Bank	116
Table 4.9 Questionnaire: Relationship with the Bank	117
Table 4.10 Questionnaire: Accounts/Products Possession	117
Table 4.11 Questionnaire: Demographic Information	118
Table 4.12 Research Hypotheses and Questionnaire Matrix	119
Table 5.1 Gender for Respondents Having a Relationship Manager	132
Table 5.2 Ages of Respondents Having a Relationship Manager	132
Table 5.3 Qualifications for Respondents Having a Relationship Manager	133
Table 5.4 Occupations for Respondents Having a Relationship Manager	133

Table 5.5 Incomes for Respondents Having a Relationship Manager 134
Table 5.6 EFA and Descriptive Statistics for Reputation 136
Table 5.7 Reliability Statistics for Reputation 136
Table 5.8 EFA and Descriptive Statistics for Expertise 137
Table 5.9 Reliability Statistics for Expertise 138
Table 5.10 EFA and Descriptive Statistics for Trust 139
Table 5.11 Reliability Statistics for Trust 140
Table 5.12 EFA and Descriptive Statistics for Switching Costs 140
Table 5.13 Reliability Statistics for Switching Costs 142
Table 5.14 EFA and Descriptive Statistics for Interaction Quality 143
Table 5.15 Reliability Statistics for Interaction Quality 144
Table 5.16 EFA and Descriptive Statistics for Retention 145
Table 5.17 Reliability Statistics for Retention 146
Table 5.18 Total Number of Product Categories 146
Table 5.19 Total Number of Products Currently Owned 147
Table 5.20 Descriptive Statistics of the Variables 148
Table 6.1 EFA 152
Table 6.2 Reliability Statistics 154
Table 6.3 Correlation between Factors 155
Table 6.4 Hypothesis 1 Results 156
Table 6.5 Hypothesis 2 Results 157
Table 6.6 Hypothesis 3 Results 158
Table 6.7 Hypothesis 4 Results 158
Table 6.8 Hypothesis 5 Results 159
Table 6.9 Hypothesis 6 Results 160
Table 6.10 Hypothesis 7 Results 162
Table 6.11 Summary of the Hypotheses of the Study 165

LIST OF FIGURES

	Page
Figure 1.1 Bank Branches in Australia	4
Figure 1.2 Preferred Banking Method	5
Figure 1.3 Level of Customers' Trust and Confidence in the Banking Industry	7
Figure 1.4 Factors Affecting Customers' Decisions to Leave a Bank	9
Figure 3.1 General Framework of the Study	69
Figure 3.2 Research Model of the Study	94
Figure 5.1 Gender	128
Figure 5.2 Age	129
Figure 5.3 Qualifications	129
Figure 5.4 Occupations	130
Figure 5.5 Incomes	131
Figure 5.6 Relationship Managers at their Banks	131
Figure 6.1 Estimated Marginal Means of Switching Costs Negatively Moderate Trust and Retention	161
Figure 6.2 Estimated Marginal Means of Switching Costs Negatively Moderate Trust and Cross-buying	162
Figure 6.3 Estimated Marginal Means of Interaction Quality Positively Moderate Trust and Retention	163
Figure 6.4 Estimated Marginal Means of Interaction Quality Positively Moderate Trust and Cross-buying	164
Figure 8.1 Importance of Continuance Commitment	181

CHAPTER 1
INTRODUCTION

1.1. Background

Australia was the world's fifth largest financial system and capital market in 2010 (AustralianTradeComission, 2011) and it is considered to be a highly profitable industry by international standards (Austrade, 2008). While the Australian financial industry is the biggest contributor to Australia's national output with A$135 billion, it accounted for 11% of total output in 2010 (AustralianTradeComission, 2011). The market has 56 banks – 12 domestic banks, nine foreign subsidiary banks and 35 foreign branch banks – with total resident assets of more than A$2.5 trillion in 2011 (AustralianPrudentialRegulationAuthority, 2011).

However, its banking market is dominated by four major banks: the Australia and New Zealand Banking Group (ANZ), Commonwealth Bank of Australia (CBA), National Australia Bank (NAB) and Westpac Banking Corporation (WBC). These four large banks capitalised 80% of the retail banking market (Leichtfuss *et al.*, 2010) and each has a different specialisation for their differentiation strategies in the market. While CBA and WBC focus on domestic customer franchises, ANZ focuses on the Asian market and NAB takes on wealth management (Maguire *et al.*, 2010).

Several characteristics of the banking market are its maturity, intense competition and the similarity of products and services. Hence, premium banking services as part of retail banking have several distinctions from product marketing such as being intangible, perishable, simultaneous and mostly interactive (Sheth, 2002). There is increasingly fierce competition within the industry, especially in term deposits for savings accounts (ReserveBankofAustralia, 2008). One important factor in the competitive

Australian banking market is the ability of customers to access information through the Internet, which enables them to compare financial products, including product bundles, and evaluate switching costs (ReserveBankofAustralia, 2008).

Conditions have worsened as the banking industry has moved into the e-banking era (Sayar and Wolfe, 2007; Wong *et al.*, 2008), making the interactions between the bank and its customers less and less personal. Further, there is competition not only among banks but also with other financial institutions such as insurance companies and credit unions (Kaynak and Kucukemiroglu, 1992). This suggests that banks must address the most appropriate strategy for marketing challenges nowadays (Sarel and Marmorstein, 2004).

It is worth noting that the emergence of e-banking has essentially converted the way banks conventionally conduct their businesses and the interaction between customers and their banks (Sayar and Wolfe, 2007; Eriksson and Söderberg, 2010). More and more customers interact and engage with their banks through online services and mobile banking. They pay their monthly bills, transfer funds or perform online transactions on a regular basis through these alternative digital channels. With the advancement of smart mobile phones (iPhone, Blackberry, etc.) and social media networking (Twitter and Facebook), e-banking plays an extremely important role in the banking channel.

Table 1.1 Electronic Transaction Statistics

Year	ATM Terminals	EFTPOS Terminals	Direct Credit Users	Direct Debit Users
2001	14,027	404,560	142,850	7,272
2002	19,840	428,063	158,955	8,820
2003	21,157	456,865	175,295	11,353
2004	22,473	503,459	189,519	10,144
2005	23,952	533,415	178,808	11,832
2006	25,752	570,381	188,489	12,986

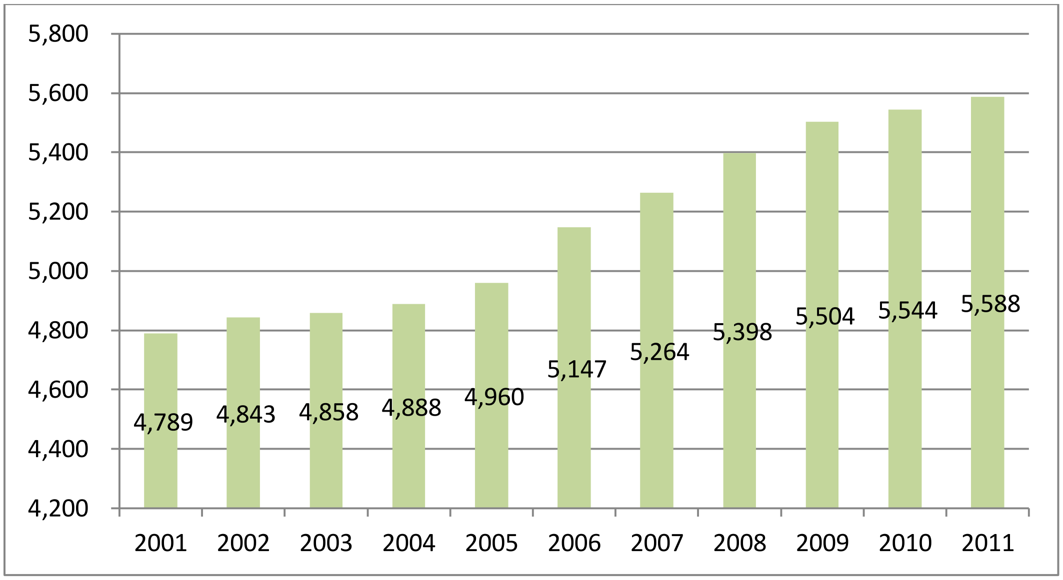
2007	26,067	606,650	205,362	14,527
2008	27,081	669,600	223,329	16,068
2009	27,067	697,803	239,146	17,904
2010	30,092	707,303	254,144	19,225
2011	30,841	750,379	267,828	20,159

Source: Australian Payments Clearing Association (2012)

As indicated in Table 1.1, in the past 11 years Australia has experienced substantial growth in e-banking and electronic transactions. While Automated Teller Machine (ATM) terminals have more than doubled from 14,027 in 2001 to 30,841 in 2011, Electronic Funds Transfer at Point of Sale (EFTPOS) terminals also leapt to 750,379 terminals in the same year. Customers have also become more technology savvy with the onset of Internet banking and online shopping. While there were only 142,850 direct credit customers and only 7,272 direct debit customers in 2001, these numbers have jumped to 267,828 and 20,159, respectively.

Further, although the number of bank branches in Australia has increased over time, in the past 11 years growth has significantly declined. Figure 1.1 indicates that branch growth has steadily declined from 799 branches in 2001 (16.7% growth) to 441 branches in 2007 (8.6% growth).

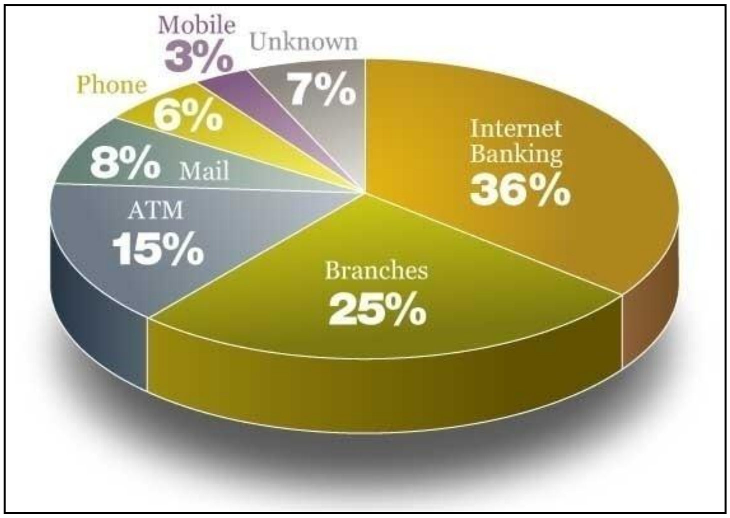
Figure 1.1 Bank Branches in Australia



Source: Australian Bankers' Association (2012)

Consequently, e-banking has become more important with phenomenal growth for delivering products and services for customers (Amato-McCoy, 2005). A study by the American Bankers Association in 2010 found that the majority of consumers prefer performing Internet banking for their banking needs. Figure 1.2 indicates that out of 1,010 respondents across the United States more than a third (36%) preferred Internet banking and only 25% went to their branches. While branches are visited less often, consumers still go for specific purposes such as opening new accounts, withdrawals or transferring more than their daily limits, depositing funds and resolving issues. More than 50% of consumers prefer non-traditional channels for interacting with their banks. The survey also shows that online banking is the preferred banking channel regardless of consumer age. Although there were some concerns with e-banking such as security, poor user friendliness and account set up times being too long, the result indicates that more consumers prefer the speed and convenience of online banking transactions.

Figure 1.2 Preferred Banking Method



Source: American Bankers Association (2010)

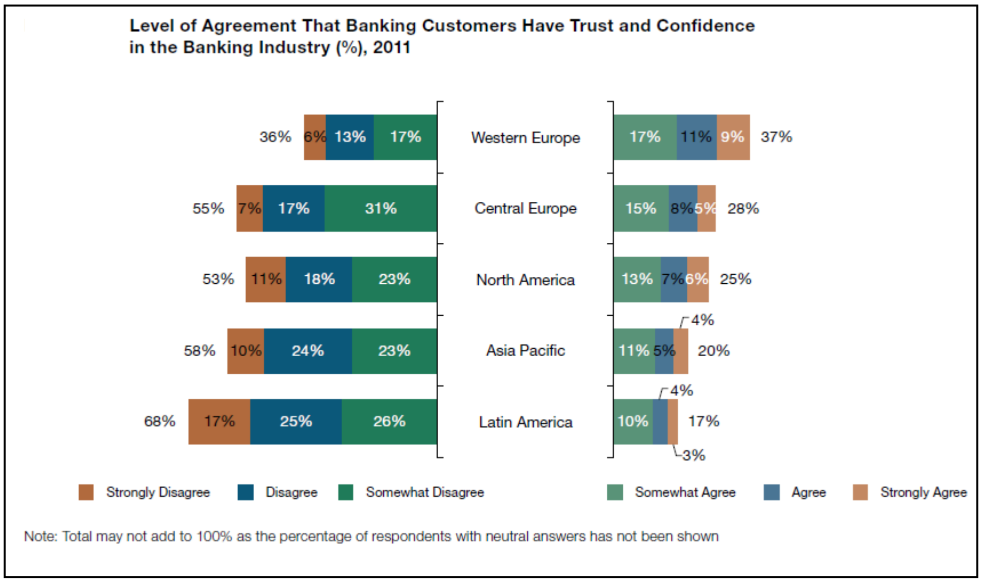
Therefore, banks are increasingly confronted with the conundrum: customers may appreciate the convenience of e-banking but as they migrate away from conventional banking mediums, the extent of personal interaction with bank staff –and in the case of premium banking services their Relationship Managers –decreases as do switching costs and, ultimately, long-term customer commitment (Sarel and Marmorstein, 2003). Yet, such a conundrum exists only because bank managers view conventional and online banking as mutually exclusive. This view is also evident in the conceptualisation of academic research in this area because many researchers who investigate trust and adoption in the e-banking context have limited the scopes of their studies to constructs pertaining only to virtual rather than to conventional attributes (Wong *et al.*, 2008).

Although interpersonal relationships could strengthen the relationship between customers and contact service employees (Macintosh, 2007), the automation of the banking system and the deskilling of bank managers' tasks have weakened personal relationships between banks and customers (Colgate and Stewart, 1998). The advancement of services through e-banking escalates the need for further research in this area, as it may be the case that not all customers want to engage in an intense and long-term relationship with their banks. For example, younger customers prefer performing business via the Internet for convenience and functional reasons (e.g., Barnes and Cumby, 2002; Barrutia and Echebarria, 2005; Durkin *et al.*, 2008). The high intensity of competition in premium banking services together with the ease of informational search via the Internet means that customers increasingly compare one bank's website with another for better deals, which will affect commitment to their incumbent relationships.

Consequently, to gain more trust and commitment, relationship marketing has been the focus of considerable research over recent decades. The term "relationship marketing" was coined by Berry in his paper in 1983 at the American Marketing Association's Services Marketing Conference. In a more recent paper, he further explained that relationship marketing is the answer for marketing to existing customers rather than to new ones (Berry, 2002). Hence, the five strategies in the basic concept of relationship marketing, namely core service, customisation, augmentation, relationship pricing and internal marketing, are still relevant to this date.

It is worth noting that a study by the European Financial Marketing Association (EFMA) in 2011 that involved nearly 14,000 respondents in 25 countries found that customers tend to give negative judgments on trust and confidence in the banking industry (EFMA *et al.*, 2011). Further, Figure 1.3 shows that Western Europe was the only region that had high positive trust and confidence (37%). However, the number could be somewhat different now with the European financial crisis that lead to Greece, Italy and other European countries falling into crisis in 2011. Greece's debt defaults and high inflation rate, the high unemployment rate in Spain and bank bailouts in Ireland were some of the troubles in one of the world's largest economic regions. Arguably, the effects of the credit crisis have had a large impact on the reputations of banks in mature markets (Ernst and Young, 2011).

Figure 1.3 Level of Customers' Trust and Confidence in the Banking Industry



Source: EFMA (2011)

Latin America was the region with the lowest trust and confidence in the banking industry (68%), followed by Asia Pacific (58%). For Asia Pacific, the total number of customers who had positive judgements were only 20% compared with 58% who had negative sentiments on trust and confidence. Nevertheless, as consumer behaviours become more homogenised, it is clear that banks need to rebuild trust and confidence by improving services and customising unique requirements to fulfil consumers' needs.

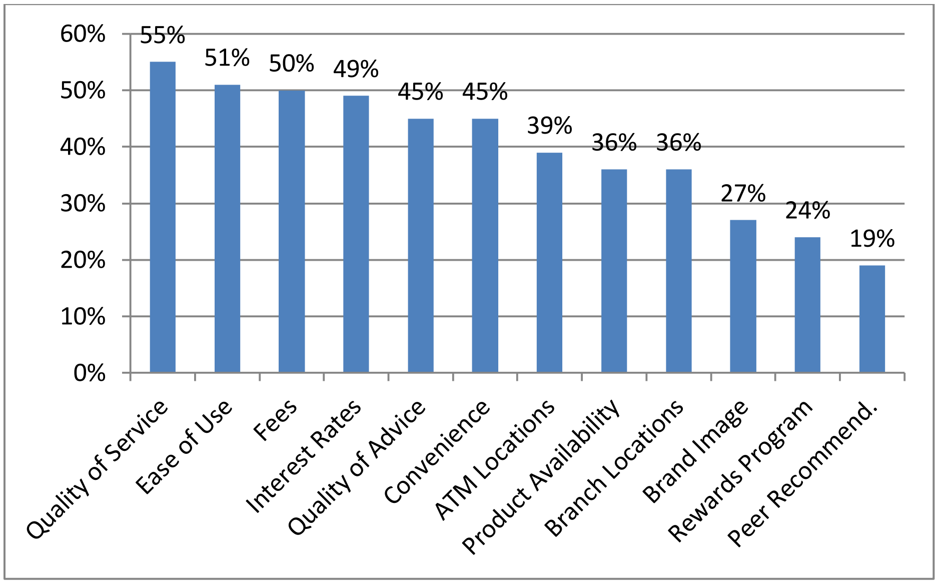
Consequently, customer retention is very important for companies within a stagnant market and with minimum differentiation in products or services

(Brunner *et al.*, 2008), such as those in the banking industry (Ioanna, 2002). Some of the benefits of customer retention include increasing revenues through sales volume and/or premium prices with lower cost expenses (Ahmad and Buttle, 2001), extending the life of the loan relationship and cross-selling opportunities (PricewaterhouseCoopers, 2008).

The importance of customer retention has been the second top priority for Australian foreign banks, with the first priority being improving revenue growth (PricewaterhouseCoopers, 2005). In addition, the EFMA in its study comprising 125 banks consist of 30 countries in Europe, the Middle East and Africa found that 72% of banks in 2003 preferred cross-selling as the important element for growth with 79% of customers having more than two accounts in 2006 (EFMA and SAP, 2006). Cocheo and Harris (2005) also found that service quality, rates paid, staff attitudes, rates charged and loan response times were the five most important factors in customer retention. This indicates the large opportunity for banks to leverage their existing customers in long-term relationships.

A study in the retail banking industry across the globe from EFMA in 2011 showed that service quality was the most important factor for customers leaving their banks. As shown in Figure 1.4, ease of use, fees, interest rates and quality of advice were among the top five reasons for customers leaving their current banks. Not surprisingly, many banks use similar strategies for retaining their customers and discouraging them from switching to other banks by applying termination fees, bundling products and offering personalised services with rewards.

Figure 1.4 Factors Affecting Customers' Decisions to Leave a Bank



Source: EFMA (2011)

It is believed from previous studies that attaining new customers is much more expensive than retaining existing one (Reichheld and Sasser, 1990; Keaveney, 1995) and that long-term customers are more rewarding (Reichheld and Sasser, 1990). Therefore, many retail banks emphasise cross-selling and loyalty programs for retaining customers. Such efforts include rewards and benefits programs, lower or discount rates and increasing exit fees for cross products. Further, Reichheld and Sasser (1990) found that a five per cent reduction in customer defections could lead to a 25–85% profit boost. Although Carroll (1991) did not agree with this percentage of customer defections and profit boost, both studies agreed on the importance of customer retention in increasing company revenues.

For increasing customer retention, one-on-one marketing is considered to be a prelude for a more intense relationship between customer and bank. As the intention of relationship marketing is to initiate, retain and improve relationships with customers for mutual benefits at revenue (Gronross, 1994), the focus of relationship marketing is existing customers. An intense relationship means better communications and better interactions with more relevant and personalised services between the two. Consequently, as a competitive advantage, individualised relationships are a must to succeed (Peppers *et al.*, 1999). This is a common practice for premium banking providers offering personalised products and services to the premium market.

1.1.1. Premium Banking Services

Premium banking services are offered to high-end customers who have certain criteria depending on the banks. For example, while CBA requires at least $750,000 in total deposits, lending or investment balances for a customer eligible to join its “Premier Banking”, a customer of WBC must have a personal annual income of more than $150,000 to be eligible for “Premium Financial Services”. Although the name of the services might be different from bank to bank, such as “premium”, “premier”, “preferred”, “personal” and “priority”, for the purpose of the study such services are called premium banking services. Conventionally, premium banking services target professionals with high incomes or small business owners.

Despite the relatively small population in Australia, premium banking services are growing promisingly. In 2011, the average wealth in Australia was US$397,000 with a median wealth of US$222,000. Australia has the highest median wealth in the world (CreditSuisse, 2011). Hence, this high-end market’s population is growing 11.1% annually, from 174,000 in 2009 to 193,000 in 2010 (Capgemini and MerrillLynch, 2011).

It is worth noting that the retail banking industry as well as other industries has a common rule of thumb. Following the Pareto principle, 80% of its profits come from 20% of its customers. The Pareto principle has become generally accepted in marketing and management sciences (see for example, Sanders, 1987;

Drucker, 1996; Craft and Leake, 2002). In the case of retail banking, 20% of the market may come from premium banking services. Therefore, premium banking services play an important role in the retail banking business.

Several characteristics of premium banking services are tailored to individual customer requirements, personal contact with a Relationship Manager as one point of contact and a long-term relationship orientation. Hence, a high-end customer has high purchasing power because of his or her strong financial background. Therefore, cross-selling is a common banking strategy for customer retention and profit growth. A one-stop shopping experience for enhancing the relationship through a cross-selling strategy has been used in numerous financial services companies to engage and retain customers for life (Aksin and Harker, 1999; Jarrar and Neely, 2002).

Cross-selling refers to selling additional products to existing customer for increasing customer's confidence on the company and diminish any intention to switch to other providers (Ansell *et al.*, 2007). By having "one account" or a "universal account", a combination of deposits, checking and credit facilities secured by residential property, a financial institution expects customers not to leave for other providers (PricewaterhouseCoopers, 2007). The possibilities for successful cross-selling are larger for existing customers because the bank has already gained more trust and customers tend to wish to prevent hassles with a new bank. For example, for new customers some banks have a policy of holding transactions in a checking account to make sure that a deposit is legitimate. This holding time may vary and takes longer if it involves a large amount of money or a deposit of foreign funds. Therefore, customers prefer to have multiple accounts with their main banks and, not surprisingly, loyal customers have been found to be more responsive to cross-selling (Verhoef, 2003).

Although one-stop shopping could be a key driver for cross-buying (Coughlan, 1987) and enhancing customer retention (Srivastava and Shocker, 1987), sometimes it fails because it is too focused on the seller's desires rather than on the customer's needs (McDarby, 2007). Analysing the customer database and then offering the right products with a personal approach is essential to ensuring that the cross-selling effort is effective. Hence, it is important for a Relationship Manager in premium banking services to act as a consultant with a consultative approach rather than acting as a salesperson. Rather than focusing on how many categories a customer buys from, they should focus on how the customer spreads his/her purchases across categories to manage their loyalty (Reinartz *et al.*, 2008). Nevertheless, customers may reject the idea of cross-buying because they do not like the idea to depend on one single entity for risk, business and security purposes (Burand, 2001; Green, 2002).

In essence, cross-selling must be offered with a great consideration to the right customers in premium banking services for a long-term commitment and, therefore, competent staff or a Relationship Manager is a must for the success of cross-selling (Vyas and Math, 2006). Because the strategy cannot succeed only based on an intense personal relationship with a simple gimmick such as better pricing on fees or rates, other important factors need to be further investigated in the study.

1.2. Studies of Relationship Marketing and their Limitations

It is worth noting that relationship marketing originated from business-to-business relationships. Therefore, most research on relationship marketing has been based within the business-to-business framework. However, the current research explores the consumer's perspective in the premium banking services context. For premium banking providers, the changing role of branches and the technology advancement in e-banking has reduced branch visits. However, some customers still undertake their banking activities in branches because of online security issues, personal services or face-to-face contact and the complexity of the products.

Relationship marketing focuses on the close relationship between the customer and the service provider for enhancing their commitment and trust. It is argued that the relationship concept commenced in the 1970s (see for example, Hakansson and Ostberg, 1975; Williamson, 1975). In the 1980s, Berry made a clear distinction between relationship and transactional marketing. He defined relationship marketing as "attracting, maintaining and – in multi-service organizations – enhancing customer relationships" (Berry, 1983, p. 25). The differences between transactional and relationship marketing include the length of relational exchange and more complex and personal engagement between both parties, which in a relationship marketing differentiates products and services and creates switching barriers (Dwyer *et al.*, 1987). The importance of service marketing on quality, advanced technology and better partnerships has lead to extensive studies of relationship marketing (see for example, Gronroos, 1994; 1995; Gronroos, 1997; Baker *et al.*, 1998). Accordingly, relationship marketing emphasises customer retention rather than customer acquisition (Sheth *et al.*, 1988). Some of the challenges in customer retention include uncovering purchasing demand and converting those leads into actual sales and cross-buying.

There were many studies in relationship marketing which have been based on the commitment–trust theory proposed by Morgan and Hunt (1994). The link between commitment and trust is significant for a relationship between any buyer and supplier or between two business entities (see for example, Kingshott, 2006; Plewa, 2009). While trust is defined as "confidence in the exchange partner's reliability and integrity" (Morgan and Hunt, 1994, p.23), commitment is defined as the intention to retain a highly regarded relationship for a long-term relationship (Moorman *et al.*, 1992). Therefore, commitment and trust are essential for the parties in a business engagement (Gundlach *et al.*, 1995).

There are at least three most distinctive commitments studied in the literature. They are affective commitment, calculative commitment and continuance commitment (see for example, Allen and Meyer, 1990; Gundlach *et al.*, 1995; Kim and Frazier, 1997; Meyer and Herscovitch, 2001; Bansal *et al.*, 2004; Fullerton, 2005). Affective commitment is defined as the intention to remain in a relationship due to the emotional engagement of the partner (Meyer and Allen, 1984; Evanschitzky *et al.*, 2006) and the emotional attachment to the brand or organisation (Allen and Meyer, 1990). While calculative commitment is founded on cognitive attachment through experience and the realisation of benefits and sacrifice in a relationship (Geyskens *et al.*, 1996), continuance commitment defines as the need for maintaining a relationship due to switching costs and lack of alternatives with the high level of reliance on the product or service provider (Bendapudi and Berry, 1997; Johnson *et al.*, 2008).

Although it has been argued that there is no doubt that each component of commitment is important for long-term relationship marketing (see for example, Anderson and Weitz, 1992; Morgan and Hunt, 1994; Brown *et al.*, 1995; Kumar *et al.*, 1995), the literature in this subject is still evolving. Therefore, many studies have been appeal for more comprehensive models between commitment and trust. More specifically, there is a need for further investigation on communication quality and the effectiveness and the importance of social bonds (Wetzels *et al.*, 1998; Sharma and Patterson, 2000).

In addition, commitment has several issues to resolve, such as inconsistent conceptualisation (Gundlach *et al.*, 1995; Bansal *et al.*, 2004), multidimensional interaction among components (Gilliland and Bello, 2002; Evanschitzky *et al.*, 2006) and scale measurement (Kim and Frazier, 1997). Therefore, Bansal *et al.* (2004) urged the need for further examination on commitment elements beyond switching intentions and for the examination of the importance of customer retention in commitment. Finally, there is also a need for understanding the antecedents of cross-buying (Vyas and Math, 2006).

1.3. Research Questions

Despite the fact that customer retention and cross-buying have been studied by many research, Reinartz and Kumar (2003) argued that the examining reasons for customers buy additional products or services from the current provider are still under-researched. Further, while customer retention has been the focus of previous studies, these have ignored customers' cross-buying behaviour (Liu and Wu, 2007). This leads to little understanding of the key driving forces behind cross-buying (Vyas and Math, 2006).

Therefore, several research questions arise:

1. What factors influence customer retention and cross-buying in premium banking services?
2. How important are switching costs and interaction quality for customer retention and cross-buying in premium banking services?
3. How can banks facilitate a situation where these factors can have the greatest impact on customer retention and cross-buying?

In order to address these three research questions, a qualitative and a quantitative study were conducted. In the qualitative research, in-depth face-to-face interviews were conducted with Relationship Managers and committed premium banking customers who have been with the same banks for at least five years. The results of the interviews were then evaluated and engaged as the grounds for a quantitative survey. In the quantitative research, a questionnaire was distributed among premium banking customers to explain their continuance commitment behaviour.

1.4. Research Objectives

The objective of this study is to investigate the key variables that affect simultaneously customer retention and cross-buying behaviour in premium banking services and to investigate how these variables interrelate for customers.

Therefore, the objectives of this study are:

1. To extend commitment–trust theory by objectively measuring continuance commitment;
2. To determine the roles of switching costs and interaction quality in influencing customer retention and cross-buying behaviour; and
3. To determine the antecedents of switching costs and interaction quality and to assess their impact on customer retention and cross-buying behaviour.

While customer retention is considered to be very important for premium banking services in Australian foreign banks (PricewaterhouseCoopers, 2005), extending the relationship into cross-buying in order to improve revenue growth is still somewhat challenging. The challenge includes how to maintain retention in intense competition with little differentiation in products and services in a very advanced technology environment while at the same time encouraging customers to engage in cross-buying.

Therefore, several key variables will be studied in relation to switching costs and interaction quality to have a better understanding of their roles in continuance commitment. It has been discussed that customers enjoy the benefits of high technology in banking while at the same time Relationship Managers play an important role in encouraging customer retention and cross-buying in premium banking services. Consequently, switching costs and interaction quality play important roles for a customer's continuance commitment with his or her bank.

The third objective relates to the antecedents of switching costs and interaction quality and their impact on customer retention and cross-buying behaviour.

Therefore, the study will include reputation, expertise and trust as the antecedents. It will then empirically examine the overall interactions of the research model, which includes reputation and expertise as independent variables, trust as a mediating variable, switching costs and interaction quality as moderating variables and continuance commitment as dependent variable. Zikmund *et al.* (2011, p. 47) defined an independent variable as “a variable that is expected to influence a dependent variable”, while a dependent variable is “a criterion or variable to be predicted or explained”. A moderating variable is defined as a “variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable” (Baron and Kenny, 1986, p. 1174), while a mediating variable is “a variable that accounts for the relation between the predictor and the criterion” (Baron and Kenny, 1986, p. 1176).

Most importantly, the study will contribute to the literature by developing and testing a research model that combines key variables that have been suggested in previous research, such as Ngobo (2004), Vyas and Math (2006) and Liu and Wu (2007) and by providing statistical evidence for the relationships between the independent variables, mediating variables, moderating variables and dependent variables.

1.5. Study Overview

Based on an extensive review of the fields of customer retention, cross-buying, reputation, expertise, trust, switching costs and interaction quality, the study attempts to construct a model for the management of long-term relationship marketing through the extension of commitment–trust theory.

The study starts with definitions and descriptions of all variables. The theoretical model is then presented with its corresponding hypotheses specified along with the proposed methodology. Empirical tests will include testing the model and hypotheses. Finally, the results will be discussed, managerial implications will be outlined and suggestions for future research will be offered.

1.6. Contributions

There are two important outcomes from the study.

1.6.1. Theoretical Contributions

The study will contribute to the literature by two components. First, it will contribute by re-examining commitment–trust theory (Morgan and Hunt, 1994). Specifically, it will examine the moderating effect of 1) switching costs and 2) interaction quality as an extension of commitment–trust theory. As a widely used theory in relationship marketing, commitment–trust theory has succeeded in explaining the importance of five antecedents to commitment and trust (relationship termination costs, relationship benefits, shared values, communication and opportunistic behaviour) and its five outcomes (acquiescence, propensity to leave, cooperation, functional conflict and uncertainty). However, Morgan and Hunt (1994, p. 34) also suggested that the theory needs "further explication, replication, extension, application and critical evaluation".

Therefore, the current study extends the theory using two moderating effects (switching costs and interaction quality) in the context of continuance commitment in premium banking services. It follows the premise of commitment–trust theory that trust is the crucial element of commitment. While previous studies have confirmed that as trust increases, commitment also increases (see for example, Gounaris, 2005; Mukherjee and Nath, 2007; Fullerton, 2011), the interaction between the two may not be straightforward should there be a moderating effect. One could argue that switching costs and interaction quality have a significant impact on the interaction between commitment and trust (Sharma and Patterson, 2000). Similarly, switching costs have been found to affect retention (Vazquez-Carrasco and Foxall, 2006) and continuance commitment (Bansal *et al.*, 2004). However, as a personal interaction with social bonding has been found to enhance the interaction quality between a customer and a service provider, and likewise, it enhances commitment to the current provider (Jones *et al.*, 2008) and thus its impact on cross-buying needs to be further investigated.

The second contribution of the study is to propose continuance commitment as a more objective and precise measurement. Specifically, the study suggests the current subjective measurements of continuance commitment be measured using the more objective measures of 1) retention and 2) cross-buying. Consistent with widely used theory in relationship marketing and the commitment–trust theory by Morgan and Hunt (1994), the result of trust and commitment is "behavioural intention". Therefore, the current study conceptualises behavioural intention as retention and cross-buying.

It has been discussed that to date the conceptual foundations of continuance commitment have not been entirely established and that there is a need to further investigate continuance commitment. There are several reasons for this. First, while one of the most common commitment concepts used in previous studies has been the three dimensions of commitment (affective, normative and continuance), many studies have used a different approach, such as the one-dimensional construct of commitment. Second, previous studies of commitment have only focused on affective and calculative commitment and rarely included continuance commitment in their analyses (see for example, Wetzels *et al.*, 1998; De Ruyter *et al.*, 2001). However, previous research has included continuance commitment (Bansal *et al.*, 2004) but measured continuance commitment using a subjective approach. Third, unlike the other two commitments, continuance commitment is highly related with fierce competition in the industry, namely premium banking services. The intention for customers to be retained with one particular bank is dependent on the competition itself and on the ability of the current bank to maintain its existing customers. Fourth, continuance commitment is grounded in side-bets theory by Becker (1960), which suggests that the relationship between parties would be lost along with other extra benefits should one switch to another provider. For example, one of the benefits that may be lost in this study is the intense interactions or social bonding with the Relationship Manager that has occurred for a certain period of time. Consistently, continuance commitment is based on switching costs, dependence and a lack of options (Dwyer *et al.*, 1987; Bendapudi and Berry, 1997; Gilliland and Bello, 2002), which is also the focus of this study. Finally, continuance commitment is also considered as the negative side of relationship marketing (Fournier *et al.*, 1998; Shugan, 2005). This study explores thoroughly this premise. Although a customer may feel unhappy because he or she feels that he or she is being ignored and in return service providers do not give them their sincerity, friendship, loyalty and respect, he or she finds it difficult to terminate a relationship due to economic and social reasons (Fullerton, 2005). For example, in premium banking services a customer will get high penalty or exit fees should he or she terminate his or her mortgage or closing his or her accounts before the end of the designated contract. To the best of the researcher's knowledge, proposing an extension of continuance commitment into customer retention and cross-buying has not been carried out in previous research.

1.6.2. Managerial Implications

The results of the study will be persuasive and/or provide dramatically different strategies for retention and cross-buying strategies in premium banking services. From a managerial perspective, the implications for Customer Relationship Management (CRM) can be formulated. There is no doubt that customer relationships are important to manage (Crosby *et al.*, 1990). First, it may be worthwhile for premium banking services to invest in relationship marketing to enhance customer retention and cross-buying.

Second, premium banking services would have a better understanding if they evaluated customers by their product cross-buying in relation to interaction quality. This is in congruence with Reinartz and Kumar (2003), who found that cross-buying enhanced the lifelong relationship. Hence, the findings will be suitable for determining potential clients for cross-selling efforts, enhancing the quality of the relationship between customers and banks for product customisation and creating successful marketing mix programs.

Finally, to prevent the downsides in relationship marketing, premium banking services should have more understanding of customers' expectations in respect to switching costs and interaction quality. By knowing all customers' expectations, banks should be aware of what to do and not to do.

1.7. Organisation of the Study

The remainder of this study is organised as follows. The literature review from the existing marketing literature and other related fields will be discussed in Chapter 2. This starts with the grounding theories followed by definitions of reputation, expertise, trust, switching costs, interaction quality, customer retention and cross-buying. Finally, we discuss the concept of fit and the empirical studies in those areas.

Based on this extensive literature review, the study develops a research model and hypotheses in Chapter 3. This includes the general framework of the study, qualitative research as the pilot study, hypotheses development and research model.

Chapter 4 describes the research methodology that covers the design of both the qualitative and the quantitative studies. This includes the research design, unit of analysis, sampling design, data collection method, questionnaire design, measurement scale of types, questionnaire structure, measurement of variables, missing data and data analysis and research procedure.

Data analysis is divided into two chapters. While Chapter 5 presents the preliminary/descriptive analysis, Chapter 6 presents the model testing using IBM SPSS Statistics Version 19. The results of the SPSS analyses are then used to evaluate the hypotheses.

In Chapter 7, the findings are discussed for further explanations and interpretations. Finally, Chapter 8 is the conclusion of the study. This offers theoretical and managerial implications along with the limitations of the study and guidelines for future research.

1.8. Chapter Summary

Chapter 1 has discussed the background of the study, including the research objectives, research questions and contributions. The chapter has indicated the importance of the current study by addressing the limitations of previous research. The context of the research is premium banking services because of the uniqueness of the industry (intense competition, mature market and similar products and services). Hence, with the emergence of e-banking, it has essentially evolved the way banks have conventionally conducted their business and the way customers interact with their banks.

With these solid research questions and research objectives, the research will address how relationship marketing will help premium banking services as well as consumers remain, retain and extend banking needs while at the same time having a desired relationship.

The fundamental and supporting theories for the research will be discussed in Chapter 2 along with the findings from previous research.

CHAPTER 2
LITERATURE REVIEW

2.1. Introduction

A broad base of relationship marketing and its variables are reviewed in this chapter to explain the foundations for the present study. The chapter comprises four sections, representing a review of commitment and trust research undertaken in the relationship marketing context.

The first section reviews two grounding theories, namely payment equity theory and social equity theory, as the root of relationship marketing. The second section reviews the concept of relationship marketing as the root of the commitment–trust model.

The third section reviews all the variables involved in the study. For the study, reputation and expertise are the antecedents of trust. It discusses the role of reputation and expertise in influencing a consumer's behaviour on trust. This includes a review of empirical studies of trust, reputation and expertise. It also discusses the role of switching costs and interaction quality as the moderators of commitment and trust. Several types and characteristics of switching costs and the importance of social bonding on interaction quality are included in the discussion. It also reviews empirical studies of switching costs and interaction quality and the concept of continuance commitment. The study proposes that continuance commitment extends into customer retention and cross-buying. Therefore, it also discusses their relations and reviews empirical studies of customer retention and cross-buying. Finally, the last section summarises some focal studies and underlies their limitations.

2.2. Grounding Theory

This section reviews those theories that seek to explain the relationship between customer and service provider. The current study acknowledges two theories as the grounding of relationship marketing theory in commitment–trust theory. These two grounding theories are payment equity theory and social exchange theory.

2.2.1. Payment Equity Theory

Payment equity is customers' fairness perception for the price paid for their consumed services (Bolton and Lemon, 1999). According to payment equity, customers make judgments based upon these payments within normative or "should" expectations (Bolton and Lemon, 1999). Through this, satisfaction will be determined (Oliver and Swan, 1989; Bolton and Lemon, 1999). For example, the less customers pay than expected or budgeted, the more satisfied they are with the service. Many retailers use this strategy by giving large discounts on sale days. For bank customers, they attempt to seek better deals at a bank that has low interest loan rates and low fees. Consequently, this affects customer satisfaction and retention (Bolton, 1998) and increases the additional services purchased or cross-buying (Verhoef *et al.*, 2002a).

In the context of premium banking services, customers consistently attempt to keep payment equity in their own hands. These attempts include product benefits/utilisation, product price, product alternatives (including other offers from other banks) and services offered by the bank. The overall premise of positive or negative outcomes will be moderated by the pricing structure, namely whether customers feel as though they gain or lose with the bank. When a customer thinks that he or she has a good deal with a bank, he or she will close the deal as the formal initiation of a business relationship. Hence, Thaler (1985) indicates the importance of integrating variable costs with customer benefits;

bundling prices, flexible term-loans and numerous ATM locations are common practices offered by the bank for retaining customers.

2.2.2. Social Exchange Theory

The premise of social exchange theory is that relationships exist between partners because of the motivation and expectation for social and economic benefits (Homans, 1958). Social exchange theory suggests that interpersonal relationships are important for close inter-firm relationships (Metcalf and Frear, 1993). As in the commitment–trust context, the existence of the motivation and expectation for social and economic benefits is a must for long-term relationships (Blau, 1964; Lambe *et al.*, 2001). This is in congruence with the main objective of a relationship, namely long-term benefits between partners (Dwyer *et al.*, 1987; Morgan and Hunt, 1994). Social exchange theory also suggests that a person will terminate a relationship when the perceived costs overcome the perceived benefits. For example, a customer will leave the bank if he or she learns that a popular staff member has moved to other bank. Therefore, it is a common practice in various business industries including premium banking services to employ Relationship Managers to take responsibility for successful relationship development with the parties involved.

In the premium banking services many banks offer personalised services to customers. Although the interaction between the customer and the Relationship Manager is a business relationship, the nature of this relationship is more likely to have matured into a social relationship, as trust has advanced between the two. Arguably, it is much more convenient and trustworthy dealing with a friend for all banking needs. For small or community banks, these efforts include the neighbourhood store concept where people can meet, browse the Internet, have a cup of coffee and talk about community events in a bank branch. The objective is to create a much more intimate, social and friendly environment.

Likewise, large banks attempt to gain social interaction and empathy with customers. Such attempts include being involved in social and community programs either local or nationwide. For example, WBC is actively involved in lifesaver rescue by providing helicopters. Similarly, ANZ supports conservation and sustainability at Taronga Zoo and Zoos Victoria. All these efforts are employed to win the hearts and increase social interactions with customers.

2.3. Relationship Marketing

The main purpose of relationship marketing is to enhance marketing productivity by creating values for the parties involved in the relationship. There are seven conceptual categories of relationship marketing (Harker, 1999). First is creation, which involves attracting, establishing and getting customers. Secondly, development enhances and strengthens the relationship. Thirdly, maintenance sustains the relationship. Fourthly, interactive is involved in exchange and cooperation. Fifth is a long-term, namely retaining customer for lasting or permanent relationships. Sixth is emotional content, which involves commitment, trust and fulfilling promises. Finally, output for profit, rewards and efficiency is for everyone involved. Therefore, relationship marketing as part of services marketing is relevant and important for the banking industry. Hence, in the context of financial services, it has been studied in numerous studies (see for example, Peppard, 2000; Blery and Michalakopoulos, 2006; Berger *et al.*, 2008; Durkin *et al.*, 2008; Rajaobelina and Bergeron, 2009).

Relationship marketing is defined as “attracting, developing and retaining customer relationships” (Berry and Parasuraman, 1991, p. 133). Consistently, in the banking context, relationship marketing is defined as “the activities implemented by banks in order to attract, interact with, and retain more profitable high net-worth clients” (Walsh *et al.*, 2004, p. 469). Hence, it is believed that the relationship between bank and customer can lead to benefits for both parties (O'Loughlin, 2004).

In premium banking services, the relationship begins when a customer comes to the branch to open a new account. Despite new technology allowing customers to perform almost anything through online banking, they still need physical appearances in the branch for further enquiries and a signature. In doing so, customers have feelings of trust and a perception of customisation, empathy, appreciation, friendliness and communality (Swartz and Iacobucci, 2000). Whereas from the bank's perspective it can lower marketing costs, generate positive word-of-mouth (Baron and Haris, 2003), enhance customer retention (O'Loughlin, 2004) and cross-sell new opportunities (Zboja and Hartline, 2010).

Unlike transactional relations, relationship marketing needs customer involvement in communicating for interaction and sharing knowledge. Table 2.1 shows the differences between transaction marketing and relationship marketing and their implications.

Table 2.1 Differences between Transaction Marketing and Relationship Marketing and their Implications

Strategy	**Transaction Marketing**	**Relationship Marketing**
Time perspective	Short-term focus	Long-term focus
Dominating marketing function	Marketing mix	Interactive marketing (supported by marketing mix activities)
Price elasticity	Customers tend to be more sensitive to price	Customers tend to be less sensitive to price
Dominating quality	Quality of output (technical	Quality of interactions

dimension	quality dimension) dominates	(functional quality dimension) grows in importance and may become dominant
Measurement of customer satisfaction	Monitoring market share (indirect approach)	Managing the customer base (direct approach)
Customer information system	*Ad hoc* customer satisfaction survey	Real-time customer feedback system
Interdependency between marketing, operations and personnel	Interface of no or limited strategic importance	Interface of substantial strategic importance
The role of internal marketing	Internal marketing of no or limited importance to success	Internal marketing of substantial strategic importance to success
General approach	Action-related	Interaction-related
Focus in decision process	Pre-sales activities	All phases focus on post-sales decisions and action
Intensity of contact	Low	High
Importance of employees for business success	Low	High
Production focus	Mass production	Mass customisation

Sources: Gronroos (1994) and Hennig-Thurau and Hansen (2000)

As shown in Table 2.1, Gronroos (1994) argued that relationships through knowledge, social or even technology create value and, therefore, lead to customer retention. Long gone is the concept of transactional marketing that only relies on the product and cheaper prices.

This is consistent with Rootman *et al.* (2008), which suggested that employee knowledge and attitude have a significant impact on the effectiveness of the CRM strategies of banks. With knowledge of customers' backgrounds and financial needs, customers can be classified into different segments of relationship management for better services and more intense relationships. Hence, Reinartz and Kumar (2002) classified customers into four categories: 1) *strangers* for short-term and low profit customers; 2) *butterflies* offer high profit potential but tend to be short-term but disloyal customers; 3) *barnacles* for long-term stayers that generate relatively low profits; and 4) *true friends*, namely highly profitable and long-term customers. These four categories are based on duration in customer retention and customer profitability for the firm.

In their extended relationship marketing theory, Möller and Halinen (2000) argued that a relationship is classified as a market-based relationship in marketing. This is the relationship between a firm and its customer when managing personalised services is required for monitoring customer needs and fast responses. Many retail banks offer a personal service for their customers, especially for their premium customers. CBA, as the biggest bank in Australia, has "Premier Banking" as part as its personal banking services for high-end customer. Customers who have at least $750,000 in total deposits, lending and investment balances are eligible to join this "Premier Banking" service. With a dedicated Relationship Manager, customers also have expert advice and insights for all their banking needs. These personal and non-personal contacts with customers create customer-centric outcomes such as retention, positive word-of-mouth and customer retention and loyalty, which increase revenues and create cost effectiveness for the bank.

Table 2.2 Summary of Selected Empirical Studies of Relationship Marketing

Study	Variables Studied	Focus	Key Findings
O'Loughlin (2004)	Interaction between consumers and suppliers in retail financial services.	Qualitative research with middle and senior management financial services and experts in banking on the relationships between consumers and their financial service providers in Ireland.	a. Customer relationship is important for both consumers and financial service providers. b. Several relationships are needed for various financial products. c. Different types of financial products need different approaches to consumers. For example, an emotional approach is needed for complex financial products such as mortgages.
Chiu *et al.* (2005)	The relationships among relational bonds, customer value and customer loyalty in three different consumer groups (stayers, dissatisfied switchers and satisfied switchers).	A customer's relational bonds (financial, social and structural) affect his or her utilitarian and hedonic values for customer loyalty in retail banking.	a. The social bonding strategy affects a customer's perceptions of the hedonic value of the relationship. b. Financial bonding and structural bonding strategies affect a customer's perceptions of the utilitarian value of the relationship.
Blery and Michalakopoulos (2006)	CRM benefits, problems and success and failure factors.	Evaluation of CRM implementation in a Greek bank by its employees in several departments.	a. CRM reduces costs and integrates application platforms. b. CRM leads to good project management, realistic time schedules

			and better budgeting and programming. c. CRM makes banks closer to their customers.
Coltman (2007)	The importance of CRM in banking performance.	CRM applications in Australian banks use qualitative research on senior bank executives.	a. CRM capability leads to better performance. b. CRM needs a combination of technical, human and business capabilities.
Palmatier *et al.*(2007)	The effects of relationship marketing programs on relationship quality for financial outcomes.	The importance of relationship marketing for enhancing financial outcomes in various industries.	a. The relationship quality with a salesperson positively affects the seller's financial outcomes. b. The relationship quality with a selling firm positively affects the seller's financial outcomes. c. The relationship with the selling firm is influenced by the relationship quality with a salesperson.
Camarero (2007)	The roles of relationship and service quality on market and economic performance.	Relationship building between customers and service providers in financial and insurance providers in Spain.	a. Relationship marketing and relational investments are influenced by market orientation. b. Lack of evidences in the relationship between market orientation and firm's performance.
Durkin *et al.* (2008)	The roles of technology and personalised	Relationship management for retail banking customers using qualitative research on	a. Only 20% of customers are "being proactively managed"

	relationships between customers and their banks.	senior executives, Relationship Managers and senior marketing teams.	according to senior executives. b. Relationship Managers could only effectively manage the most valuable customers. c. Staff encourages customers to use self-service technology for transactional services. d. Personal contact still needed for complex product sales.
Jones *et al*. (2008)	The impacts of the three targets of commitment (organisation commitment, employee commitment and personal commitment) on customer loyalty.	The differences and impacts of three targets of commitment in the services industry; financial, medical, hairdressers and mechanics.	a. When the level of consumer's commitment to the service is high, so does the commitment to the organisation. b. When the level of consumer's personal commitment is high, so does the commitment to the service. c. Personal commitment has no effect on repurchase intentions.
Rootman *et al.* (2008)	The effects of employee attitude, knowledge and two-way communication on the effectiveness of CRM strategies.	The importance of CRM in building relationships with customers in South African banks.	a. Employees' attitude improvement will improve the effectiveness of CRM strategies. b. The increase in employees' knowledge will increase the effectiveness of CRM strategies.

			c. Personal contact and interaction between clients and employees are very important.
Heffernan *et al*. (2008)	The importance of trust for relationships between staff and customers.	The development and links between trust, emotional intelligence and a Relationship Manager's financial performance. Online survey conducted with Relationship Managers and Branch Managers in Australia.	a. Three components of trust: dependability, knowledge and expectations. b. While trust has weak correlation, knowledge has strong correlation to performance. c. The higher the level of a Relationship Manager's emotional intelligence, the higher are the bank's profits.

2.4. Reputation

With the uncertainty of the business world, a good reputation is a must for a firm for strengthening public confidence and maximising revenues from its product and services. Long-term dedication is required for a firm to establish a strong reputation. In other words, the quality of the reputation is earned by a good firm's strategy and practices. In essence, quality is the key element of reputation credibility and earning the trust of stakeholders (Fombrun, 1996).

It has been argued that customers only buy products and services from a reputable firm. Therefore, in accordance with equity theory, a reputable firm may gain more trust from customers. This concept is in congruence with previous studies (e.g. Ganesan, 1994; Groenland, 2002). For example, Ganesan (1994), in his comparison of retail buyers and their vendors, found that the reputations of vendors in the marketplace create credibility and influence trustworthiness in their relationships.

Corporate reputation is defined as "an estimation of the consistency over time of an attribute of an entity" (Herbig and Milewicz, 1993, p. 18). As an important intangible asset (Dolphin, 2004), it reflects a company's competitiveness in the market (McMillan and Maheshkumar, 1997). There are at least three major benefits of a strong corporate reputation (Greyser, 1999): customers' preferences from similar competitors, customers' support in bad times and financial market value.

Although bank reputation has to be earned in the long-term, it could be jeopardised in a matter of days. In March 2011, while CBA was experiencing ATM glitches that were dispensing large amounts of excess cash, NAB experienced computer glitches that disrupted any NAB transactions and wage payments for millions. This NAB glitch also affected Citibank, HSBC, UBS, Bank of Scotland and Macquarie Bank as associated banks.

In addition, management decisions can affect bank reputation instantly. When the Bank of Western Australia (BankWest) was acquired by CBA in 2008 in a $2.1 billion deal, it gained the privilege of CBA's reputation and networking. These benefits include a better credit rating, a much bigger balance sheet and broader funding access and a worldwide ATM network. Similarly, in December 2008, St. George Bank merged with WBC. Overnight, St. George Bank, a relatively small bank, shared a reputation with one of the four largest banks in the country.

On the contrary, unpopular management decisions can have a negative impact on reputation. In early 2012, WBC cut another 126 jobs following the 758 jobs lost in previous months. Arguably, the decision has made customers unhappy because they think WBC should have been keeping more jobs in Australia rather than sending them offshore. Thus, many customers have switched their accounts to other banks.

In their study, Fombrun *et al.* (2000) suggested that reputation outcome has six dimensions: emotional appeal, products and services, vision and leadership, workplace environment, social and environmental responsibility, and financial performance. All these dimensions affect customers' perceptions and decisions. Therefore, a good reputation in the market is perceived positively by customers, as they think "the market can't be too wrong" (Hansen *et al.*, 2008).

However, as found in many studies, corporate reputation is occasionally being misinterpreted with corporate image (Dowling, 1994; Gotsi and Wilson, 2001) because both terms are used interchangeably or imprecisely by practitioners and academics (Abratt, 1989). While corporate image is seen as a superficial notion and not a true reflection of a company, corporate reputation is meaningful and responsible for gaining public esteem (Rindova, 1997). Reputation is based on facts and achievements rather than fabricated evidence. Hence, corporate image is defined as the overall impression in the public's mind about one particular firm (Barich and Kotler, 1991), which can be manipulated (Dolphin, 2004). For example, owing to bad management decisions or simply computer glitches in its system, a bank could be generous in sponsoring local or national programs to regain image.

On the contrary, reputation is the judgement of an organisation's qualities (Balmer, 1998), which are gained over time and cannot be manipulated (Dolphin, 2004). Only a good bank with a good reputation would be the preferred choice for potential and existing customers. Therefore, corporate reputation can create competitive advantage and affect corporate performance (Devine and Halpern, 2001). Nevertheless, reputation represents service excellence and innovation, and it is thus very important in undifferentiated markets (Hansen *et al.*, 2008). Therefore, for the purpose of the current study, bank reputation is used instead of corporate image.

Table 2.3 Summary of Selected Empirical Studies of Reputation

Study	Variables Studied	Focus	Key Findings
Yoon *et al.* (1993)	The roles of customer expectations, company reputation and information on buying intentions.	Customer expectations of a company's reputation and service offerings for business customers in selecting insurance carriers.	a. Reputation is highly regarded by customers for buying intentions. b. A company's reputation can enhance the effectiveness of a communication program.
Benedicktus and Andrews (2006)	The role of sellers' reputations in influencing consumer trust.	The relationship among sequence direction, consensus direction and trust on internet purchasing behaviour.	a. Maintaining a first-rate reputation is very important. b. Trust will increase if a firm's reputation exceeds expectations. c. The Internet can influence consumer trust.
Walsh *et al.* (2006)	Corporate reputation and customer satisfaction in terms of customer intentions.	The influence of perceived corporate reputation and customer satisfaction on switching intention for energy suppliers in Germany.	a. Weak relationship between reputation and switching intention. b. High level of satisfaction is needed for retaining customers. c. Strong relationship between reputation and satisfaction.
Graham and Bansal (2007)	The relationship between reputation and consumer willingness to pay.	Consumers' reputation judgments and willingness to pay for airline tickets.	Consumers value good reputations and they are willing to pay more for a better corporate reputation.
Hess (2008)	Customer responses in service failures, which include satisfaction,	The effects of firm reputation on service quality in service failures.	a. Mild service failures have no effect on companies with excellent

	repurchase intentions, and negative word-of-mouth in regard to corporate reputation.		reputations. b. Customers will be dissatisfied with companies with average reputations for both mild and severe failures. c. Repurchase intentions are influenced by firm reputation.

2.5. Expertise

Corporate expertise is linked to the firm's contact people and their ability as communicators or salespeople who influence customers (Crosby *et al.*, 1990); it refers to knowledge, experience and the overall competency of the seller (Palmatier *et al.*, 2006). The role of expertise for salespeople is important in influencing customers that the firm has credibility and trustworthiness (Selnes, 1998; Coulter and Coulter, 2003). In a bank, the role of experienced staff or the Relationship Manager is crucial for representing the bank's expertise. Customers expect high levels of competency and conduct from bank employees. Therefore, continuous and extensive staff training is a must. Such training improves employees' knowledge and expertise in addressing customers' queries and more proactive communications.

When a customer has to decide what product is most suitable for his or her banking needs, he or she relies on the employee's expert opinions. For example, for choosing transaction accounts, a customer has to consider account fees, ATM withdrawal fees, interest rates, minimum deposits, EFTPOS transaction fees and cheque deposit fees. Hence, more complicated products such as personal loans need more consideration as about elements such as minimum and maximum loan amount, interest rate, rate type, monthly repayments, on-going fees, early repayment penalty, missed payment penalty, encumbrance check fee, document release fee and application fee. Crosby *et al.* (1990) argued that the success of sales depends on salespersons' levels of expertise. Hence, expertise influences both short-term and long-term sales effectiveness, especially for complex services, such as loans.

Consequently, expertise has positive impacts on the service provider such as satisfaction, which leads to loyalty and positive word-of-mouth (Macintosh, 2007). Along with customer orientation, expertise can enhance motivation and customer-driven value (Macintosh, 2007).

Table 2.4 Summary of Selected Empirical Studies of Expertise

Study	Variables Studied	Focus	Key Findings
Crosby *et al.* (1990)	Expertise as a part of relationship quality for sales effectiveness and future interaction anticipation.	Relationship quality in services selling for sales opportunities in life insurance.	a. Sales success is influenced by a salesperson's expertise. b. Short-term and long-term relationship effectiveness is influenced by a salesperson expertise.
Lagace *et al.* (1991)	The relationship among relationship quality (expertise, ethical behaviour, frequency, duration), trust and satisfaction.	Relationship quality between the physician and pharmaceutical salesperson.	a. Trust and satisfaction are influenced by expertise. b. Length of relationship does not have an impact on trust or satisfaction. c. Trust and satisfaction are influenced by ethical behaviour
Macintosh (2007)	The role of relationship quality (expertise, customer orientation) and	The relationship between customers and a travel agent.	a. Relationship quality is influenced by employee expertise.

	satisfaction for loyalty and word-of-mouth.		b. Customer-oriented employees can enhance loyalty and positive word-of-mouth.
Sichtmann (2007)	The relationship between trust and corporate brand.	The importance of trust in a corporate brand in mobile phone services.	a. Competence and credibility are important antecedents of trust. b. Purchase intention is influenced by trust. c. Trust has a different antecedents and consequences for customers and non-customers.

2.6. Trust

Trust is derived from social exchange theory, which suggests that a relation is a slow process that requires little trust in the beginning before it emerges into larger relations and larger transactions with larger trust (Blau, 1964). When trust has established, it can reduce opportunistic behaviour due to the high fear of feeling insecure (Gulati, 1995). Therefore, in the context of social exchange, trust is seen as an attractive element of a partnership. Morgan and Hunt (1994, p. 23) defined trust as "confidence in the exchange partner's reliability and integrity". Whereas, for McKnight and Chervany (2002), trust is an individual's tendency to trust others, and Garbarino and Johnson (1999) defined trust as high level of confidence by customer in quality and reliability for an organisation's services offered. Similarly, trust is the level of confidence between two parties that include reliability and integrity (Doney and Cannon, 1997; Hibbard *et al.*, 2001a; Sirdeshmukh *et al.*, 2002).

Interestingly, in the banking industry, customers' levels of confidence and trust are also influenced by a financial or economic crisis. In 2011, as the financial crisis deepened in Europe and the United States, the level of trust with banks was somewhat concerning. The financial crisis started in the banking industry with a lack of transparent and honest business practices and weak regulators/government. Therefore, banks in the regions relatively unaffected by the financial crisis such as Australia savour higher levels of trust.

Hence, an unpleasant banking experience could cause distrust from customers. A simply unnoticed change in fees or interest fees, caveats, exclusions and penalty fees are some of these examples. Overall, these experiences distort a bank's business performance and make customers cynical. Through intense communications and interactions with a Relationship Manager, such experiences could be prevented. Research has demonstrated that trust is the basis for customers in making buying decisions (Doney and Cannon, 1997).

The relationship between commitment and trust is significant for a relationship between buyer and supplier or between two business entities (e.g. Kingshott, 2006; Plewa, 2009). Hence, trust is an important aspect in business relationships (Moorman *et al.*, 1993; Ganesan, 1994). When ING Direct Bank, a fully online bank, wanted to ensure customers that the business was legitimate, it created cafés across Canada and the United States as customers' touch points. The purpose of the café was to reassure customers and build trust. It was not meant to be a bank branch, as customers cannot perform any bank transactions. Guests can only get as much information from the café's staff, buying ING Direct merchandise or simply enjoying a cup of coffee.

Table 2.5 Summary of Selected Empirical Studies of Trust

Study	Variables Studied	Focus	Key Findings
Selnes (1998)	The roles of trust and satisfaction in relationship continuity and relationship enhancement.	Trust and satisfaction in relationship marketing between a food supplier and cafeterias and restaurants in Norway.	a. Satisfied customers are motivated to continue the relationship and enhance its scope. b. Trust is a strong antecedent of motivation to enhance a relationship. c. Trust and satisfaction are important for relationship continuity and enhancement.
Coulter and Coulter (2003)	The relationship between "personality-related" (empathy, politeness and customer/service similarity) and "performance-related (customisation, competence, reliability and promptness) elements and trust.	Trust in the business-to-business context. Small business owners who deal with service representatives in insurance, management consulting, telecommunications and travel businesses.	a. Customer knowledge and/or familiarity is an important moderator of "performance-related" and "personality-related" elements on trust. b. All "performance-related" and "personality-related" elements as antecedents have significant effects on trust.
Johnson and Grayson (2005)	The importance of cognitive and affective trust in service relationships.	The relationships between consumers and their financial service advisers in the UK.	Cognitive and affective trust have unique antecedents, which are highly correlated and empirically distinguishable.

Sichtmann (2007)	The relationship between trust and corporate brand.	The antecedents and consequences of trust in a corporate brand in mobile phone services.	a. Competence and credibility are important antecedents of trust. b. Trust has a strong direct impact on purchase intention. c. The antecedents and consequences of trust differ for customers and non-customers.
Dimitriadis and Kyrezis (2008)	The role of trust in the company and technology based channels.	The antecedents and consequences of trust in various technology based banking channels (ATM, internet, phone banking).	a. Affective bank trust in internet and phone banking is influenced by general bank reputation. b. Affective channel trust for all channels is influenced by affective bank trust. c. Cognitive channel trust in ATM is influenced by cognitive bank trust.

2.7. Switching Costs

Switching costs is considered as a category of switching barriers (Colgate and Lang, 2001). It is defined as the perceived economic and psychological expenses as a result of changing from one option to another (Jones *et al.*, 2002). It is believed that migrating to a new service provider requires investing in time, money and effort (Jones *et al.*, 2000) and incurs the risks associated with technology changing (Lam *et al.*, 2004). This leads to the fact that unsatisfied customers may remain loyal due to high switching costs (Gronhaug and Gilly, 1991). Arguably, some of the reasons for customers switching banks are unmet expectations and poor services, high fees/rates and life's changing circumstances.

However, if a firm has a distinctive services to offer and at the same time competitors have struggle to match such offers in the market, customers tend to remain with their current firm (Bendapudi and Berry, 1997). Such differentiation includes personalised services with intense interactions. Trained employees could be a competitive advantage for more demanding customers nowadays.

As well as discouraging customers switching banks with high penalty fees, some banks encourage new customers to switch. In early 2012, CBA offered cash incentives for NAB customers to refinance their home loans and $100 to open a credit card or deposit account. Similarly, the Royal Bank in Canada encourages customers to switch with rewards that can be used for short-haul flights.

Bendapudi and Berry (1997) shed some light by describing "constraint-based relationships", where customers may maintain a relationship with their banks because of economic, social or psychological costs. They argued that there are two reasons for customers to maintain relationships: constraint reasons (they "have to" stay in the relationship) or dedication reasons (they "want to" stay in the relationship). This concurs with previous studies suggesting that continuance commitment is associated with the perceived costs resulting from the termination of a service (Meyer and Herscovitch, 2001) and the economic costs of leaving (Gilliland and Bello, 2002).

Keaveney (1995) also argued that there are eight reasons for customers switching services. The first is pricing, which includes high prices, price increases, unfair pricing, and deceptive pricing. In a bank, customers always consider the possibility of zero fees and low interest rates for loans. Second is inconvenience, comprising three subcategories: location or hours of operation, appointment waiting and service waiting. Therefore, opening numerous branches with more flexible opening hours including weekends used to be considered to be a competitive advantage. Although online banking is the main distribution channel nowadays, customers still go into bank branches for particular reasons, and a long line at a teller is unwanted. Third is core service failures, including service mistakes, billing errors and service catastrophes. Immaculate and reliable Information Technology (IT) services is a must for a bank. Fourth is service encounter failure, which relates to employee behaviour and attitude, such as being uncaring, impolite, unresponsive and unknowledgeable. Extensive employee training is thus a necessity for making customers happy. Fifth is response to service failures, including reluctant responses, a failure to respond, and patently negative responses. The customer always expects a personalised service, especially when a service failure has occurred. Writing an apology letter or contacting them in person is always highly regarded rather than a cold impersonal company letter. Sixth is the attraction of competitors by finding better services. Arguably, customer retention is zero when a customer switches to other banks because of better offers and/or services. Seventh is ethical problems, which includes dishonest and unhealthy practices or behaviour, intimidating and conflicts of interest. All business processes must comply with the bank’s ethics and rules of conduct. Misconduct in terms of customers’ personal data is one example that might upset customers. Finally, involuntary switching is beyond control switching, such as the customer moving or the provider closing.

Hence, based on these typologies and antecedents of switching costs, Burnham *et al.* (2003) classified three types of switching costs. Firstly, procedural switching costs, involving losing time and effort. For premium banking services, this includes a customer’s learning efforts to use different IT systems for different banks. Secondly, financial switching costs, involving financial loss. The high penalty fees from the current bank can discourage customers from switching to other banks. On the contrary, promotions and gimmicks from other banks could be the reason for customers leaving their current banks. Finally, relational switching costs, related to emotional or psychological unpleasantness. When a customer has already been attached with his/her bank because of a long-term relationship and has a social bond with bank staff, it leaves uncomfortable emotional feelings.

In addition, Jones *et al.* (2002) argued that there are six dimensions of switching costs. First, lost performance costs are the "perceptions of the benefits and privileges lost by switching" (Jones *et al.*, 2002, p. 442). Second, uncertainty costs are the "perceptions of the likelihood of lower performance when switching" (Jones *et al.*, 2002, p. 442). Third, pre-switching search and evaluation costs are defined as the "perceptions of the time and effort of gathering and evaluating information prior to switching" (Jones *et al.*, 2002, p. 442). Fourth, post-switching behavioural and cognitive costs are the "perceptions of the time and effort of learning a new service routine subsequent to switching" (Jones *et al.*, 2002, p. 442). Fifth, setup costs is the "perceptions of the time, effort, and expense of relaying needs and information to provider subsequent to switching" (Jones *et al.*, 2002, p. 442). Finally, sunk costs refer to the "perceptions of investments and costs already incurred in establishing and maintaining relationship" (Jones *et al.*, 2002, p. 442).

While many works have studied why and how important switching costs are to customers (Zeithaml *et al.*, 1996; Mittal and Lassar, 1998; Lam *et al.*, 2004; Aydin *et al.*, 2005; Liu, 2006; Vazquez-Carrasco and Foxall, 2006), there are some studies of why customers do not switch service providers (Colgate and Lang, 2001; Yanamandram and White, 2006).

Table 2.6 Summary of Selected Empirical Studies of Switching Costs

Study	Variables Studied	Focus	Key Findings
Colgate and Lang (2001)	The identification of switching barriers for consumers staying with a company. Variables include relational investments, switching costs, service recovery and availability of alternatives.	Switching barriers for New Zealand consumers in retail insurance and retail banking.	a. Customer inertia is a major obstacle to attracting customers from competitors. b. Negative financial outcomes and uncertainty are prominent in switching services. c. Relationship investment found to be a less important reason for staying with current service provider. d. Service recovery is not an important factor in switching barriers.
Lam *et al.* (2004)	The interrelationships between customer value, satisfaction, loyalty, switching costs and customer loyalty.	Analysing customer perceived value, customer satisfaction and switching costs as antecedents of customer loyalty in the business-to-business context in a courier service industry.	Almost all the interrelationships between customer value, satisfaction, loyalty, switching costs and customer loyalty are confirmed.
Aydin *et al.* (2005)	The effects of switching costs on customer loyalty.	Identifying switching costs and measuring the satisfaction and trust of mobile phone users in Turkey	a. Loyalty is affected by switching costs. b. Switching costs have a relationship with satisfaction and trust.
Liu (2006)	The role of customer value in building the perceptions of switching costs.	Developing scales for customer value for financial business services on buyers' switching costs perceptions. Respondents came from senior	a. High-level customer value (such as relationships and support services) enhance the perceived switching costs of buyers.

		management who has been using financial staffing services for the past three years.	b. High economic value given to customers (such as discounts) tends to make customers hesitant to switch.
Vazquez-Carrasco and Foxall (2006)	The role of switching barriers in retaining customers.	The impact of positive switching barriers (relational benefits) and negative switching barriers (switching costs and competitor attractiveness) in satisfaction and retention in the hairdressers market.	Positive switching barriers have a greater impact on satisfaction and retention compared with negative switching barriers.

2.8. Interaction Quality

Previous studies have found that personal relations are important for bank customers in initiating their relationships with the bank and providing an intention for staying longer in the relationship (see for example, Crosby *et al.*, 1990; Howcroft *et al.*, 2003). Originally, this was the concept of one-to-one marketing that once only applied to the business-to-business market. However, it is now relevant to the mass market simply because just like in all other business-to business markets, consumer markets also require efficiencies and effectiveness for their purchase and consumption behaviour; premium banking services are no exception. Hence, Peppers *et al.* (1999) argued that personalised services could accommodate various individual needs. Personal banking is highly used in the premium market because high-income customers are demanding and have no time to spend on their daily activities.

Although Berry and Parasuraman (1991) proposed three bonding tactics, namely financial, structural and social bonding for enhancing relationship marketing with customers, social bonding tactics have the ability for personal connection through better communications and empathy for mutual interactions (Crosby *et* *al.*, 1990). Whereas financial bonding tactics refer to stimulating a consumer's consumption motivation in terms of pricing such as price discounts, price discrimination and higher interest rates, structural bonding tactics refer to the construction, administration and norms in a relationship. Finally, social bonding tactics refer to personal interaction and friendship between buyer and seller. In a more recent study, social bonds refer to the "investment of time and energy that produce a positive interpersonal relationship between the partners" (Perry *et al.*, 2002, p. 76).

In the context of interaction quality, this study argues that social bonding is the basis for stable relationships (Crosby *et al.*, 1990) and psychological benefits (Chiu *et al.*, 2005). It requires banks have an in-depth relation with customers not only by communicating products and programs, but also through dialogue and social bonding for sharing and creating knowledge between the parties involved. Arguably, social bonds between customers and their banks enable banks to provide better services because of high interactions and the better understanding of a customer's tastes and preferences. Therefore, it is reasonable to assume that the more intense the interactions between customers and the bank, the higher the social bonds between them are.

However, because of the importance of technology in banking such as e-banking and internet banking, the interactions and relationships between customers and their banks are also changing (Gounaris and Koritos, 2008). The use of this self-service technology is a service enabler for customers (Gwinner *et al.*, 1998; Bitner *et al.*, 2000; Meuter *et al.*, 2000) for enhancing interactions with providers (Meuter *et al.*, 2000). For a much faster service and cost efficiency, more customers have been urged to satisfy a greater proportion of their banking needs through non-personal self-service mediums such as the bank's e-banking website, ATMs and automated telephone-based systems.

Nevertheless, such services cause a lack of human contact and personal touch (O'Donnell *et al.*, 2002). As more customers migrate towards these "do-it-yourself" systems and away from the bank's branch network, a large proportion of personal interaction is lost. Just as in human relationships, where it is difficult to make a marriage work if the husband and wife are living apart, the spatial distance between the bank and its customers brought about by the increasing use of e-banking has reduced the number of opportunities for personal interaction, and hence reduced the number of opportunities the bank has for creating and maintaining social bonds.

Therefore, Lee (2002) argued that the best relationship with customers is face-to-face. Some banks have taken the opportunity to increase the level of interaction by utilising lines for tellers in the branches. Although a long line is not good for business (resulting in dissatisfied customers), a short line could be managed by approaching and educating customers about products. It is thus important to analyse the data on customers visiting the branch, such as the purpose of the visit, the number of visits and rates of conversation that lead to sales transactions. In a world where customers are more technology savvy, banks must exploit opportunities for serving in person and build long-term relationships.

In addition, there are many "sceptical" consumers in the market. They simply use the bank as nothing more than a clearinghouse for paying their monthly bills such as electricity, gas and Internet. When money transfer is involved, it only covers the transactions. They tend to put their savings and investments in the stock market and a brokerage. Through a good interaction with a Relationship Manager, these sceptical consumers could become profitable consumers in the long-term.

As one of the key processes in relationship marketing, interaction puts customers at the centre of marketing (Gronroos, 2004). Consequently, it is a common practice for a bank to assign a Relationship Manager to customers' needs. A Relationship Manager is defined as a contact person of the company who has responsibility for successful relationship engagement with customers

(Ford, 1980). A Relationship Manager thus takes responsibility for successful relationship development between both parties.

Table 2.7 indicates the extended roles of Relationship Managers. It is clear that this role goes beyond selling and transactional relationships. Instead, it involves building relationships with a common understanding to generate values in the long-term.

Table 2.7 Extended Role of the Relationship Manager

Role	Expectations of a traditional sales person	Expectations of a Relationship Manager	Literature Sources
Managing information	Quickly cut it down to the essentials needed to achieve the sale.	Manage and coordinate information inside their firms and between them and the customer.	Brady (2004); Millman (1999a; 1999b); Millman and Wilson (1995); Shi *et al.*(2005);Wotruba and Castleberry (1993)
Knowledge of the customer	Monitor the customer's behaviours and actual purchasing carefully and respond to that	Dealing with the future of both businesses and developing a shared vision. This means understanding the customer's core competencies and how suppliers can match customers.	Boles and Johnston (1999); Brady (2004); McDonald *et al.* (1997); Millman and Wilson (1999); Shi *et al.*(2005); Weitz and Bradford (1999); Wotruba and Castleberry (1993)
Taking responsibility	Responsible for the sale and perhaps delivery of services, but little more.	Understand the political issues. Consult and communicate but, at the end of the day, the	Boles and Johnston (1999); Homburg *et al.*(2000)

		responsibility for the entire customer lifespan is theirs.	
Selling and negotiating externally	Strong at negotiating and selling effectively with the customer without preparation to achieve highest volume and price.	Strong at understanding the customer in-depth, generating compelling value propositions and negotiating value-based premiums.	Brady (2004); Colletti and Tubridy(1987) McDonald *et al.* (1997); Millman and Wilson (1995;1999)
Managing external relationships	Focus on a few pivotal people in the relationships with them to minimise costs.	Build relationships that will ensure a good relationship between the two companies at many levels in the organisation, which can function without the Relationship Manager present.	Colletti and Tubridy (1987); Guenzi *et al.*(2007); Harvey *et al.* (2002); Menon *et al.* (1997) Shi *et al.*(2005); Weitz and Bradford (1999)
Understanding personal style	A personal style is best described as: Savvy, Streetfighting, Aggressive when necessary and competitive.	A personal style is best described as: Change agent, Working for the company more than for themselves, Common respect at all levels, and Act like a Business Manager.	McDonald and Woodburn (2007); Wotruba and Castleberry (1993)
Ability to work with different types of accounts	Most comfortable managing customers who do not want a strategic relationship, where the focus is mainly on price and transactions and the relationship is mainly about procurement.	Most comfortable working with customers who are interested in a strategic relationship, where they have good access to various levels of the company and where customers are interested in joint innovation or other	Harvey *et al.* (2002); McDonald and Woodburn (2007)

		breakthrough projects.	

Source: Davies *et al.* (2010)

Through highly distinguished and personalised service delivery, customers place a higher value on their dealings with banks. In particular, in the premium banking segment, among popular practice are two-way personalised communications rather than formal interactions (either by face-to-face or telephone/email) and sending customers greetings cards and birthday wishes. Consequently, in effective relationship marketing, customers produce high revenues with low marketing costs and high net income. By contrast, in ineffective relationship marketing customer revenues are lower because of price discounts, higher marketing costs due to promotions and lower net income (Shugan, 2005).

As stated earlier, Bendapudi and Berry (1997) found two reasons for customers maintaining relationships: constraint reasons (they "have to" stay in the relationship) or dedication reasons (they "want to" stay in the relationship). Constraint reasons may occur when customers feel that they have no good reason for staying with their current banks other than high termination fees or other penalties. However, for a dedicated customer, the benefits of maintaining the relationship include economic benefits in terms of discounts and time savings; social benefits such as personal recognition and fellowship; psychological benefits such as reducing anxiety; and customisation benefits (Berry, 1995; Peterson, 1995).

For the purpose of this study, social bonding is used as a measure of interaction quality for several reasons. Firstly, social bonding shows the level of commitment in a relationship between buyer and seller (see Wilson and Mummalaneni, 1986) as well as the degree of enhanced trust (see Liljander and Strandvik, 1995). In other words, trust and commitment are important for social bonding (Rao and Perry, 2002). Secondly, Turnbull and Wilson (1989) argued that once a relationship has been established based on social bonding, it makes it harder to exit. Good social bonding occurs with intense and flawless communication between both parties. As communication is crucial, it helps develop the relationship and foster trust. Using proper communication channels may help the company in its relationships with customers. Sharma and Patterson (1999) demonstrated that communication effectiveness is the most important component in relationship commitment. Their study of financial planning services showed that both formal and informal communications between client and adviser enhanced trust in a relationship.

As mentioned earlier, it has been found that social bonding tactics increase satisfaction through personalised service (Liang and Wang, 2008) and by establishing stronger personal relationships between buyers and sellers (Wilson, 1995). A stronger relationship can be achieved with a warm and friendly approach. Some banks have training programs for staff to spark conversations with customers through small talk; although the conversation may not result in a sale instantly, it shows a level of trust and a deeper level of engagement in social bonding. Hence, from customers' points of view, it gives them psychosocial benefits (Gwinner *et al.*, 1998; Reynolds and Beatty, 1999) and emotional feelings (Chiu, 2002) such as caring, listening, openness and closeness. Therefore, social bonds enhance a greater commitment to relationships (Wilson and Jantrania, 1994). Once the interaction is growing through social bonding via socialising or being friendly with clients, there are possibilities for clients to engage in cross-buying (Hocutt, 1998).

In a more recent study, Palmatier *et al.* (2007) demonstrated that the quality of the relationship positively influences sellers' financial outcomes. Their study of 41 representative firms ranging from industrial cleaning suppliers to telecommunication companies found that the salesperson has a larger impact than the selling firm on affecting three financial outcomes, namely customer share, price premium and sales growth. Similarly, in a business-to-business relationship study between companies that use commercial vehicles and their vehicle manufacturers and vehicle dealerships, Paulssen (2009) demonstrated that attachment to personal relationships enhanced trust and repurchase intentions. This means that strong social bonds between buyer and seller are needed to continue a relationship.

By contrast, conflicts between a buyer and a seller may terminate a relationship. It is believed that this has a negative impact on trust in a relationship because conflict is total disagreement in the exchange relationship (Anderson and Narus, 1990). Previous research has involved the study of conflict in marketing relationships (Dwyer *et al.*, 1987; Coote *et al.*, 2003), as this is one of the important variables in channel relationships (Frazier, 1999). In their study of Chinese businesses' commitment in Asia-Pacific countries, Coote *et al*. (2003) demonstrated that conflict influenced commitment in a business relationship. Disagreements between parties can be caused by goal inconsistency, different perceptions or unclear expectations (Leonidou *et al.*, 2006). Further, if this is not managed properly, it will lead to friction, frustration and hostility, which then ends up with relationship disintegration (Ford *et al.*, 1998).

Table 2.8 Summary of Selected Empirical Studies of Interaction Quality

Study	Variables Studied	Focus	Key Findings
Crosby *et al.* (1990)	Relationship quality between salesperson and customer as perceived by the customer.	Relationship quality in the life insurance industry.	a. Relationship quality has a negative effect on sales. b. Expertise has a positive impact on sales. c. Long-term relationships influence a customer's perception of relational quality.
Huntley (2006)	The effects of relationship quality on actual sales and recommendation intention.	Relationship quality in the business-to-business context, particularly technology-intensive Fortune 100 companies.	a. Relationship quality has a positive impact on sales and recommendation intention. b. Trust and commitment influence relationship quality.
Gordon *et al.* (2008)	The impact of relationship marketing orientation on business performance in the financial services industry.	Relationship marketing orientation in the financial services industry in Hong Kong.	a. Each variable of relationship marketing orientation (trust, communication, bonding, shared values, empathy, reciprocity) influences all business performances (return on investment, sales growth, market share and customer retention) except for customer retention. b. Communication has the strongest influence on business performance. c. Trust and bonding only influence market share.
Bäckström *et al.* (2009)	Personal Acquaintance	Salespeople's assessments of personal acquaintances	a. A different Personal Acquaintance Measure

	Measure between salespeople and customers.	with customers and friends in financial services.	results in salespeople's assessments of friends, bad customers and good customers. b. Compared with bad customers, good customers have higher salespeople's perceptions of knowledge of goals, social network familiarity, physical intimacy and duration.
Bergeron and Laroche (2009)	Customers' perceptions of listening effectiveness on service quality, trust, satisfaction, word-of-mouth propensity, purchase intentions and sales performance.	Perceived salesperson listening effectiveness in the financial industry.	Salespeople listening effectiveness influences customers' perceptions of trust, satisfaction, purchase intentions, quantitative sales performance and evaluations of sales performance.
Vesel and Zabkar (2010)	Relationship quality evaluation in loyalty program and personal interaction quality.	The importance of relationship quality in retailers' relationships with consumers.	a. Loyalty program quality influences relationship quality. b. Personal interaction quality needs to be improved for enhancing relationship and customer loyalty.

2.9. Continuance Commitment

Commitment is considered to enhance a relationship (Kim and Frazier, 1997) and thus it is the main concern in relationship marketing (Gundlach *et al.*, 1995). It is defined as an "implicit or explicit pledge of relational continuity between exchange partners" (Dwyer *et al.*, 1987, p. 19). Similarly, commitment is defined as the desire or intention to maintain a valued relationship into the future

(Moorman *et al.*, 1992). As commitment is a key success in relational exchange (Gundlach *et al.*, 1995), it is also considered to be an attitudinal construct (Gilliland and Bello, 2002) and a driver of psychological attributes (O'Reilly and Chatman, 1986).

As stated earlier, the three most common components of commitment studied in the literature are affective commitment, calculative commitment and continuance (or continuous) commitment (see for example, Allen and Meyer, 1990; Gundlach *et al.*, 1995; Kim and Frazier, 1997; Meyer and Herscovitch, 2001; Fullerton, 2003; Bansal *et al.*, 2004). Consistent with the objectives of this study, it will only focus on continuance commitment for two important reasons. First, it has been suggested that continuance commitment is highly related to fierce competition in the industry and, therefore, it is highly relevant for premium banking services. While continuance commitment is a long-term commitment (Allen and Meyer, 1990) that reinforces qualitatively over time (Anderson and Weitz, 1992), it is also based on switching costs, dependence and a lack of options (Dwyer *et al.*, 1987; Bendapudi and Berry, 1997; Gilliland and Bello, 2002). Consequently, the intention for customers to be retained with a particular bank depends on the competition and the ability of the current bank to maintain its existing customers. Further, one of the consequences of continuance commitment is the relationship between parties involved would be lost along with other extra benefits when a customer switches to another provider. One of the benefits that may be lost in the context of this study is the intense interactions or social bonding with the Relationship Manager that have occurred over time. Therefore, managing customers is important for identifying customer needs and expectations in the long-term.

Second, as continuance commitment increases commitment intention and decreases opportunistic tendencies because of social norms (Gundlach *et al.*, 1995), it takes relationships to the next level. Through fierce competition in premium banking services and undifferentiated products and services in the industry, higher commitment intention and lower opportunistic tendencies for switching to another provider can be translated into cross-buying. This is because the longer a customer is retained, the more volume he or she purchases, and, therefore, customer referrals increase (Ang and Buttle, 2006). When a retained customer has been with a bank for a period of time, this bank is deemed to be the preferred provider. The construct in the study also responds to the call to understand the antecedents of cross-buying in the banking industry (Vyas and Math, 2006).

2.9.1. Retention

Customer retention can be defined as the intention of a customer to retain with his/her current service provider (Ranaweera and Prabhu, 2003). This has been widely studied in the area of satisfaction (Keiningham *et al.*, 2007; Yoda and Kumakura, 2007), loyalty (Bolton *et al.*, 2000; Weinstein, 2002; Keiningham *et al.*, 2007), CRM (Ahmad and Buttle, 2001; Gustafsson *et al.*, 2005; Jackson, 2007), customer profitability (Reinartz *et al.*, 2005a), customer value (Weinstein, 2002), cross-selling (Harrison and Ansell, 2002), corporate image (Nguyen and Leblanc, 2001; Cohen *et al.*, 2007; Kassim and Souiden, 2007), switching costs (Hellier *et al.*, 2003; Ranaweera and Prabhu, 2003) and business customers (White and Yanamandram, 2007).

As Gupta *et al.* (2004) revealed, a one per cent retention improvement can increase a firm's value by five per cent. Therefore, customer retention efforts should begin once the firm wins a customer and should include learning as much as possible about customers' needs, responding promptly to any indications of disinterest, making customers feel truly cared for, resolving complaints quickly and efficiently and finally being willing to negotiate with high-value customers who show signs of inactivity (Passavant, 1995). One of the common programs in premium banking services for retaining customers is applying rewards. For banks, this increases retention and prevents customers from switching to other banks because they keep higher balances and maintain the account longer. By contrast, customers enjoy all the benefits offered by these programs such as plane tickets, merchandise, shopping vouchers or cash.

Customer retention has been known as a profit generator (Reichheld and Kenny, 1990; Reichheld and Sasser, 1990), but it has another six economic benefits: 1) reducing customer acquisition or replacement costs; 2) existing customers have a minimum spend per period; 3) growth in per-customer revenue because as they earn more, they have more needs and eventually they spend more; 4) a reduction in relative operating costs due to the ability for a firm to spread the cost for more customers with a longer period of time; 5) Effective and free tool as customer's referrals of new customers instead of engagement fees and commissions; and 6) premium prices for cross-selling (Reichheld, 1996).

In a more recent study of the link between relational and intellectual assets and performance in the theatre industry, Voss and Voss (2008) defined the *"latent retention rate"* as a tendency to remain loyal to a single seller in a concentrated market. They argued that by knowing the latent retention rate, retention strategies must focus on satisfying and retaining profitable buyers.

Table 2.9 Summary of Selected Empirical Studies of Retention

Study	Variables Studied	Focus	Key Findings
Nguyen and Leblanc (2001)	The effect of the relationship between corporate image and corporate reputation on retention.	Retention decisions in three services industries: retail, telecommunications and educational for the personal market.	Although the moderating relationship between corporate image and corporate reputation is not defined, they both have a positive impact on a customer's retention decision.
Harrison and Ansell (2002)	Retention dimensions for cross-selling	Cross-selling opportunities and retention predictions	a. Second purchases come from the same product

	within a company.	for the insurance industry.	group as first purchases. b. More efforts are needed for cross-selling across the full product range.
Verhoef (2003)	The impact of customer relationship perceptions and relationship marketing instruments on retention and customer share development.	Customer retention and customer share for a financial service provider.	a. Customer retention and customer share development are affected by affective commitment. b. Previous customer behaviour influences customer retention and customer share development.
Reinartz *et al.*(2005b)	The costs and benefits of customer acquisition and retention.	Customer profitability in B2B and B2C in a high-tech manufacturer.	Retention expenditure allocation has a greater impact than acquisition expenditure allocation on long-term customer profitability.
Ang and Buttle (2006)	The relationship among customer retention outcomes, retention planning and complaints handling.	The retention planning and complaints handling processes from various business sectors.	Excellence in retention is influenced by the presence of a documented complaints handling process.
Cohen *et al.* (2007)	Consumers' decisions to stay or leave in regard of competitive advantage, customer satisfaction, customer perception of value, corporate image, switching barriers, consumers' behavioural intentions and customer loyalty.	Personal consumers' retention decisions in New Zealand banks.	a. Loyalty is influenced by customer satisfaction, corporate image and switching barriers. b. Retention is influenced by consumers' ages and levels of education
Kassim and Souiden (2007)	The effects of image, perceived service quality and satisfaction on	Retention measurement for retail banking customers in the United Arab Emirates.	Satisfaction and image play important roles on retention.

	retention.		
Keiningham *et al.* (2007)	The difference in customer satisfaction and loyalty metrics for measuring customer retention and share of wallet.	The relationship between responses to a satisfaction and loyalty survey, and the relationship between future customer behaviour for personal customers in banking, mass-merchant retail and Internet service providers.	Recommendation intention is not the only predictor of loyalty behaviour because it is multidimensional.

2.9.2. Cross-buying

Cross-buying refers to the customer's practice of buying additional products and services from the existing service provider in addition to the ones s/he currently has (Ngobo, 2004, p. 1129). It has been studied in the area of satisfaction (Verhoef *et al.*, 2001; Ngobo, 2004; Soureli *et al.*, 2008), loyalty (Reinartz *et al.*, 2008), trust (Soureli *et al.*, 2008), image (Ngobo, 2004; Soureli *et al.*, 2008), corporate reputation (Jeng, 2008), one-stop shopping convenience and switching costs (Ngobo, 2004), payment equity and length of relationship (Verhoef *et al.*, 2001) and acquisition channels (Verhoef and Donkers, 2005).

Cross-buying is more likely to occur when a customer with high purchase power has more needs and a one-stop solution is preferred because of time pressures and convenience. For example, a customer who already has a credit card would take out a personal loan from his or her current bank to avoid unnecessary hassle such as financial and character background assessments. Kumar *et al.* (2008) also suggested that cross-buying is likely to occur when a customer purchases at intermediate intervals with the firm over time. In other words, the opportunity to perform cross-buying is larger for a committed customer.

Further, Vyas and Math (2006) identified several benefits for banks and customers in cross-buying. For banks, the benefits are customer acquisition cost reduction, customer retention improvement, advertising expenditure reduction, market share protection, leveraging on existing brand equity, economies of scope for selling products and increased profits. Whereas, for customers, the benefits of cross-buying include a one-stop solution, reducing transaction costs, preferential pricing, reducing formalities and paperwork and reducing transactional risk (Vyas and Math, 2006). Arguably, the primary account such as the savings or checking account is the anchor for cross-buying. With this current account, the bank can benefited by gathering critical data, credit underwriting and understanding frequent customer touch points. All these data are important for providing better services and extending business opportunities.

However, there is a different point of view in cross-buying between banks and customers. While the bank emphasises large capital investments and long payback periods, the customer wants hassle-free products with low fees/interest rates.

Table 2.10 Summary of Selected Empirical Studies of Cross-buying

Study	Variables Studied	Focus	Key Findings
Ngobo (2004)	Types of relationships in assessment, maintenance and expansion between provider and customer for cross-buying considerations.	Retail customers' cross-buying intentions in banks and financial services.	a. Image conflicts and perceived convenience are more important than previous experiences of cross-buying intentions. b. Current and long-term relationships have less effect on cross-buying potential.
Verhoef and Donkers	The impact of various channels on loyalty	Acquisition channels on loyalty and cross-buying	a. Channels have a poor effect on cross-

(2005)	and cross-buying.	in financial services.	buying. b. Direct mail poorly performs on retention and cross-selling. c. Radio and TV poorly perform on retention only. d. Websites have a positive effect on retention.
Liu and Wu (2007)	The effects of locational convenience, one-stop shopping convenience, firm reputation, firm expertise and direct mailings on retention and cross-buying.	Retail customer retention and cross-buying in the banking industry.	a. Locational convenience is not an important factor in cross-buying. b. Cross-buying is influenced by direct mailings as an awareness and communication channel. c. Satisfaction has more impact on retention than cross-buying. d. Trust has a significant effect as a mediating role between firm reputation and expertise and cross-buying.
Jeng (2008)	Investigating corporate reputations, interpersonal relationships and competitors' marketing programs on cross-buying	Retail customers' cross-buying decisions in the life insurance industry in Taiwan.	a. Corporate reputation and interpersonal relationships between a salesperson and customers have positive effects on cross-buying intentions.

	intentions.		b. Competitors’ price and product variety have negative effects on cross-buying intentions.
Soureli *et al.* (2008)	The relationships among perceived value, satisfaction, trust and image in cross-buying intentions.	Cross-buying intentions for retail customers in Greek retail banking.	Image and trust are the most important factors in cross-buying intentions.
Kumar *et al.* (2008)	The role of exchange characteristics (average interpurchase time, ratio of product returns, focused buying) and product characteristics on cross-buying.	Retail customers’ motivation in cross-buying through catalogues.	a. Intermediate duration purchasing affects cross-buying in additional categories. b. Intermediate interval purchasing affects retention and cross-buying. c. Mailing efforts have a positive impact on cross-buying.

2.10. Summary of Focal Literature and its Gaps

Relationship marketing is important for a long-term relationship. However, the relationship must be based on mutual benefits for the parties involved; in the context of this study, this is between the customer and the premium banking services. Theoretically, the relationship marketing construct is based upon commitment and trust. Consequently, a service provider will earn consumers’ trust with highly reputable actions and high expertise in the industry. In other words, it is more likely for customers to engage in a business relationship with a firm that has a high reputation and expertise. While a good reputation is used to judge an organisation’s qualities over time and cannot be manipulated (includes management decisions and good corporate governance), expertise is reflected by professional and experienced staff in the organisation. Therefore, competent and highly trained staff or a Relationship Manager is a must in premium banking services. Overall, a good reputation with expert staff can create competitive advantage in the industry and affect corporate performance.

However, long-term relationships can also be affected by switching costs and interaction quality. In the context of continuance commitment, switching costs result from the termination of a service (Meyer and Herscovitch, 2001) and the economic costs of leaving (Gilliland and Bello, 2002). Regardless of customers' motivation for remaining with the current service provider, it has been found that the higher the switching costs, the more likely customers are to stay with the service provider. Therefore, premium banking services apply high penalties such as exit fees when a customer decides to switch to another bank.

Previous studies have only considered continuance commitment as the customer's "obligation" based on switching costs, dependence and a lack of options (see for example, Dwyer *et al.*, 1987; Bendapudi and Berry, 1997; Gilliland and Bello, 2002), while continuity and commitment in relationship marketing have been studied by focusing on transactions between the buyer and the seller (e.g. Anderson and Weitz, 1989; Doney and Cannon, 1997; Tellefsen and Thomas, 2005).

Another important factor for continuance commitment is interaction quality. It has been suggested from previous studies that personal relations are important for bank customers to initiate a relationship with the bank and provide an intention to stay longer in it (see for example, Crosby *et al.*, 1990; Howcroft *et al.*, 2003). This one-one interaction is crucial for premium banking services because it requires personal services and personalised products for its customers. Further, it creates social bonding, which is the basis for stable relationships (Crosby *et al.*, 1990) and psychological benefits (Chiu *et al.*, 2005). Continuance commitment is a long-term commitment (Allen and Meyer, 1990) and, therefore, it reinforces qualitatively over time (Anderson and Weitz, 1992).

Consequently, this study argues that continuance commitment can be extended into retention and cross-buying. The intention for customers to stay with a particular bank depends on the competition and the ability of the current bank to maintain its existing customers. Further, the longer a customer is retained, the more volume is purchased, and therefore, customer referrals increase (Ang and Buttle, 2006). With fierce competition in premium banking services and undifferentiated products and services in the industry, higher commitment intention and lower opportunistic tendencies for switching to another provider can then be translated into cross-buying.

There have been calls from previous studies that further research is needed on comprehensive models of commitment and trust. This is because of inconsistent conceptualisation (Gundlach *et al.*, 1995; Bansal *et al.*, 2004), multidimensional interaction among components (Gilliland and Bello, 2002; Evanschitzky *et al.*, 2006) and scale measurement (Kim and Frazier, 1997). Hence, it is necessary to further investigate customer retention and commitment beyond switching intentions (Bansal *et al.*, 2004) as well as communication quality and the effectiveness and role of social bonds (Wetzels *et al.*, 1998; Sharma and Patterson, 2000).

Several works have studied the significance of customer retention (see for example, Reichheld and Sasser, 1990; Marple and Zimmerman, 1999; Fisher, 2001) and cross-buying (see for example, Vyas and Math, 2006; Liu and Wu, 2007; Soureli *et al.*, 2008; Liu and Wu, 2009). However, there is no research specifically on premium banking services. Hence, the constructs that lead to retention and cross-buying are underexplored. Not only will the factors that affect customer retention and cross-buying in premium banking services be studied, but the proposition variables for retention and cross-buying behaviour will be empirically tested with data.

The current study responds to the calls from the above authors. The proposed model contributes to existing theories on relationship marketing by empirically investigating the roles of switching costs and interaction quality on continuance commitment (retention and cross-buying) along with their antecedents: reputation, expertise and trust in the context of premium banking services.

2.11. Chapter Summary

Chapter 2 discussed all the variables in the study. The grounding theories and findings from previous research were also discussed to gain further understanding on the research discipline. As the gaps in the literature will be the platform for the current research, the chapter indicated that the theories will be applied to conduct the primary research of the study. Based on the extensive literature review and theoretical framework, Chapter 3 will discuss hypotheses development and the research model for the study.

CHAPTER 3
THEORETICAL FRAMEWORK

3.1. Introduction

An empirical study needs to be constructed by solid theories. With this solid ground, the hypotheses can be formulated and a rationale can be given for interpreting and summarising the research results. Following the review of the literature in Chapter 2, this chapter describes the development of the conceptual model, the qualitative research and the hypotheses that guide the rest of the study.

The first section discusses the general framework of the study. A conceptual diagram is also presented for a holistic understanding of all the variables used in the study.

The second section discusses the results of qualitative research or the pilot study. The pilot study involved both Relationship Managers and customers. The results of this study are presented and analysed.

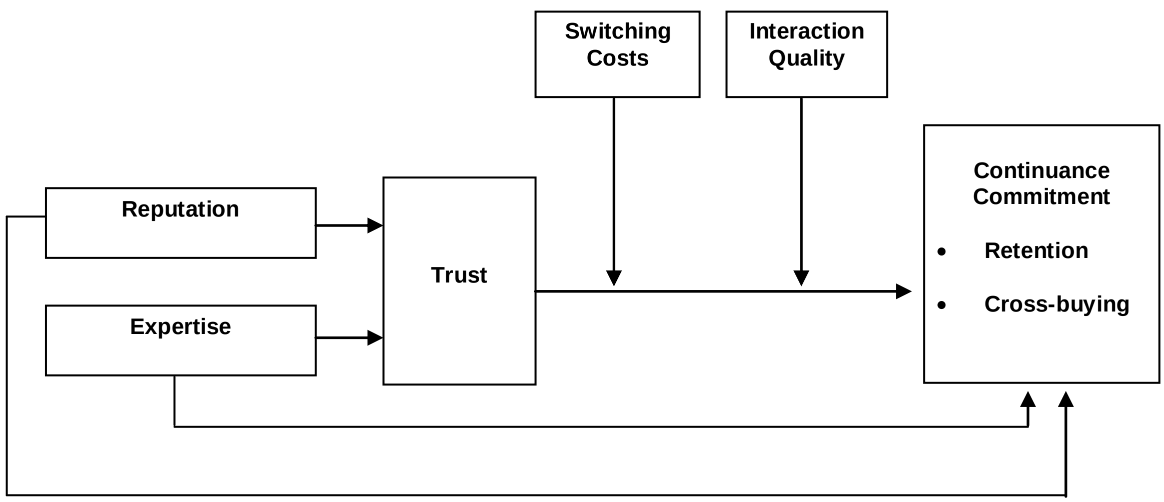
The third section reviews the research hypotheses development. There are seven hypotheses in the study and how they were formed based on previous studies is discussed in detail.

Finally, the last section discusses the research model. Based on the general framework of the study, qualitative research and the hypotheses development, a research model is formed.

3.2. General Framework of the Study

Based on the theories reviewed in Chapter 2, the general framework of the current study is presented in Figure 3.1. The framework posits that customer retention and cross-buying as dependent variables depend on reputation and expertise as independent variables that are mediated by trust and moderated by switching costs and interaction quality. Customer retention and cross-buying are the extension of continuance commitment. To have a better understanding, each of the variables presented is defined below.

Figure 3.1 General Framework of the Study



3.3. Qualitative Research

The current study used qualitative research for a pilot study. This was conducted to give relationship evidence for each construct in the study and to gain a greater understanding for the phenomena involving both Relationship Managers in a bank and customers in their relationships as well as to identify elements affecting the relationship.

The study was conducted through a series of one-on-one in-depth interviews and written questionnaires with a convenience sample of nine Relationship Managers and 22 customers. One-on-one interviews were conducted with respondents who preferred participating in such an activity. However, written questionnaires were given to respondents with limited time and access. The questionnaires were either given personally or sent via email.

There are three reasons why this qualitative or exploratory research is essential. First, to confirm the general framework of the study by confirming evidence of the relationships for each construct. Second, to investigate the relationship from both perspectives, namely those of Relationship Managers and customers, and finally, to formulate the statements used in the questionnaire. Further, the qualitative research also diagnoses a situation, screens alternatives and discovers new ideas (Swartz and Iacobucci, 2000).

3.3.1. Relationship Manager Responses

Relationship Managers explained that bank reputation is an important element of customers engaging with their banks. This reputation includes the bank's brand and position as one of the top five banks in the country. Seven (37%) respondents out of 19 confirmed the assertion. One respondent explained:

"We are the largest retail banking network in Australia. With more branches, agencies, ATM & EFTPOS outlets, we have extended banking hours with some of the busiest branches now open seven days a week. Our bank has put more specialists in branches to help customers with everything. We offer greater convenience to help customers as a one-stop shop for all financial needs".

While trust is an important construct in relationship marketing (see for example, Moorman *et al.*, 1992; Morgan and Hunt, 1994), respondents rely on their levels of expertise to gain more trust from customers. One respondent stated:

"I think the only way to get my customers to trust me is to have a very thorough knowledge of the bank's products and how they fit the customer's situation".

In addition, as a financial advisor for customers, the Relationship Manager must present his or her expertise for the customer's benefit. This expertise is reflected by his or her knowledge, previous experiences, and good communication skills, which is consistent with previous studies that suggested that expertise is an important element of trust (Moorman *et al.*, 1993; Doney and Cannon, 1997). One respondent explained:

"[Customers] always need great services and updates about new products that could benefit them in the future. We need to touch base to get to know more about a customer's business. Furthermore, our advice and recommendations for suitable products is always needed by customers, especially when it could reduce their costs".

However, trust is a very slow process whereby both partners learn to earn trust each other through very simple transactions. Blau (1964) suggested that trustworthiness is the key to engaging in a solid relationship. One respondent explained:

"I have earned my trust from clients by ... discussing and reviewing their facilities regularly. Having some interest in the client's business by researching their type of business is also necessary. Through this, clients will be comfortable in discussing their business with us".

To maintain a relationship with customers, regular contact with a friendly approach is highly valued by Relationship Managers. Accordingly, out of 17, 12 (71%) concluded this response. Consistent with the existing literature, social bonds enrich interpersonal relationships between buyers and sellers (see for example, Berry and Parasuraman, 1991; Wilson, 1995; Williams *et al.*, 1998). As one of the respondents stated:

"I need to keep in regular contact and treat them as a friend. Sometimes I need to talk socially about family, etc. It cannot be all business all the time".

Another interesting insight was that being friendly leads to trust:

"Friendship is the key because everyone likes to be treated as a friend. This will lead to trust in buying our products".

Although commitment is seen as a measurement for predicting purchase frequency in the future (see for example, Morgan and Hunt, 1994; Gundlach *et al.*, 1995), there is no agreement about commitment scale measurement (Hocutt, 1998). Therefore, adopting a broader perspective, commitment in this study, particularly continuance commitment, enhances customer retention and cross-buying. In addition, highly committed customers have a strong intention to stay, leading to further purchase intention (Macintosh and Lockshin, 1997; Wong and Sohal, 2002).

It was found in this study that an unsatisfied committed customer remained with his/her bank through passiveness. This confirms a previous study suggesting that customer inertia exists in retail banking (Knights *et al.*, 1994). One respondent explained:

"Although some of our customers don't feel happy with their Relationship Managers, they are still with us simply because we offer better rates compared with competitors and convenience in transactions, such as ATMs, call centre, SMS banking or Internet banking".

In addition, the Relationship Manager always tries to cross-sell products to committed customers. However, such efforts were not always responded to positively by customers. Therefore, various persuasive relationship tactics were employed. As one respondent expressed:

"In order to get customers to buy more products from us, we are intensifying our relationship with him/her and giving him/her better deals, such as discount rates for loans and special rates for term deposits. In several cases, we give them more gimmicks, such as credit cards, as supplementary products".

By using a more strategic relationship approach, banks have developed specific programs for customers cross-buying. One of the respondents explained:

"We are conducting customer surveys … regularly. The self-administered survey presents the latest financial situation, which indicates what customers need in the short-term and long-term. We also conduct competitor analysis such as benchmarking to find out about the various product features and benefits available in the market".

Interestingly, respondents have different opinions when it comes to their interactions with a new customer and a long-term customer. A number of respondents suggested that long-term customers are already familiar with the products and they are already profitable, and therefore that they should be treated differently from new customers. In their study of the retail financial service industry, Bell *et al*. (2005) demonstrated that a long-term relationship between customer and service provider requires more complex transactions but leads to higher returns. As one respondent expressed:

"Long-term customers don't ask as many questions; they already know what they want. New customers are usually afraid to apply for new products".

However, more respondents believed that a new customer and a long-term customer should be treated equally for retention reasons because they are both valuable customers. As one respondent explained:

"The Relationship Manager always needs to treat existing clients like best/close friends so existing clients will not leave the bank. On the other hand, this behaviour needs to be implemented to new customers as well".

3.3.2. Customer Responses

In general, a firm's expertise is represented by its employees (see for example, Crosby *et al.*, 1990; Rajaobelina and Bergeron, 2009). Consequently, this study showed that respondents were highly valued bank employees with good knowledge and a friendly and honest attitude, which leads to excellent service. As one respondent stated:

"I expect professionalism, high integrity and knowledge about products and services that the bank has to offer. I also expect them to be friendly and have excellent communication skills".

Based on their own experiences, respondents were asked about their expectations for their Relationship Managers. Social bonds were the most common response with "friendly and helpful" accounting for 36% out of the 38 responses. The second most preferable response was expertise with 22%. According to one respondent:

"A Relationship Manager is someone who can assist me in finding the right product for my needs. He/she has a thorough knowledge as a financial consultant and he/she must be approachable, smart, helpful and have excellent communication skills".

However, in the banking industry only one third of customers want a relationship with their banks (Danaher *et al.*, 2008). The present study showed that only 33% out of 15 respondents stated that they have a better or stronger relationship with their Relationship Managers. As one respondent expressed:

"It hasn't changed much as I haven't contacted him on a regular basis".

The customers in this study generally put their trust in the bank, which is communicated clearly through the Relationship Manager. The communication that the respondent expects is not merely based on frequency, but rather on quality of information given. This is consistent with previous studies that found good communications to be an important element of a high trust relationship (Dwyer *et al.*, 1987; Anderson and Weitz, 1989; Zineldin and Jonsson, 2000). As one respondent stated:

"I would trust my bank more if only they would communicate clearly about the benefits and drawbacks of each product they offer. I had a bad experience with one bank that charged hidden fees that they didn't communicate in advance".

In addition to communication quality, respondents also seemed to expect their "basic needs" to be fulfilled by the bank. One respondent explained:

"I would trust my bank more if only they would fulfil their promises by providing high returns along with security for my personal data in my accounts".

A number of customers indicated that they did not want to terminate their relationships with the bank because of switching costs, even when their experiences were unsatisfactory. This is because relationship termination could cause psychological and emotional stress (Bloom *et al.*, 1978). As one respondent stated:

"The reason why I keep using the same bank is mainly for convenience. Furthermore, I don't like the hassle of choosing other banks".

Surprisingly, although customers have already developed a friendship with a Relationship Manager, that did not stop them switching to other banks because of their disappointment with the current bank. Out of 20 respondents, only three responded that they would stay with their current banks because their Relationship Managers were their friends. It is believed that social bonds improve the mutual understanding between customers and Relationship Managers. However, when the bonds between buyer and seller are not strong enough, the customer will switch to better deals at other banks. This is consistent with Jones and Sasser (1995), which suggested that dissatisfied customers may change their suppliers because of hypercompetition. As one respondent explained:

"Convenience and the other costs involved would influence my decision".

In a competitive market such as premium banking services, customers will go to other banks, regardless of their relationships with their Relationship Managers. The main reasons for switching to other providers are better products and services offered by competitors, poor service from the current provider and the better deals and locations of competitors. Sharma and Patterson (2000) demonstrated that in a situation where competition is high a dissatisfied customer would easily switch to other service providers with better quality services and lower fees. As one respondent expressed:

"I would compare what products and services the other banks can provide such as convenience (locations and ATM machines). If the other banks would provide basically the same services and products minus the problems, I would switch immediately. The last thing I need from my bank is poor service. We live in a

modern world equipped with good technology to make life easier. Those long queues and complicated procedures should have been left behind a long time ago".

Customers valued their relationships with the bank. This is also the reason for customers buying more products from their current banks and customers tending to purchase products or services from the same provider (Hoch *et al.*, 1999). Accordingly, out of 20 respondents, seven (35%) stated that they would buy their new financial needs from the same bank. As one respondent explained:

"Yes, I would buy more products from them because my chance of approval (in the case of car loan) would be higher in my existing bank since they have known all my records. Further, I don't want to bother shopping around for my new financial needs".

However, more customers were unsure about buying more products from their current banks, as they were looking for better deals from other banks. Out of 20 respondents, 10 confirmed the assertion. One respondent expressed:

"I'm not really sure about buying more products from my bank. When it comes to financing (a car), what I'm looking for is the best rates and services they could give me before choosing other options elsewhere".

3.4. Qualitative Research Discussion

The most salient feature of the data is the similarity of the respondents in both categories. Both Relationship Managers and customers are at the same level, level two out of three strategies in relationship marketing as suggested by Berry (1995). This is the level where the customer and Relationship Manager enhance their relationship through regular contact and personalised services. Such services may include sending greetings cards and social gatherings, whether formal or informal events. In other words, social bonding is crucial for fulfilling customers' recognition and friendship needs (Gwinner *et al.*, 1998).

In their relationships with Relationship Managers, customers expect the relationship interaction to be more based on social bonds than on financial bonds. The main social bond in this study is being friendly and helpful, whereas the main financial bond is better deals for interest rates or other financial benefits. This is consistent with previous research that suggests that interpersonal and human relationships are important for relationship marketing (Cater and Zabkar, 2009). Further, Chiu *et al.*(2005) pointed out that social bonds are more effective at influencing customers' hedonic values, whereas financial and structural bonds are more effective at influencing customers' utilitarian values.

However, because only 33% of respondents have improved their relationships with their Relationship Managers over time, the banking industry has to improve its relationship marketing strategy. Unfortunately, the superior segment for engaging a relationship is older customers, who are more costly in terms of profit return and social value for a firm (Gwinner *et al.*, 1998). Younger customers prefer performing business via the Internet for convenience and functional reasons (see for example, Sathye, 1999; Jayawardhena and Foley, 2000; Barrutia and Echebarria, 2005).

This qualitative study found that the role of the Relationship Manager as a financial consultant for customers is undeniable. Similar to previous studies, while a firm's expertise leads to trust (Johnson and Grayson, 2005; Heffernan *et al.*, 2008), customers need guidance when choosing products for their financial needs. In addition, the majority of customers showed that they need to communicate with someone from the bank before selecting the appropriate product. These findings are also confirmed by a previous study (Howcroft *et al.*, 2003), which showed that communication skills are essential for enhancing the relationship between the Relationship Manager and the customer.

Respondents in both categories valued good clear communication. However, because the complexity of financial products made it impossible for a bank's website to explain product features in great detail (Durkin *et al.*, 2003), conducting training in order to gain more qualified and expert employees is a necessity (Heffernan *et al.*, 2008). After all, premium banking services rely on personalised products with personal interaction rather than cold machine transactions and interactions.

On the contrary, the qualitative study found that not all customers have a desire for a relationship with their service providers. This confirms the findings of previous research (Danaher *et al.*, 2008). Owing to a loss of privacy and social issues, customers experienced intimidation and discomforting feelings. Further, Noble and Phillips (2004) also showed that committed consumers feel uncomfortable if they identify a close association with the organisation.

The findings also showed that customer retention cannot be taken for granted. There is a tendency for customers to remain with their current banks because of their reluctance to accept the switching costs that might arise should they move to another bank. Howcroft *et al.* (2003) found that younger customers feel more confident when it comes to switching banks. They feel that they have knowledge and understanding derived from the Internet to select financial products on the market. Another constraint for this behaviour is time. Customers do not have enough time for their banking needs. However, in a complex and personal service with continuous transactions, an extensive relationship is needed (Lovelock, 1983).

Finally, it is believed that committed customers are more valuable than new customers because of their lifetime value (Reinartz and Kumar, 2003).

Therefore, their retention could be extended into cross-buying. Although cross-buying is an indicator of a stronger relationship (Kamakura *et al.*, 2003), fewer transactions means diminished relationship quality between the customer and the service provider (Anderson and Weitz, 1992). This study showed that regardless of their relationships with Relationship Managers, customers still consider other banks for their financial needs. Arguably, premium banking services are considered to be dynamic with heterogeneous customers and fierce competition. Therefore, the bank's reputation and expertise, trust, better deals from competitors and convenience are the main concerns for customers in selecting banking products.

3.5. Research Hypotheses

3.5.1. Reputation

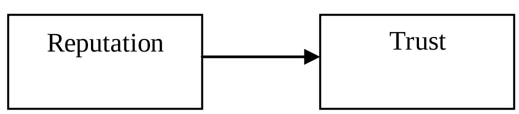
Corporate reputation is used to judge an organisation's qualities over time (Balmer, 1998) and cannot be manipulated (Dolphin, 2004). Hence, it can create competitive advantage and affect corporate performance (Devine and Halpern, 2001). For the purpose of the study, bank reputation is only seen from a customer point of view, as it is customers who assure business growth and market share domination. Further, they consider corporate reputation as a company's previous actions and future expectations about a firm's performance compared with competitors (Roberts and Dowling, 2002).

Likewise, as reputation is defined as customers' perceptions of how well a firm takes care of customers and is genuinely concerned about their welfare (Hess, 2008), it is simply the only factor in the purchase decision (Dowling, 2004). Therefore, a bank with a good reputation gains more trust from either an existing customer or a potential customer. In other words, reputation builds trust.

Further, customers care about reputation in three areas, namely public responsibility, leadership and success, and consumer fairness, which have implications for corporate sales (Page and Fearn, 2005). A better corporate reputation makes customers willing to pay more (Graham and Bansal, 2007) and affects a consumer's expectations of the quality offerings from a company (Yoon *et al.*, 1993). If the bank has a good reputation, customers are likely to have good perceptions of the products and services it sells. Regardless of the interest fees, monthly fees or interest rates on its products, a well-known bank with a great reputation has better prospects as the preferred bank.

As has been found in previous studies, this study argues that a positive reputation has a positive impact on a consumer's trust (Ganesan, 1994; Groenland, 2002). The qualitative study showed that reputation is one of the main concerns for customers in their business engagements with a bank. Hence, it is believed that a provider gains more trust based on a perception of being more customer-oriented and more concerned with laws, codes, and rules (Dorsch *et al.*, 1998). Although Doney and Cannon (1997) found that reputation can increase trust and confidence for customers, the qualitative research showed that trust is a very slow process that needs regular and personal contact with the bank. Therefore:

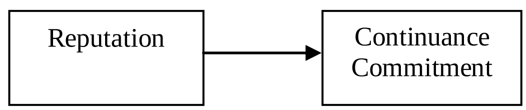
H1: There is a positive relationship between a bank's perceived reputation and trust.



However, losing market share despite a great reputation is also possible, as Westpac Bank has experienced (Inglis *et al.*, 2006). It may be the case that either a high reputation is not a true reflection of a company's real reputation or the company is not managing its reputation well enough for financial results (Inglis *et al.*, 2006). Nevertheless, it is believed that buying intension is driven by a good reputation (Gotsi and Wilson, 2001). One could argue that extensive success in the past can overcome one unfortunate failure.

Therefore, the study argues that reputation leads to continuance commitment, as customers will only buy from a company with a good reputation (Dowling, 2004). Although reputation has a positive relationship with repurchase intention (Hess, 2008) and even though customers are willing to pay more for a better reputation (Graham and Bansal, 2007), the qualitative research found that they remain simply because of their passiveness. These passive customers can then be elevated to active customers to buy more products. Further, the qualitative research also showed that better deals for retaining customers was a reason for them to cross-buy. Consequently, reputation leads to retention (Nguyen and Leblanc, 2001) and cross-buying intentions (Jeng, 2008). Therefore:

H2: A bank's perceived reputation has a direct positive effect on continuance commitment.



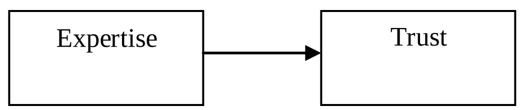
3.5.2. Expertise

Several studies have shown that expertise is an important antecedent of trust (Moorman *et al.*, 1993; Doney and Cannon, 1997). Further, firm expertise is reflected by salespeople (Swan *et al.*, 1985). In premium banking services, the role of Relationship Manager is crucial for representing a bank's expertise. Customers expect high levels of competency and conduct from a Relationship Manager. A good Relationship Manager has the ability to explain complicated financial products regardless of the customer's background such as profession and level of education.

The qualitative research showed that the level of expertise from a Relationship Manager includes knowledge, previous experiences and good communication skills. Not surprisingly, customers also expect regular and friendly personal interactions with Relationship Managers. Nevertheless, the role of expertise for salespeople, in this case a Relationship Manager, is important in influencing customers that the firm has credibility and trustworthiness (Selnes, 1998; Coulter and Coulter, 2003).

Therefore, the more expert a bank is, the more likely it is for customers to gain more trust in a relationship. Customers always want to be associated with expertise when it comes to banking needs. Further, expertise has a positive impact on trust (Lagace *et al.*, 1991). Therefore:

H3: There is a positive relationship between a bank's perceived expertise and trust.

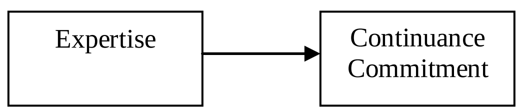


Likewise, Crosby *et al.* (1990) argued that the sales success depends on salesperson expertise. With his or her expertise, a Relationship Manager is capable of explaining and selling certain financial products to meet customers' expectations. Current customers then buy additional products that suit their needs. However, because of the similarity between and complicated nature of banking products, customers have some difficulties finding the most suitable product for them. For example, when a customer needs investment products, there are many to choose from such as cash investment accounts, investment growth bonds, term deposits and protected loans. The lack of product knowledge is covered by a Relationship Manager's expertise. Further, it has been found that employee expertise influences relationship quality (Macintosh, 2007) and that a lack of employee knowledge can influence a customer's commitment (Tellefsen and Thomas, 2005).

The qualitative research found that customers prefer to be treated in a personal and friendly way. Long gone is the assumption that all customers are alike. With a friendly approach and superb communication skills, a Relationship Manager has the ability to offer the most suitable products for a specific customer. Although the qualitative research also found that not all customers want a relationship with their banks through a Relationship Manager, he or she still plays an important role for retaining and recommending new products for customers.

This study argues that expertise is crucial for continuance commitment, because it has been demonstrated that as the relationship grows and endures between the customer and the service provider, expertise reflects competency and encourages cross-buying (Crosby *et al.*, 1990). Liu and Wu (2007) also found that customer retention and cross-buying were affected by expertise. Therefore:

H4: A bank's perceived expertise has a direct positive effect on continuance commitment.



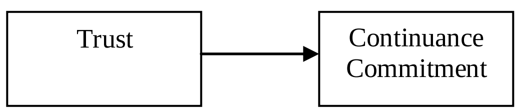
3.5.3. Mediating Variable - Trust

For any relationships to be established, trust is needed between the exchange partners. The current study argues that the longer the relationships, the more confidently the customer can evaluate the service, specifically in terms of continuance commitment. It is also believed that trust is an important element of long-term orientation (Crosby *et al.*, 1990; Ganesan, 1994; Garbarino and Johnson, 1999; Sharma and Patterson, 1999). In the banking industry, being the first and the oldest in the market is highly regarded by customers.

It has been found in previous studies that trust exists because of confidence in the reliability and integrity of exchange partners, who display consistent, competent, honesty, responsibility, fairness, helpfulness and benevolence qualities (Morgan and Hunt, 1994). Similarly, the qualitative research showed that trust increases over time. Therefore, this is more likely for customers buying more products from their current banks because it increases their chances of approval (in the case of loans). Within existing relationships, customers feel trust and security with their main banks. Therefore, the longer a customer is retained, the more volume is purchased (Ang and Buttle, 2006).

Finally, while trust influences the relationship between the buyer and the vendor (Anderson and Weitz, 1989), it leads to retention and may affect customers when they need to purchase multiple products . It has been confirmed in several studies that trust leads to retention (Ranaweera and Prabhu, 2003b) and cross-buying (Liu and Wu, 2008; Soureli *et al.*, 2008). Trust also has a positive influence on cross-buying intention (Crosby *et al.*, 1990; Bendapudi and Berry, 1997). Therefore:

H5: Trust has a direct positive effect on continuance commitment.



3.5.4. Moderating Variables - Switching Costs

It has been found from previous studies that switching costs influence customer retention and offer opportunities for firms to cross-sell to captive customers (Patterson, 2004; Li *et al.*, 2005; Kumar *et al.*, 2008). Switching costs involve time, money and effort (Fornell, 1992; Burnham *et al.*, 2003). However, because of a standardised banking system and metropolitan local area, pre-switching search and evaluation costs along with set-up costs, switching costs are not significant for repurchase intentions for banking customers (Jones *et al.*, 2002). Customers believe that switching to other banks is not worth the effort.

In the banking industry, Li *et al.* (2005) found that some customers feel "trapped" in a relationship because of high switching costs and hence take on more products, perhaps relying more on the convenience of doing so (see also Garbarino and Johnson, 1999). Arguably, customers who have a large number of accounts in a bank find it more difficult to switch to other banks. This relationship is more complex compared with customers who have only one or two accounts in their current bank. The feeling of entrapment could be further increased in a degenerating cycle as more products are taken on and the complexity of the customer's banking situation increases, leading to some form of customer inertia, as suggested by Knights *et al.* (1994).

Customers tend to stay with a current provider, even though they consider switching because of switching barriers (Colgate and Lang, 2001) and dissatisfied customers tend to be loyal because of high switching costs (Gronhaug and Gilly, 1991). Eppen *et al.* (1991) found that switching costs increase with the greater cross-buying of multiple products and services. Although switching suppliers involves set-up and termination costs (Dwyer *et al.*, 1987), Burnham *et al.* (2003) argued that if customers have a variety of products from the same provider, it makes switching more costly.

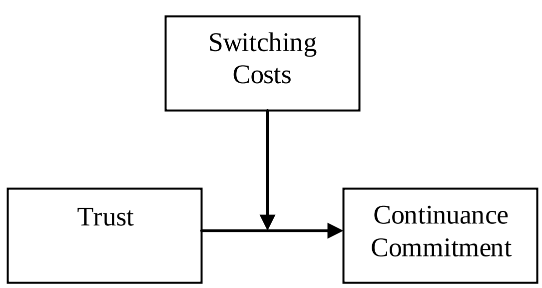
Arguably, dependent customers cannot easily switch to other providers without facing significant costs (Burnham *et al.*, 2003) and switching costs influence customer retention and offer opportunities for companies to cross-sell to their customers (Li *et al.*, 2005). Likewise, Patterson (2004) suggested that switching barriers should be applied for customer retention. In other words, the higher the switching costs, the more likely customers are to remain with the bank. It has been found that customers buy more products more often over a longer period of time (Bonner and Calantone, 2005) because of trust and commitment (Garbarino and Johnson, 1999).

The study argues that switching costs are a moderator of commitment–trust relationships because they enhance effective relationships (Berry and

Parasuraman, 1991). They are also an important element of continuous commitment (O'Reilly and Chatman, 1986; Allen and Meyer, 1990; Mathieu and Zajac, 1990). Although the qualitative research showed that customers remain because of high switching costs, they are also concerned about high returns, convenience and personal data security. Interestingly, the study also found that some dissatisfied customers remain for the same reason, although some are tempted by better deals and the better products and services offered by competitors.

Consequently, customers with high investment in capital or technology such as in premium banking services face more of a challenge to switch as trust has weakened (Yanamandram and White, 2006). This is in line with argument that continuance commitment is based on a customer's perception of high switching costs, a lack of alternatives and high dependency (Johnson *et al.*, 2008). Likewise, Bansal *et al.* (2004) found that continuance commitment is affected by switching costs. The higher the switching costs, the less often customers switch to other providers. Therefore:

H6: Switching costs negatively moderate the relationship between trust and continuance commitment.



3.5.5. Moderating Variables - Interaction Quality

Trust is needed for relationship success (Morgan and Hunt, 1994; Berry, 1995), for reducing uncertainty (Morgan and Hunt, 1994) and for long-term relationships (Bendapudi and Berry, 1997; Doney and Cannon, 1997). It may be argued from social exchange theory that customers reward trust and interaction quality with long-term relationships. In the premium banking services context, many banks offer a personalised service with high interaction quality through a Relationship Manager. Most likely, customers remain in a relationship when they are happy with the interactions that they have. It should be noted that relational activities include visiting customers when needed, giving new development information and knowledge of customers' businesses (Liu, 2006). Arguably, interpersonal relationships can be the bond that strengthens the relationship between customers and service salespersons (Berry and Parasuraman, 1991).

From an equity theory perspective, where people strive to be fair and equitable, high interaction quality may compensate for the distrust of the bank by providing added value or greater perceived utility in the relationship in the form of social or emotional bonding with the Relationship Manager. Although all employees play an important role in customer relationships (Buttle, 2004) by establishing social relationships that could minimise customers leaving (Patterson *et al.*, 2001), the Relationship Manager is responsible for managing and maintaining a mutual relationship with customers in premium banking services. In other words, an interpersonal relationship based on commitment and trust is needed for relationship continuity (Eriksson *et al.*, 1999).

Although the interaction between a customer and the Relationship Manager is a business relationship, the nature of this relationship is likely to have matured into a social relationship as trust has advanced. The relationship benefits include convenience, time saving, companionship and improved decision making (Reynolds and Beatty, 1999; Hennig-Thurau *et al.*, 2002) as well as increased purchasing intention in the future (Crosby *et al.*, 1990; Doney and Cannon, 1997).

It has been found that social bonding tactics increase trust by giving a customised service and an independent relationship (Liang and Wang, 2008).

Hence, from a customer's point of view, it gives them psychosocial benefits (Gwinner *et al.*, 1998; Reynolds and Beatty, 1999) and emotional feelings (Chiu, 2002). Good communication enhances the interaction between the customer and the service provider, which results in the outcomes of the business relationship (Mohr and Nevin, 1990).

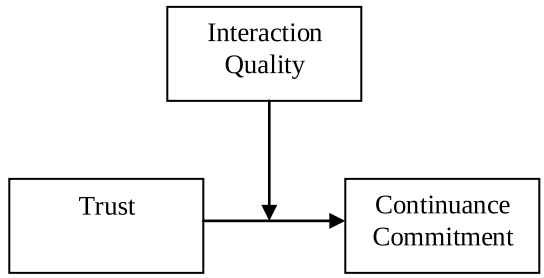
On the contrary, when a customer perceives the costs of a relationship to outweigh the perceived benefits, he or she will choose to leave the relationship. For example, a customer will leave the bank if a popular Relationship Manager moves to another bank. Not surprisingly, personal commitment can have greater value than organisational commitment (Rylander *et al.*, 1997).

The qualitative research showed similar findings. In their relationships with Relationship Managers, customers expect the interaction to be more based on social bonds rather than on financial bonds. The main social bond showed in the study is being friendly and helpful, whereas the main financial bond is better deals for interest rates or other financial benefits.

Although customers have developed a friendship with a Relationship Manager, only a few of them would stay with their current banks because their Relationship Manager was their friend. Although social bonds improve the mutual understanding between customers and Relationship Managers, when these bonds are not strong enough, the customer will search for better deals from other banks.

Finally, relationship marketing has a significant impact on firm performance (Palmatier *et al.*, 2006), which has a positive impact on customer retention (Bolton, 1998). A customer who has purchased a product from a bank feels more secure and has better social bonds with the Relationship Manager, and therefore, this is reflected by cross-buying (Blattberg *et al.*, 2001). Similarly, cross-buying intention is influenced by the interpersonal relationships between customers and salespersons (Jeng, 2008). Therefore, the seventh and final hypothesis for this paper is:

H7: Interaction quality positively moderates the relationship between trust and continuous commitment.



3.5.6. The Extension of Continuance Commitment – Retention

Commitment is closely related to customer retention (Garbarino and Johnson, 1999) and the relationship between continuance commitment and customer retention has been found in previous studies such as Gruen *et al.* (2000), Fullerton (2003), Bansal *et al.* (2004) and Fullerton (2005). Further, previous studies have considered customer retention to be one of the main goals in marketing (Ahmad and Buttle, 2001; Coviello *et al.*, 2002) and there is conventional wisdom that long-term customers are more profitable than short-term customers (Morgan and Hunt, 1994; Ang and Buttle, 2006).

Cross-selling, up-selling (increasing demand in the existing category) and channel management can be used for customer development (Kamakura *et al.*, 2005). However, Reinartz and Kumar (2000) found that the relationship between lifetime duration and revenues is not always positive. For example, short-term customers with high revenues are also important and long-term customers do not lower promotion costs because of the ratio of mailing costs per dollar sales in the long-term. Therefore, customer retention and defection are complex processes (Akerlund, 2005).

Likewise, Brunner *et al.* (2008) argued that customer retention programs should be developed differently for customers. For inexperienced customers, such programs should be focused on satisfaction, whereas for experienced customers they should be based on image. Therefore, companies should classify their customers based on two dimensions: lifetime duration and revenues (Blattberg and Deighton, 1991).

Based on previous studies, this study argues that continuance commitment can be extended into customer retention. This is because, first, commitment is driven by value (Anderson, 1995). Long-term relationships only occur when two parties believe that they will both gain long-term benefits from such agreements (Anderson and Weitz, 1992; Morgan and Hunt, 1994; Goodman and Dion, 2001). Secondly, continuous commitment is one of the predictors of customer retention (Gustafsson *et al.*, 2005). Specifically, these authors found that continuance commitment influences switching costs or alternative limitations. Finally, customer retention is considered to be fundamental to relationship marketing (Reicheld, 1993). This means that there is no relationship without customer retention; indeed, Verhoef (2003) found a positive relationship between commitment and customer retention.

3.5.7. The Extension of Continuance Commitment – Cross-buying

While customer retention is viewed as a relationship continuation measurement, cross-buying is considered to be relationship development (Verhoef, 2003). The longer a customer is retained, the more volume is purchased and the more customer referrals increase (Ang and Buttle, 2006). Hence, there is a relationship between lifetime duration and revenues (Reinartz and Kumar, 2000) and cross-buying is likely to occur when a customer purchases at intermediate intervals over a long duration with the firm (Kumar *et al.*, 2008).

This study argues that customers have to gain more commitment and trust before they step forward into multiple categories. With more trust, the relationship will be extended into more diverse products. This is in line with a previous study that found that customers will maintain the relationship and stay longer with suppliers by spending more money once they have perceived that they are receiving value and feel valued by the supplier (Berry and Parasuraman, 1991).

To enhance cross-buying intention, a one-stop shopping strategy is likely to be implemented (Coughlan, 1987; Ngobo, 2004). This is a common practice for a bank offering personal loans along with savings accounts and credit cards for its customers. As a one-stop solution for customers, Vyas and Math (2006) argued that the benefits for banks are cost reduction in customer acquisition and advertising expenditure, customer retention improvement, market share protection, leveraging on existing brand equity, and increasing profits.

However, the determinants of cross-buying are different by customer and salesperson (Jeng, 2008). While, for customers, corporate reputation and competitors' marketing variables, such as product variety and price, are important, for salespersons, interpersonal relationships are most important (Jeng, 2008). In addition, Soureli *et al.* (2008) found that the interrelation of trust, image, satisfaction and perceived value affects cross-buying intention, directly or indirectly. Therefore, it is important for a bank to have a Relationship Manager who understands what a customer wants and needs.

This is similar to Ngobo's (2004) findings that service quality, perceived value, satisfaction and repurchase intention lead to cross-buying intentions. However, the same study also found that customers are unlikely to cross-buy because of their fear of depending too long on one provider, being offered a better deal by competitors and price sensitivity.

In summary, the study proposes extending continuance commitment to retention and cross-buying because, first, as continuance commitment is the motivation to continue a relationship considering switching costs, the scarcity of alternatives and the level of dependency on the product or service provider (Bendapudi and Berry, 1997; Johnson *et al.*, 2008), cross-buying is one of the variables for a stronger relationship (Kamakura *et al.*, 2003).

Secondly, Bolton and Lemon (1999) argued that based on payment equity theory, when a customer has a perception of being fairly paid for their consumed services, they tend to retain with the service provider for a period of time. The intention for customers for remain with a particular bank depends on the competition and the ability of the current bank to maintain its existing customers. This includes offering more suitable products for cross-buying.

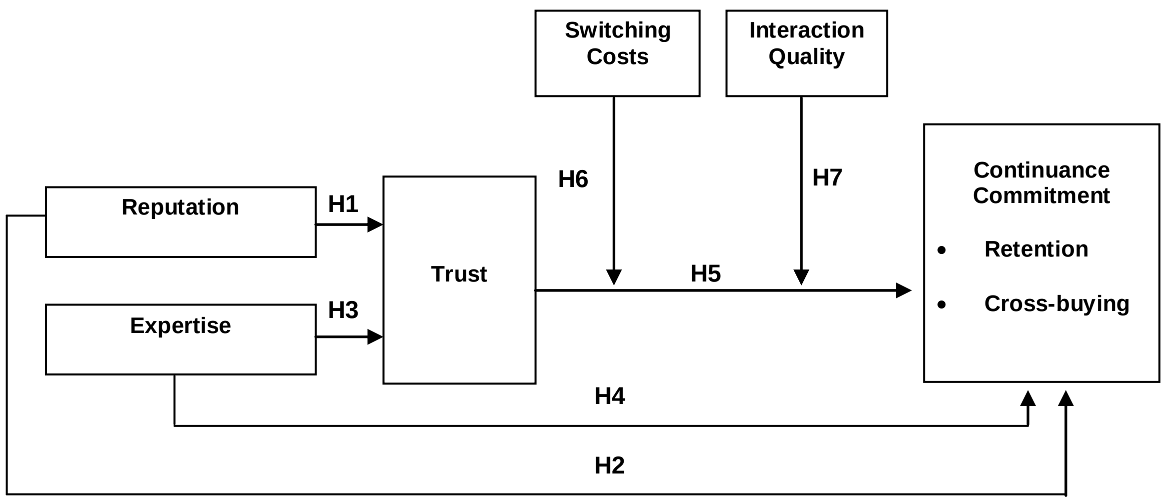
Thirdly, there is evidence that cross-buying is likely to occur when a customer purchases at intermediate intervals over a long duration with the firm (Kumar *et al.*, 2008). In other words, retaining customers is caused by cross-buying. Consistently, the intensity of relationships is based on cross-buying (Blattberg *et al.*, 2001). It is difficult for a customer to terminate an intense relationship because of the economic and social sacrifices necessary (Fullerton, 2005). For example, in premium banking services customers suffer high penalties or exit fees should they terminate their mortgages or close their accounts before the end of the designated contract.

Finally, continuance commitment based on side-bets theory (Becker, (1960) suggests that the relationship between parties would be lost along with other extra benefits should one of the parties switch to another provider. Therefore, remaining with the current bank should maximise customers' benefits and, consequently, benefits should increase when customers cross-buy. One of the benefits that may be lost is the intense interactions or social bonding with the Relationship Manager that has occurred over time.

3.6. Research Model

The completed model is shown in Figure 3.2. This figure summarises all the hypotheses discussed herein and the relationships among the variables supporting the hypotheses in the research model. It describes how continuous commitment, namely customer retention and cross-buying as dependent variables, and bank reputation and bank expertise, as independent variables, are related. While trust is a mediating variable, switching costs and interaction quality are moderating variables. To analyse the model, statistical analysis is performed using IBM SPSS Statistics Version 19. Chapters 5 and 6 will discuss the detail of the analysis.

Figure 3.2 Research Model of the Study



H1: There is a positive relationship between a bank’s perceived reputation and trust.

H2: A bank’s perceived reputation has a direct positive effect on continuance commitment.

H3: There is a positive relationship between a bank’s perceived expertise and trust.

H4: A bank’s perceived expertise has a direct positive effect on continuance commitment.

H5: Trust has a direct positive effect on continuance commitment.

H6: Switching costs negatively moderate the relationship between trust and continuance commitment.

H7: Interaction quality positively moderates the relationship between trust and continuous commitment

3.7. Chapter Summary

Chapter 3 discussed the general framework of the study, the findings and discussion from the qualitative research, hypotheses development and research model for the study. The solid grounds for hypotheses development from previous studies and the qualitative study were discussed as the rationale for the seven hypotheses. Based on the general framework of the study and hypotheses development, the research model was developed.

Based on the extensive literature review and theoretical framework, Chapter 4 will discuss the research methodology for the study.

CHAPTER 4
RESEARCH METHODOLOGY

4.1. Introduction

This chapter presents the methodology used in the current study, specifically in relation to the research design and data collection process. Two individual studies were conducted for the purpose of the study. The first study was a pilot study that used qualitative research, while the second study was quantitative research-based.

The chapter starts with a discussion of the research design followed by discussion of the qualitative research and a comparison between qualitative and quantitative research.

The quantitative research section details the unit of analysis, sampling design, data collection method, questionnaire design, measurement scale types, questionnaire structure, measurement of variables, missing data and the data analysis and research procedure.

4.2. Research Design

The current study is cross-sectional research using a non-experimental approach. A cross-sectional study is defined as thus: "various segments of a population are sampled and data are collected at a single moment in time" (Zikmund *et al.*, 2011, p. 134). As a cross-sectional study makes a snapshot of a market situation at a particular time, it is less costly and less time consuming than longitudinal research. On the contrary, a longitudinal study requires an in-depth view of the situation and its changes over a continuous timeframe.

A non-experimental study was chosen for generating a set of generalised results because a survey is needed and external validity is sought. This is because the study generates data from Relationship Managers and customers in premium banking services, and, therefore, a written and an in-depth interview is needed from both sides. Therefore, an observation study is not appropriate.

As part of the survey, a written questionnaire for the main study and an in-depth interview for the pilot study were conducted. Although an in-depth interview is considered to be time consuming and costly, it gathers more insights by asking open-ended questions. Personal interviews also have an advantage for busy respondents who have little time to spend, which gives them more motivation to participate in the study.

4.3. Qualitative Research

Qualitative research is defined as "initial research and interpretative research that is not based on numerical analysis" (Zikmund *et al.*, 2011, p. 65). It has several characteristics that make it different from quantitative research, as indicated in Table 4.1.

Table 4.1 Differences between Qualitative and Quantitative Research

Research Aspect	Qualitative Research	Quantitative Research
Common purpose	Discover ideas, used in exploratory research with general research objects	Test hypotheses or specific research questions
Approach	Observe and interpret	Measure and test
Data collection approach	Unstructured, free-form	Structured response categories provided
Researcher independence	Researcher is intimately involved. Results are subjective	Researcher an uninvolved observer. Results are objective

Samples	Small samples – often in natural settings	Large samples to produce generalisable results
Most often used	Exploratory research design	Descriptive and causal research designs

Source: Zikmund *et al.* (2011)

For the purpose of the study, two qualitative studies with two respondent categories were conducted. A pilot study or qualitative research was conducted to refine the questionnaire so that respondents would have no problems answering the questions and problems in recording the data would be prevented (Saunders *et al.*, 2007). Pilot interviews were conducted with Relationship Managers and committed customers. They were designed to identify the key factors that really matter in the relationship between the two. The responses from these interviews were used to formulate the statements used in the questionnaire.

The first category is a Relationship Manager who works in a bank. The second category is a customer who has several accounts with the bank. The objective for these two sets of categories was to obtain further insights into the perceptions of both customers and Relationship Managers about their relationships and interactions. Their comments, based on their professional and personal experiences, were used to revise and improve the survey.

The study was conducted through a series of one-on-one in-depth interviews or written questionnaires with a convenience sample of nine Relationship Managers and 22 customers. One-on-one interviews were conducted for respondents who preferred them. This method is commonly used in consumer behaviour studies (Levy, 2005). Although interviews can provide a deeper understanding about Relationship Managers and customers, they are time consuming. Therefore, written questionnaires were given to respondents with limited time and access – either personally or via email.

No different arrangements were made for written and verbal questions, but a different set of questionnaires was given to Relationship Managers and customers. Respondents were questioned about their relationship engagement based on their experiences. Hence, for each category, two scenario questions were employed for projected answers, as if the scenarios had really occurred in real-life situations.

In total, two interviews were conducted with Relationship Managers and three with customers. Each interview lasted for about 10 minutes. The remaining seven Relationship Managers and 19 customers responded by written questionnaire. In addition, Relationship Managers were employed in the four top banks in Australia and had been working for at least four years; therefore, they possessed sufficient knowledge on how to interact with their clients. The main requirement for their inclusion was that they had worked closely with customers and communicated with customers on a regular basis.

Respondents were asked a number of questions about the relationship that had developed from both sides' points of view. This open-ended questionnaire employed questions and scenario questions that encouraged respondents to explain distinctly their viewpoints about their current relationships with their banks or their customers. The interviews were transcribed and the questions were then coded using an iterative process to reflect the dominant themes.

4.4. Quantitative Research

Quantitative research is defined as research with the application of structured questions having predetermined response options involving a lot of respondents (Burns and Bush, 2010). The current study is based on quantitative data analysis and, therefore, primary data were collected.

4.4.1. Unit of Analysis

As the current study investigates the behaviour of end consumers in premium banking services, it uses wealthy bank account holders who live in the Perth metropolitan area. The sample frame was chosen mainly because high-end customers are most likely to have Relationship Managers as their main contacts at a bank. This regular contact and intense relationship develops a social interaction that then translates into continuance commitment. The role of the Relationship Manager is undeniable because it reflects a bank's expertise as a base of the trust in a relationship.

4.4.2. Sampling Design

While a population is a complete group of people that shares several sets of characteristics, a sample is a subset, or some part, of a larger population (Zikmund *et al.*, 2011). As previously stated, the sample (or target) population for the current study is bank account holders that have high incomes, as they are the primary target market for retail banks and have a larger share of wallet (e.g. Wijnholds and Little, 1988; Baumann *et al.*, 2007; Moschis and Nguyen, 2008). Therefore, they are most likely to have a Relationship Manager as a regular contact for their banking needs.

A non-probability convenience sample of the population in wealthy suburbs of the Perth metropolitan area was selected. The non-probability convenience sampling method was chosen because of its ability to reach a large number of respondents quickly and economically (Swartz and Iacobucci, 2000).

For the purpose of the study, Perth was chosen to gather the data for several reasons. Firstly, as the capital city of the largest state in Australia with 2,270,300 people, it has the largest population growth (2.7%) compared with other states (Lind *et al.*, 2008). Secondly, Perth along with another four of the capital cities (Sydney, Melbourne, Brisbane and Adelaide) represent 60.8% of the Australian population (Walsh *et al.*, 2004). Finally, these major cities are responsible for almost 80% of the total national GDP (Dibb and Meadows, 2004).

To ensure the right population was chosen, the questionnaire was distributed in eight upscale suburbs, namely Dalkeith, Cottesloe, Nedlands, Subiaco, Applecross, Claremont, South Perth and East Perth as well as in city areas.

Table 4.2 Perth's Wealthy Suburbs

Suburbs	Median Weekly Household Income ($)	Median Age of Residents (Years)
Dalkeith	2,549	41
Cottesloe	1,834	39
Nedlands	1,568	39
Subiaco	1,502	39
Applecross	1,396	43
Claremont	1,150	44
South Perth	1,166	37
East Perth	1,106	33
Perth Metro Region	1,086	36

Source: Reiwa.com (2012)

Table 4.2 indicates that these eight suburbs have above-median weekly household incomes for the Perth metro region ($1,086). The wealthiest suburb is Dalkeith with a median weekly household income of $2,549, while East Perth has the least with $1,106. Moreover, demographically, the median age of residents is almost evenly distributed with Dalkeith, Applecross and Claremont for over 40s and Cottesloe, Nedlands, Subiaco, South Perth and East Perth for under 40s.

4.4.3. Data Collection Method

To collect data, six postgraduate students were employed. With their knowledge and ability to communicate with other people, this technique has been widely used in a number of consumer research and services marketing studies (e.g., Keaveney, 1995; Gwinner *et al.*, 1998; Baron and Haris, 2003).

The data were collected in November 2010 and December 2010. Each surveyor was responsible for distributing questionnaires in his/her designated suburbs. Specifically, these were distributed in high-density meeting places such as train stations, shopping precincts, parks, private schools and local libraries. It took one month to complete data collection.

The initial contact was created by the surveyor approaching respondents to explain the survey. The purpose was to inform them about the survey and invite them to participate in an important survey related to premium banking services. Unlike mail surveys, which take a much longer period of time to complete, an intercept survey is much faster because respondents complete the questionnaire immediately.

Data collection was conducted over 30 days. A total of 533 respondents participated in the survey and 525 completed all questions. The surveys of eight respondents were unusable because of incomplete data. This generated 525 usable responses, representing an effective response rate of 98.5%. Table 4.3 shows the details of respondents' responses.

Table 4.3 Summary of Respondents from the Targeted Sample Frame

Responses from Respondents	Numbers
Total number of questionnaires given to respondents	533
Incomplete questionnaires	8
Total usable responses	525
Effective response rate (%)	98.5%

A high response rate (98.5%) was achieved because an intercept survey with a personal approach was chosen to gather more insights into customers and their respective retail banks. This approach minimised unreturned or unresponsive questionnaires by requesting them to complete and return the questionnaire immediately.

4.4.4. Questionnaire Design

Based on the pilot study or qualitative research, a written survey was developed. A questionnaire titled "Banking Survey 2010" with a cover letter explaining the purpose of the survey was distributed to respondents in the designated areas. Further, to comply with Curtin University's policy and regulation on research with low risk involving human participants, the survey passed the Ethics Committee with the approval number SOM 2010013. The questionnaire used in this research is in Appendix 1.

The survey was self-administered and took about 10 minutes for respondents to complete. The survey was kept simple by asking the right questions, leading to better responses from respondents (Reichheld, 2003). It contained questions on the following areas:

- Reputation (3 items);
- Expertise (2 items);

- Trust (5 items);
- Switching costs (3 items);
- Interaction quality (5 items);
- Clear communication (5 items);
- Attractiveness of alternatives (3 items);
- Retention (6 items);
- Cross-buying (6 items); and
- Respondent background (5 items).

Customer may have more than one bank for their financial activities. Therefore, the "main bank" was mentioned (Soureli *et al.*, 2008), which was defined as the bank that respondents used for most of their transactions (Colgate and Lang, 2001). Satisfied customers tend to concentrate on one bank in responding to cross-selling efforts (Bloemer *et al.*, 2002). Respondents were also assured of anonymity. Heneman (1974) showed that anonymous subjects are more likely to provide better and unbiased responses.

Finally, to ensure that there would be no problems for respondents answering the questions, a pre-test of the questionnaire was conducted before data collection. This pre-test had two purposes. The first was to uncover unanticipated mistakes such as misunderstandings or misinterpretations with regard to questions. The second was to eliminate unexpected problems in data processing and analysis, as the data obtained in this pre-test could be coded, tabulated and analysed (Swartz and Iacobucci, 2000). Consequently, questions that could have been misunderstood or misinterpreted were refined and rephrased to provide commonly understood questions in the final questionnaire. Twenty respondents were involved in this activity, which were subsequently excluded from the study.

4.4.5. Measurement Scale Types

4.4.5.1. Likert Scale

Following from previous research, most variables in the study used Likert scales. This is a scale for asking respondents to express favourable or unfavourable attitudes towards an object or asking for agreement or disagreement with certain statements. The questions for the current study were phrased in the form of statements scored on a seven-point Likert scale, where 1 = “strongly disagree” and 7 = “strongly agree”. There are several reasons for applying seven-point scales. Firstly, it gives options for respondents to express neutral answers. Secondly, a seven-point scale is required for more advanced statistical analysis (Peppard, 2000). Finally, these scales avoid difficulties for respondents compared with nine-point scales because of cognitive limitations (Gerbing and Anderson, 1988; Peppard, 2000). The scale also produces interval data.

4.4.5.2. Simple Category Scale

This scale is widely used for providing two mutually exclusive response choices and is very useful when a dichotomous response is adequate. Therefore, it is also known as a dichotomous scale. The example of this research question is either “yes” or “no”. The scale produces nominal data.

4.4.5.3. Multiple Choice, Single-response Scale

This scale is widely used when multiple options are provided but only one single answer is sought. For example, respondents are requested to indicate their level of education when the categories are provided: “high school”, “bachelor degree” and “postgraduate”. Only a single answer is sought from multiple options. The scale produces nominal data.

4.4.6. Measurement of Variables

The questionnaire was developed based on previous research instruments measuring the specific model variables for fulfilling the requirements of the reliability and validity of scales as far as possible. The only exception was for the cross-buying scale measurement, which was part of the continuance commitment variable.

4.4.6.1. Reputation

Corporate reputation is defined as "an estimation of the consistency over time of an attribute of an entity" (Herbig and Milewicz, 1993, p. 18). The scale measurements were adapted from Doney and Cannon (1997), as reputation in their study was also determined as an antecedent of trust, which is similar to the current study.

- The bank is highly regarded in the financial industry
- The bank is known to be concerned about customers
- The bank is one of the most capable firms in the financial industry

4.4.6.2. Expertise

Expertise is defined as the knowledge, experience and overall competency of the seller (Palmatier *et al.*, 2006). Scale measurements were adapted from Doney and Cannon (1997), which clearly defined salespeople as representatives of bank expertise, in line with the current study (Relationship Managers in this case).

- The Relationship Manager has good financial expertise
- The Relationship Manager knows his/her products and services very well

4.4.6.3. Trust

Trust is defined as "confidence in the exchange partner's reliability and integrity" (Morgan and Hunt, 1994, p.23). The trust measurement was adapted from Doney and Cannon (1997) because unlike other trust constructs, their construct focuses on trust for customer retention.

- The bank has high integrity
- The bank keeps the promises it makes to me
- The bank can be trusted at all times
- The bank is trustworthy
- The bank is genuinely concerned about my needs

4.4.6.4. Switching Costs

Switching costs are defined as the perceived economic and psychological costs associated with changing from one alternative to another (Jones *et al.*, 2002). The scale measurements were adapted from Ping (1993), which has three dimensions: time, money and effort. Hence, it focused on the overall perception of changing providers.

- Too much bother for my time and effort
- I was concerned about financial loss
- I feel locked in because of the products I have with the bank

4.4.6.5. Interaction Quality

The interaction quality measurement was adapted from the scales of Mavondo and Rodrigo (2001). As interaction quality represents the social bonds between a bank and its customers, the construct was more comprehensive in a social bonding measurement.

- I often interact with my Relationship Manager on a social basis outside of work
- My Relationship Manager and I are able to talk openly as friends
- I consider my Relationship Manager as being almost as close to me as family

- If I were to change my bank, I would lose a good friend who happened to work as Relationship Manager
- I would consider whether my Relationship Manager's feelings would be hurt before I switch to other bank

4.4.6.6. Retention

Customer retention is defined as the intention of a customer to retain with his/her current service provider (Ranaweera and Prabhu, 2003). The scale measurement was based on Morgan and Hunt (1994), which is one of the most important studies of relationship marketing and because the measurement was closely related to continuance commitment.

- I am not looking for another bank to replace my current bank
- The relationship is important to me
- I wish to retain my relationship with my current bank

4.4.6.7. Cross-buying

Cross-buying refers to the customer's practice of buying additional products and services from the existing service provider in addition to the ones s/he currently has (Ngobo, 2004, p. 1129). The measurement were operationalised from Kumar *et al.* (2008) because the construct covered the width and depth of cross-buying and represented the products offered by leading banks in Australia. The operationalisation of cross-buying includes:

- Everyday accounts
- Credit cards
- Loans (home loans, car loans, student loans, etc.)
- Insurance policies
- Investments (term deposits, savings plan, etc.)
- International (bought travellers cheques, foreign exchange)

Overall the study has two independent variables, namely Reputation and Expertise, one mediating variable, Trust, two moderating variables, namely Switching Costs and Interaction Quality, and two dependent variables, namely Retention and Cross-buying. In conclusion, Table 4.4 indicates the variable types, definitions and original scale source for the study.

Table 4.4 Overview of Construct Measures

Variables	Conceptual Definition	Operational Definition	Original Scale Source
Reputation *Independent*	Consistency of an attribute from an entity in the long-term.	Bank reputation is an overall impression of the main bank as perceived by consumers.	Doney and Cannon (1997).
Expertise *Independent*	Expertise from the seller/bank as represented by the Relationship Manager in consumers' perceptions.	The Relationship Manager's expertise and knowledge of products and services	Doney and Cannon (1997).
Trust	Confidence in exchange partners' capacities to perform for their relationship involvement.	Belief and behavioural intention in integrity, promises, trustiness, trustworthiness and	Doney and Cannon (1997).

Mediating		needs as perceived by consumers.	
Switching Costs *Moderating*	Economic and psychological costs related to changing to other providers.	Related costs involving time, money and effort as perceived by consumers.	Ping (1993).
Interaction Quality *Moderating*	The relationship approach between the consumer and the bank (involving social bonding).	Attitude and behaviour in the relationship interaction between the Relationship Manager and the consumer.	Mavondo and Rodrigo (2001).
Retention (Continuance Commitment) *Dependent*	The intention to stay with the current service provider.	Attitude about intentions to remain within the relationship.	Morgan and Hunt (1994).
Cross-buying (Continuance commitment) *Dependent*	Buying more product(s) from the same service provider	Six product categories that are widely used in the banking industry.	Kumar *et al.* (2008).

4.4.6.8. Demographics

To generate a thorough demographic profile, the demographic classifications came from Australian and New Zealand government entities, namely the Australian Bureau of Statistics, Australian Taxation Office and Statistics New Zealand. By using trusted government offices, unnecessary mistakes such as ambiguity, confusion and misinterpretation can be avoided.

Specifically, the age, education background and occupation classifications came from the Australian Bureau of Statistics (2009) and Pink and Bascan (2009), while the income classification was derived from the Australian Taxation Office (2010).

4.4.7. Questionnaire Structure

A structured questionnaire was designed based on the conceptual model, hypotheses and research questions. The following steps from Sudman and Blair (1998) were followed to develop the questionnaire: planning, ordering, administering, formatting and testing. The questionnaire was divided into seven different sections, namely:

Section 1: The main bank characteristics: Factors closely related with the main bank characteristics (reputation and trust).

Section 2: Relationship Manager as a main contact: A screened question about having a Relationship Manager as the main contact in the bank.

Section 3: Relationship Manager characteristics: Factors closely related with Relationship Manager characteristics (expertise, interaction quality, clear communication).

Section 4: Switching to another bank: Factors considered when deciding whether to switch to another bank (switching costs, attractiveness of alternatives).

Section 5: Retention with the bank: Factors closely related with staying with the bank (retention).

Section 6: Accounts/products possession: Total number of accounts/products currently in possession (cross-buying).

Section 7: Demographic information.

These seven sections with relevant questions for each section will now be discussed concisely in tabular form, indicating the question and the scale type used.

4.4.7.1. Section 1: Main Bank Characteristics

Section 1 determined a customer's opinion on his/her main bank characteristics. There were eight items from two different variables, namely Reputation and Trust. These two variables were combined into one section because they have similar "schools of thoughts" for non-academicians and, therefore, made responses easier.

Table 4.5 Questionnaire: Main Bank Characteristics

Questions	Question Numbers	Variable Codes	Scale Type
My bank is highly regarded in the finance industry	1.1	RP1	Seven-point Likert scale
My bank is known to be concerned about customers	1.2	RP2	Seven-point Likert scale
My bank is one of the most capable firms in the finance industry	1.3	RP3	Seven-point Likert scale
My bank has high integrity	1.4	T1	Seven-point Likert scale

My bank keeps the promises it makes to me	1.5	T2	Seven-point Likert scale
My bank can be trusted at all times	1.6	T3	Seven-point Likert scale
My bank is trustworthy	1.7	T4	Seven-point Likert scale
My bank is genuinely concerned about my needs	1.8	T5	Seven-point Likert scale

Table 4.5 indicates that the Reputation variable has three questions or items (coded RP1, 2 and 3), whereas Trust has five items (coded T1, 2, 3, 4 and 5). However, while performing the factor analysis, the loading for RP2 was not grouped perfectly or cross-loaded, and thus we had to remove it from the analysis.

4.4.7.2. Section 2: Relationship Manager as a Main Contact

Section 2 aimed to ensure whether respondents have a Relationship Manager in their banks (Table 4.6). Respondents who indicate that they do not have a Relationship Manager in their banks are routed directly to Section 4 because Section 3 is only applicable to those who have a Relationship Manager.

Table 4.6 Questionnaire: Relationship Manager as a Main Contact

Questions	Question Numbers	Variable Codes	Scale Type
Do you have a main contact person or Relationship Manager that you mainly deal with in your bank?	2	RM	Simple category scale

4.4.7.3. Section 3: Relationship Manager Characteristics

Section 3 aimed to investigate further the quality of the relationships between customers and their Relationship Managers. It consisted of three variables, namely Expertise, Interaction Quality and Clear Communication, and 12 question items. Table 4.7 shows customers' opinions about the level of expertise of their Relationship Managers (coded E1 and 2) and their levels of interaction quality (coded IQ1, 2, 3, 4 and 5).

Table 4.7 Questionnaire: Relationship Manager Characteristics

Questions	Question Numbers	Variable Codes	Scale Type
My Relationship Manager has good financial expertise	3.1	E1	Seven-point Likert scale
My Relationship Manager knows his/her products and services very well	3.2	E2	Seven-point Likert scale
I often interact with my Relationship Manager on a social basis outside of	3.3	IQ1	Seven-point Likert scale

work			
My Relationship Manager and I are able to talk openly as friends	3.4	IQ2	Seven-point Likert scale
I consider my Relationship Manager as being almost as close to me as family	3.5	IQ3	Seven-point Likert scale
If I were to change my bank, I would lose a good friend who happened to work as a Relationship Manager	3.6	IQ4	Seven-point Likert scale
I would consider whether my Relationship Manager's feelings would be hurt before switching to another bank	3.7	IQ5	Seven-point Likert scale

4.4.7.4. Section 4: Switching to another Bank

Section 4 aimed to investigate respondents' opinions on switching to another bank. The section consisted of two variables, namely Switching Costs (coded SC1, 2 and 3) and Attractiveness of Alternatives. However, the Attractiveness of Alternatives is not a variable included in the study and therefore, it may only be used for further study. Table 4.8 shows the details of Switching Costs variable in the questionnaire.

Table 4.8 Questionnaire: Switching to another Bank

Questions	Question Numbers	Variable Codes	Scale Type
Too much bother in terms of time and effort	4.1	SC1	Seven-point Likert scale
I am concerned about financial loss	4.2	SC2	Seven-point Likert scale
I feel locked in because of the products I have with my current bank	4.3	SC3	Seven-point Likert scale

4.4.7.5. Section 5: Retention with the Bank

The aim of Section 5 was to investigate respondents' opinions about retention with their banks. Table 4.9 shows the Retention variable (coded R1, 2, 3). Although the questionnaire has six items for measuring Retention, for the purpose of the study the intensity of relationship is more adequate as in questions number 5.4, 5.5 and 5.6 rather than the duration of relationship as in questions number 5.1, 5.2 and 5.3.

Table 4.9 Questionnaire: Relationship with the Bank

Questions	Question Numbers	Variable Codes	Scale Type
I am not looking for another bank to replace my current bank	5.4	R1	Seven-point Likert scale
The relationship is important to me	5.5	R2	Seven-point Likert scale
I wish to retain my relationship with my current bank	5.6	R3	Seven-point Likert scale

4.4.7.6. Section 6: Accounts/Products Possession

In an attempt to investigate cross-buying behaviour, respondents were asked about the types of products they currently have with their banks. The options for the answers were none, one, two and more than two. Table 4.10 shows the details of the Cross-buying variable in the questionnaire (coded CB1, 2, 3, 4, 5 and 6).

Table 4.10 Questionnaire: Accounts/Products Possession

Questions	Question Numbers	Variable Codes	Scale Type
Everyday accounts	6.1	CB1	Multiple choice, single-response scale
Credit cards	6.2	CB2	Multiple choice, single-response scale

Loans (home loans, car loans, student loans, etc.)	6.3	CB3	Multiple choice, single-response scale
Insurance policies	6.4	CB4	Multiple choice, single-response scale
Investments (term deposits, savings plan, etc.)	6.5	CB5	Multiple choice, single-response scale
International (bought travellers cheques, foreign exchange)	6.6	CB6	Multiple choice, single-response scale

4.4.7.7. Section 7: Demographic Information

The aim of Section 7 was to derive demographic information from respondents. Table 4.11 provides a summary of the questions used to compile the demographic details of respondents.

Table 4.11 Questionnaire: Demographic Information

Questions	Question Numbers	Variable Codes	Scale Type
Gender	7.A	D1	Multiple choice, single-response scale
Age	7.B	D2	Multiple choice, single-response scale
Highest formal qualification	7.C	D3	Multiple choice, single-response scale

Occupational classification	7.D	D4	Multiple choice, single-response scale
Annual household income before tax	7.E	D5	Multiple choice, single-response scale

In conclusion, Table 4.12 indicates the questions included in the questionnaire (with the relevant variables) to provide data that can be used to evaluate the hypotheses formulated for the study.

Table 4.12 Research Hypotheses and Questionnaire Matrix

Hypotheses	**Question Numbers**	**Variable Codes**
H1: There is a positive relationship between a bank's perceived reputation and trust.	1.1 & 1.3; 1.4 - 1.8	RP1 & RP3; T1 – T5
H2: A bank's perceived reputation has a direct positive effect on continuance commitment.	1.1 & 1.3; 5.4 – 5.6; 6.1 – 6.6	RP1 & RP3; R1 – R3; CB1 – CB6
H3: There is a positive relationship between a bank's perceived expertise and trust.	3.1 & 3.2; 1.4 – 1.8	E1 & E2; T1 – T5
H4: A bank's perceived expertise has a direct positive effect on continuance commitment.	3.1 & 3.2; 5.4 – 5.6; 6.1 – 6.6	E1 & E2; R1 – R3; CB1 –CB6
H5: Trust has a direct positive effect on continuance commitment.	1.4 - 1.8; 5.4 – 5.6;	T1 – T5; R4 – R6;

	6.1 – 6.6	CB1 –CB6
H6: Switching costs negatively moderate the relationship between trust and continuance commitment.	4.1 – 4.3; 1.4 - 1.8; 5.4 – 5.6; 6.1 – 6.6	SC1 – SC3; T1 – T5; R4 – R6; CB1 –CB6
H7: Interaction quality positively moderates the relationship between trust and continuance commitment.	3.3 – 3.7; 1.4 - 1.8; 5.4 – 5.6; 6.1 – 6.6	IQ1 – IQ5; T1 – T5; R4 – R6; CB1 – CB6

4.4.8. Missing Data

There are several ways to treat missing data in research. However, many scholars have different opinions on how to treat them. Arguably, the treatment of missing data must be left to the researcher based on the validation of perspective and the context of the research.

There are at least three common methods for missing data treatment. First is list-wise deletion, a method whereby eliminating any observation that has missing data is necessary. Second is pair-wise deletion, a method whereby each sample is calculated separately. Third is data imputation, whereby missing values are replaced by imputed values, which is the result of consequent analysis.

For the purpose of the study, list-wise deletion was chosen to treat missing data because it is the most frequently used method (Hair *et al.*, 2006) and the volume of missing data in the study was very small (eight respondents; 1.5%). Therefore, it was unlikely to affect the conclusions from the analysis (Sudman and Blair, 1998).

4.4.9. Data Analysis and Research Procedure

The current study is a cross-sectional study that targets bank account holders and assesses their continuance commitment intentions. The research instrument was pre-tested prior to the full-scale fieldwork. Pilot testing was conducted with a small representative sample of 20 committed customers with their main banks. As previously stated, the purpose was to ensure the relevance of the items in all the scales and the general level of understanding and ease of completing the questionnaire.

Overall, three types of variables were involved in the study, as previously stated. The dependent variable was the primary focus; the independent variables influence the dependent variable, either positively or negatively; and the intervening variables (moderating and mediating variables) connect the dependent and independent variables to assess the nature of the relationship between the two (Sekaran, 2003). As mentioned before, the conceptual model for this study includes two independent variables, one mediating variable, two moderating variables and one dependent variable.

The data from all variables were calculated into two statistical calculations, namely descriptive statistics and inferential statistics. Further, the study had three distinct phases of data statistical analysis. All the quantitative data collected were processed by means of statistical procedures. It has been found in the study that the data is normal distribution for the constructs. This bell shaped curve is the expected probability distribution of many chance circumstances.

Firstly, exploratory factor analysis (EFA) was performed. The purpose of EFA is to manage the scale development technique by reducing a large number of indicators. The scales are formed by assigning to the same scale the items moderately on the same factor; therefore, the factors that are highly intercorrelated are assumed to represent the dimensions within the data (Hair *et al.*, 2006).

The second phase is exploring the reliability and consistency of the measurement instrument by assessing the construct reliability function (Hair *et al.*, 2006) and Cronbach's alpha coefficients (Cooper and Schindler, 2001).

The final phase is testing the hypotheses. To determine the validity of the causal structure with the effect variables and the causal factors hypothesised in the model, a series of regression analyses was performed. This procedure assumes a general linear model in which some independent variables have a causal effect on the dependent variable. Various statistical techniques were used, including one way analysis of variance (ANOVA) for simple regression analysis between the independent and dependent variables and multivariate analysis of variance (MANOVA) for regression analysis between the independent and dependent variables with intervening variables. MANOVA was used instead of Structural Equation Modelling (SEM) because SEM does not establish the interaction effect graphs that present better results analysis. Other statistical techniques used included correlation matrices, moderated multiple regression analysis and bivariate regression analysis using the IBM SPSS Statistics 19 software.

4.4.9.1. Descriptive Statistics

Descriptive statistics are defined as "the methods used for organising, summarising and presenting data in an informative way" (Lind *et al.*, 2008, p. 6). As part of the early analysis process and as the grounds for the subsequent analysis (Burns and Bush, 2010), the purpose of descriptive statistics is to extract and interpret data easily (Keller and Warrack, 2000).

For the study, the descriptive statistics of three principal measures of central tendency were used: mean, mode and median. Mean is a measurement of the central tendency towards the arithmetic average (Zikmund *et al.*, 2011) and it is the sum of the observed values divided by the number of observations. Mode is a measure of the central tendency towards the value that occurs most and median is the midpoint of a distribution (Zikmund *et al.*, 2011).

Since the statements measuring the predictors of a respondent's behaviour for this study used a seven-point Likert scale, the central tendency was between one and seven. The anchors were "1 for strongly disagree" and "7 for strongly agree". Therefore, a central tendency of less than four indicates that the responses were centred to disagree and a central tendency of more than four indicates that responses were centred to agree with the predictors.

4.4.9.2. Inferential Statistics

Inferential statistics are defined as "the procedure of estimating a property of a population on the basis of a sample" (Lind *et al.*, 2008, p. 7) and these were used to test the hypotheses as stated in Chapter 3. This section will be devoted to only those relevant statistical techniques applied.

4.4.9.2.1. Significance Value

Following Fisher's suggestion in Field (2005), the maximum level of errors allowed is 5% or a significance value of .05 (sig = .05). This means that if the level of confidence is 95% or more (error is less than 5% or sig. < .05), we accept the hypotheses or inferences and we reject the null hypothesis.

4.4.9.2.2. EFA (Exploratory Factor Analysis)

For the purpose of the study, factor analysis using *principal component analysis* extraction with *varimax* rotation was used. *Varimax* is considered to be the most popular *orthogonal factor rotation* method because of its simple factor structure (Hair *et al.*, 2006). Further, Hair *et al.* (2006) argued that values over .50 are considered to be acceptable for factor loading significance. Therefore, items with loadings less than .50 or cross-loadings (more than one significant loading) were eliminated from further statistical analysis.

4.4.9.2.3. Reliability Test

For the purpose of the study, construct reliability was used as the primary measure of reliability. Reliability is concerned with the consistency, stability and credibility of the presented findings (Sekaran, 2003; Hair *et al.*, 2006). The study used Cronbach's α (alpha) values to indicate reliability. As a measure of internal consistency, Cronbach's alpha indicates how closely related a set of items are as a group. A high value of alpha is often used as evidence that the items measure an underlying (or latent) construct. The function is:

$$\text{Cronbach } \alpha = \left(\frac{k}{k-1}\right)\left(1 - \frac{\sum_{i=1}^{k} S_i^2}{S_p^2}\right)$$

where:

K is the number of items in scales

S_i^2 *is the variance of item i*

S_p^2 *is the variance of the total score*

Thus, if we increase the number of items, we increase Cronbach's alpha. Additionally, if the variables are positively correlated, the variance of the sum increases. Hence, if the items settling the score are all the same and perfectly correlated, the α score will be 1. On the contrary, when all the items are independent, the α score will be 0. Therefore, the expected correlation between the scores is indicated by α.

Further, following DeVellis (2003), values below .60 are unacceptable, values between .60 and .64 are undesirable, values between .65 and .69 are acceptable, values between .70 and .74 are good, values between .75 and .80 are very good and values over .80 are respectable. In essence, the higher the construct reliability estimates, the higher the reliability.

4.4.9.2.4. Regression

While a simple regression is used to predict an outcome of a dependent variable from an independent variable (Field, 2005), multiple regression is used for analysing the relationships between one dependent variable and several independent variables (Hair *et al.*, 2006). The formulation for multiple regression is:

$$Y_i = b_0 + b_1 X_{1,i} + b_2 X_{2,i} + \ldots + b_{P-1} X_{P-1,i} + e_i$$

where:

Y_i is the value of the response variable in the i^{th} trial,

$b_{1,}$ $b_{2,}$..., b_{P-1} are the estimated partial effects of explanatory variables X_1, X_2, .., X_P on Y, and

e_i is the estimated error term expressing the difference between the regression equation and observations.

The formula shows that the combination of all variables multiplied by their respective coefficients plus a residual term predicts the outcome variable. Owing to natural sampling variability, different values of betas were found in each sample result. Therefore, we aimed to find the linear combination of predictors that correlates most with the outcome variable (Field, 2005).

As mentioned in the previous section, the study applied two types of regression analyses. They are:

- ANOVA

  This is used when testing a dependent variable with two or more independent variables (Zikmund *et al.*, 2011). The regression investigates the interaction of each independent variable and its impact on the dependent variable. Since the regression coefficients are defined by the differences between group means, the more the group means are significantly different, the better the fit of the data compared with the grand mean (Field, 2005)

- MANOVA

  This is used when testing several dependent and independent variables (Field, 2005). With MANOVA, any relationships between the dependent variables will also be exposed when testing the relationships with the independent variables. This analysis includes an F-test for multiple hypothesis testing or more complicated hypotheses involving moderating variables such as in Hypotheses 6 and 7 in the current study. In essence, an F-test was used to evaluate the hypotheses with multiple parameters in order to explain the differences between groups and their combinations.

4.4.9.2.5. Cross-tabulation

Cross-tabulation is a technique for comparing two classification variables using a row and a column format. The result of cross-tabulation is a frequency count for each cell in the analysis (Burns and Bush, 2010).

4.5. Chapter Summary

Chapter 4 provided a theoretical perspective on the research methodology. The chapter indicated how the theory was applied to conduct the primary research component of the study. Hence, it showed how the sampling process was followed, provided a discussion on the questionnaire used and explained how the data were collected. Finally, descriptive statistics and inferential statistics for interpreting the data from respondents were discussed.

The results of the descriptive analysis obtained from the qualitative research and primary research of the study will be discussed in Chapter 5.

CHAPTER 5

DATA ANALYSIS: PRELIMINARY/ DESCRIPTIVE ANALYSIS

5.1. Introduction

This chapter presents the results of the study based on the data analysis procedure outlined in the previous chapter. This chapter analyses the preliminary findings from the quantitative research and describe the characteristics of respondents. This quantitative research is the primary research in the study.

The first section presents the descriptive analysis of all respondents in the quantitative research. The descriptive analysis includes respondents' demographics such as gender, age, qualification, occupation and income.

Finally, the last section presents several statistical analyses. All items in the study were subjected to EFA and reliability tests. The descriptive analysis also includes the means and standard deviations for each item. These statistical analyses are required prior to testing the model or the hypotheses in the study.

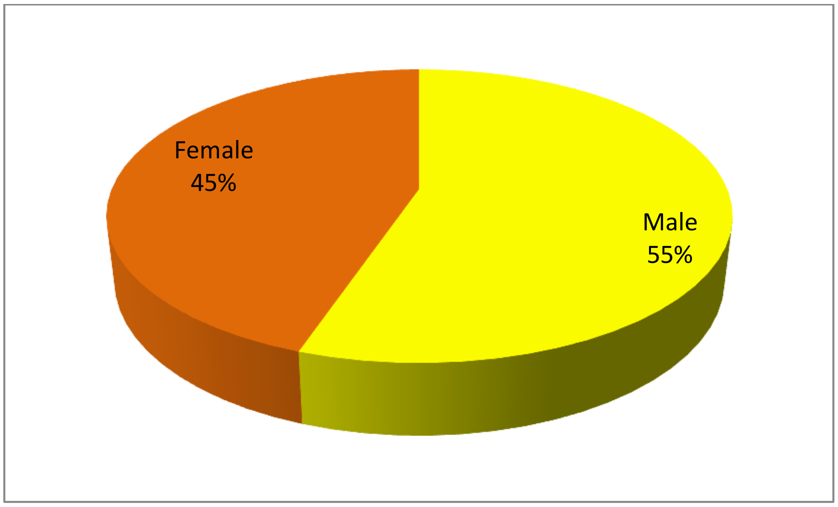
5.2. Descriptive Analysis in Quantitative Research

As an important element in this research was to test whether Relationship Managers make an important contribution to building continuance commitment, customers who have Relationship Managers in their banks were considered for this survey. Nevertheless, it would also be relevant to observe the demographic characteristics of customers that do not have Relationship Managers.

5.3. Respondent Demographics

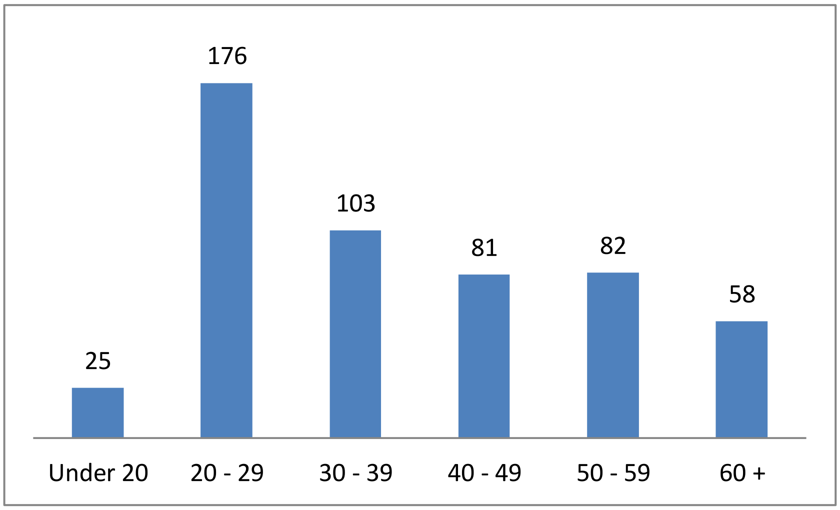
Of the total sample of 525 respondents, 290 were men and 235 were women, accounting for 55% and 45% as shown in Figure 5.1.

Figure 5.1 Gender



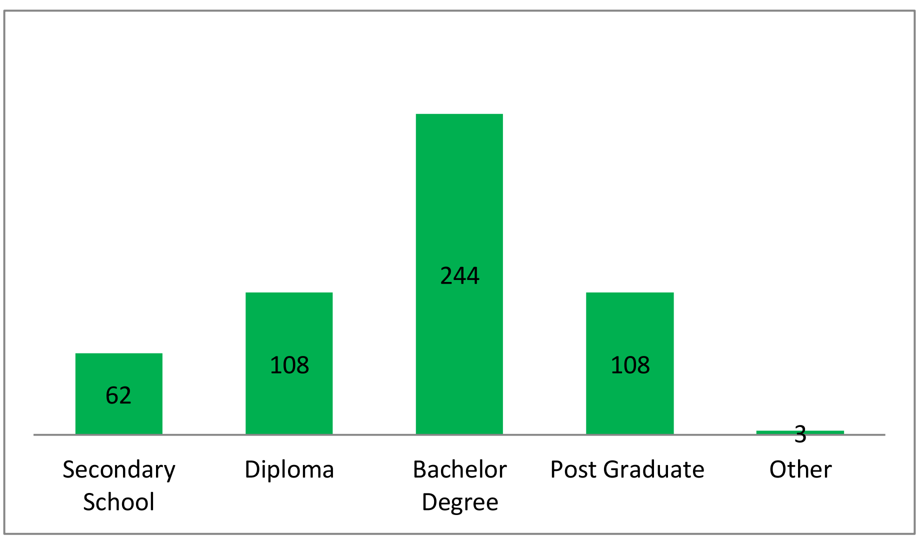
Over a third of respondents were aged between 20 and 29 (176 people; 33.5%), followed by the 30–39 category (103; 19.6%). The lowest was the respondents younger than 20 years (25; 4.8%; Figure 5.2).

Figure 5.2 Age



In terms of qualifications, almost half of the sample population had bachelor degree qualification (244 respondents; 46.5%) followed by diplomas and postgraduate qualifications (108; 20.6%), as shown in Figure 5.3. This figure indicates that the sample was composed of well-educated respondents.

Figure 5.3 Qualifications



The majority of the sample population or one third of the sample population was professionals (168; 32%), with the lowest represented category was machinery operators and drivers with 13 (2.5%) respondents. Pensioners and students accounted for 95 (18.1%) respondents (Figure 5.4).

Figure 5.4 Occupations

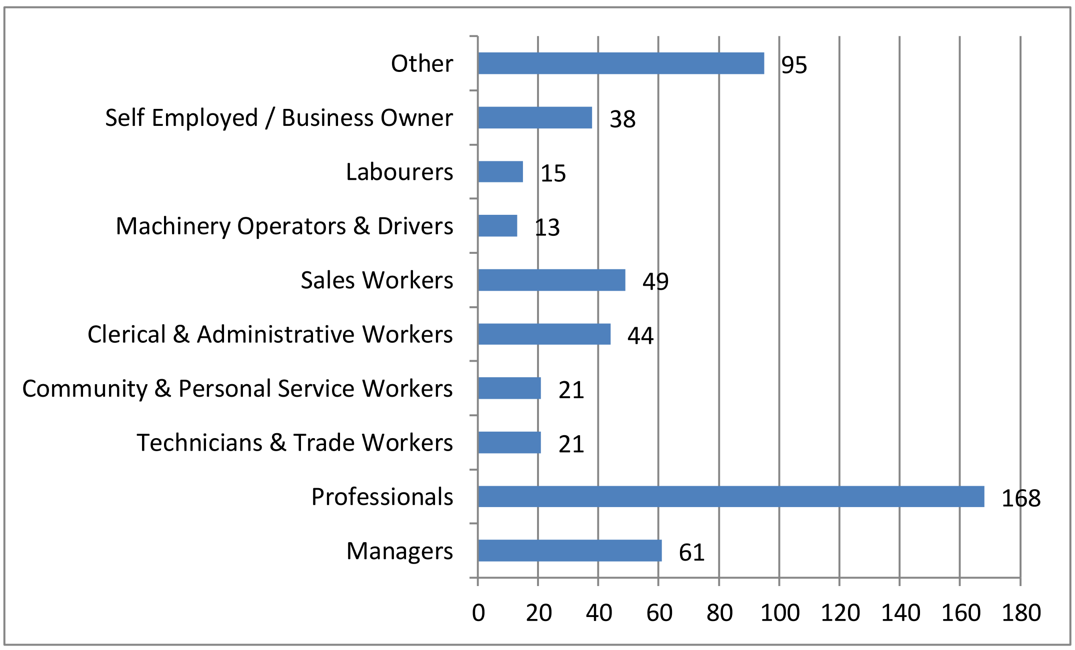
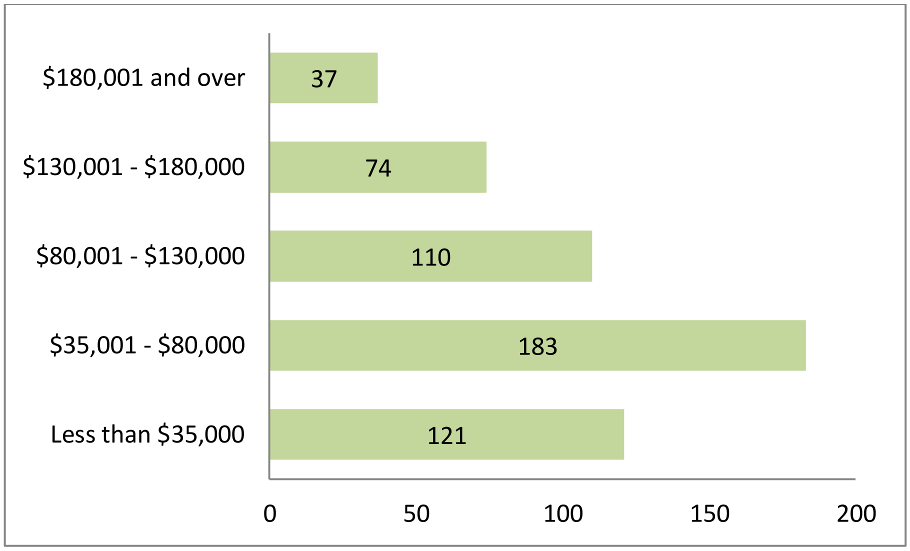


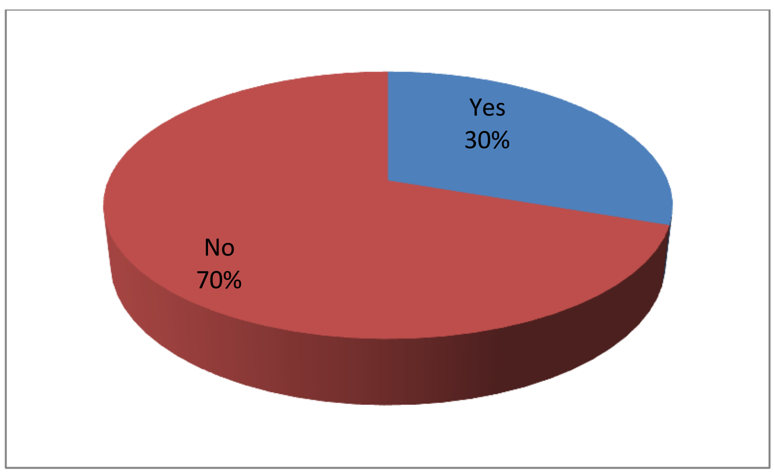
Figure 5.5 shows that over one third of the sample population had an annual income between $35,001 and $80,000 (183 respondents; 34.9%), while 221 respondents (42%) had an income above $80,000. This means that the intention for targeting high-income respondents to represent the upscale market was achieved.

Figure 5.5 Incomes



However, Figure 5.6 indicates that only 159 respondents (30%) had a Relationship Manager in their main banks as their main contact person.

Figure 5.6 Relationship Managers at their Banks



Of all respondents who had a Relationship Manager, 83 (52%) were men and 76 (48%) were women, as shown in Table 5.1.

Table 5.1 Gender for Respondents Having a Relationship Manager

Gender	Frequency	Percent (%)
Male	83	52.2
Female	76	47.8
Total	159	100.0

For respondents who had a Relationship Manager, 30% the majority were aged between 30 and 39 years as shown in Table 5.2. Further, the sample population with the age ranged between 50–59 and 40–49 had also high percentage with 20% and 19% for having a Relationship Manager in their bank.

Table 5.2 Ages of Respondents Having a Relationship Manager

Age (Years)	Frequency	Percent (%)
Under 20	3	1.9
20–29	28	17.6
30–39	48	30.2
40–49	30	18.9
50–59	32	20.1
60 +	18	11.3
Total	159	100.0

The study has also revealed that respondents that had a Relationship Manager were well-educated, as shown in Table 5.3. The majority of respondents had a bachelor degree (81; 50.9%), while the second most common qualification was a postgraduate qualification (20.8%). This means more than 70% of the sample population had a bachelor degree or above.

Table 5.3 Qualifications for Respondents Having a Relationship Manager

Qualification	Frequency	Percent (%)
Completed Secondary School	13	8.2
Trade Qualification/Diploma	31	19.5
Bachelor Degree	81	50.9
Postgraduate Qualification	33	20.8
Other	1	.6
Total	159	100.0

For respondents who had a Relationship Manager, their occupations or professions varied from self-employed/business owner to labourers, as shown in Table 5.4. However, professionals represented the highest percentage of respondents with 55 (34.6%) out of 159. The second professional group represented was managers with 28 (17.6%). Interestingly, for those who answered "other", the majority were pensioners (14%).

Table 5.4 Occupations for Respondents Having a Relationship Manager

Occupation	Frequency	Percent (%)
Managers	28	17.6
Professionals	55	34.6
Technicians & Trade Workers	5	3.1
Community & Personal Service Workers	8	5.0
Clerical & Administrative	10	6.3

Workers		
Sales Workers	14	8.8
Machinery Operators & Drivers	6	3.8
Labourers	1	.6
Self Employed / Business Owner	18	11.3
Other	14	8.8
Total	159	100.0

The sample was composed of high-income respondents as intended and expected. As indicated in Table 5.5, the majority of respondents (86; 54.1%) had an income over $80,000. Only 33.3% respondents had an income between $35,001 and $80,000, while 12.6% had an income of less than $35,000.

Table 5.5 Incomes for Respondents Having a Relationship Manager

Yearly Income	Frequency	Percent (%)
Less than $35,000	20	12.6
$35,001–$80,000	53	33.3
$80,001–$130,000	35	22.0
$130,001–$180,000	35	22.0
$180,001 and over	16	10.1
Total	159	100.0

5.4. EFA and Descriptive Statistics

All items in the study were subjected to EFA with principal component analysis and varimax rotation. The scores were then pooled for each context to investigate the interrelationships between the constructs.

It should be noted that since all the statements measuring predictors in this study used a seven-point Likert scale, the central tendency could be between one and seven. A central tendency of less than four indicates that the responses were centred to disagree and a central tendency of more than four indicates that responses were centred to agree with the predictors.

5.4.1. Reputation

Reputation is based on the consistency of the bank's reputation over time. Three items were analysed in this scale through factor analysis as indicated in Table 5.6. However, one item in Q 1.2 "My bank is known to be concerned about customers" was found to be low loading (.472) and it was dropped from further statistical analysis. The elimination of items with loadings less than .50 or cross-loadings (more than one significant loading) was suggested by Hair *et al.* (2006). Consequently, values over .50 are considered to be acceptable for factor loading significance. This low loading or cross-loading may have occurred because respondents were confused and bewildered with questions from a different variable (Trust) that happened to be in the same section in the survey.

The two remaining items were considered with Q 1.1 "My bank is highly regarded in the finance industry", which extracted a loading of .838 that was higher than Q 1.3 "My bank is one of the most capable firms in the finance industry" with a .825 loading. Not surprisingly, this indicates that consumers prefer highly reputable banks for their banking needs. The more reputable the bank, the more preferred it is.

Table 5.6 EFA and Descriptive Statistics for Reputation

Constructs	Question No.	Items in the Questionnaire	Factor Loading	Mean	Std. Deviation
Reputation	1.1	My bank is highly regarded in the finance industry	.838	5.41	1.295
	1.2	*My bank is known to be concerned about customers*	*.472*	*4.96*	*1.319*
	1.3	My bank is one of the most capable firms in the the finance industry	.825	5.25	1.237

Aside from Q 1.2, which was eliminated because of the low loading in the factor analysis, the two means for items measuring Reputation were above four as indicated in Table 5.6. This indicates that the central tendency was between agree and strongly agree. Specifically, it shows that consumers value a bank's recognition in the finance industry (Q 1.1) with a mean of 5.41 more than they do a bank's capabilities in the finance industry (Q 1.3) with the mean of 5.25.

The result is not surprising considering that premium banking services is a business of trust. People (consumers) will not do business with a firm (bank) that has no reputation. It would be too risky and too dangerous to invest without knowing the reputation of a bank. On the contrary, the risk is much lower when a reputable bank is involved. Therefore, reputation (such as year of establishment, achievements, ownership, total market share, etc.) is one thing that a bank emphasises in its marketing communications strategy.

The Reputation variable had a Cronbach's alpha of .801 as shown in Table 5.7. This means that it was reliable and fell into the respectable category (DeVellis, 2003).

Table 5.7 Reliability Statistics for Reputation

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.801	.801	2

5.4.2. Expertise

Two items were analysed through the factor analysis, as extracted using principal component analysis. As shown in Table 5.8, Q 3.1 “My Relationship Manager has good financial expertise” had a higher loading of .893 compared with Q 3.2 “My Relationship Manager knows his/her products and services very well” with a .853 loading. This indicates that consumers rely on Relationship Managers when it comes to product knowledge and services. Further, Relationship Managers have shown their competence and professionalism to represent the bank.

Table 5.8 EFA and Descriptive Statistics for Expertise

Construct	Question No.	Items in the Questionnaire	Factor Loading	Mean	Std. Deviation
Expertise	3.1	My Relationship Manager has good financial expertise	.893	5.45	1.276
	3.2	My Relationship Manager knows his/her products and services very well	.853	5.70	1.157

A closer look at Expertise’s descriptive statistics in Table 5.8 shows that consumers had a strong positive agreement with the predictors. Consumers feel confident of the product and service knowledge of their Relationship Managers (Q 3.2) with a mean of 5.70. This is higher than a Relationship Manager’s financial expertise (Q 3.1) with a mean of 5.45.

The results indicate the need for consumers to discuss with a financial expert anything related to financial options, products and services. Although relevant information (such as the global economic crisis, products offered, products and services benefits, etc.) can be depicted on the Internet, relevant professional expertise is preferable for giving advice. This is where a Relationship Manager plays an important role in establishing and engaging business with consumers for a long-term orientation.

With a Cronbach's alpha of .886 as shown in Table 5.9, the Expertise variable was reliable and fell into the respectable category (DeVellis, 2003).

Table 5.9 Reliability Statistics for Expertise

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.883	.886	2

5.4.3. Trust

Trust had five measurement items as shown in Table 5.10. The factor loadings show that respondents clearly require trust from their main banks. Among the five items, respondents gave the highest ranking to Q 1.6 regarding trusting the bank at all times (.888 loading). Interestingly, respondents gave the lowest ranking to Q 1.5 "My bank keeps the promises it makes to me" (.666 loading). This finding suggests that although consumers trust their banks, they doubt that they will honour all their promises. Because of the stiff competition within the industry, a crucial element such as this may make consumers go to another bank.

The result clearly indicates that trust is crucial for establishing a relationship. This is relevant as banking is considered to be a high involvement product and, therefore, respondents prefer performing business only with a trustworthy bank.

Table 5.10 EFA and Descriptive Statistics for Trust

Construct	Question No.	Items in the Questionnaire	Factor Loading	Mean	Std. Deviation
Trust	1.4	My bank has high integrity	.745	5.03	1.259
	1.5	My bank keeps the promises it makes to me	.666	4.92	1.276
	1.6	My bank can be trusted at all times	.888	4.85	1.408
	1.7	My bank is trustworthy	.860	5.00	1.376
	1.8	My bank is genuinely concerned about my needs	.765	4.52	1.459

The means of the scales measuring the construct of Trust as seen in Table 5.10 ranged between 4.52 and 5.03. These are relatively high on the Likert seven-point scale and thus indicate that trust is essential for choosing a main bank. However, as a utilitarian and high involvement product, choosing a bank is not as easy as choosing a low involvement product. Choosing a high involvement product means that rational and emotional judgments are needed. In the trust context, consumers place very high importance on a bank's integrity (Q 1.4 - 5.03) followed by a bank's trustworthiness (Q 1.7 - 5.00).

Interestingly, while respondents believe that the bank delivers its promises (Q 1.5 – 4.92), the level of trust in the bank at all times is lower (Q 1.6 – 4.85). The items show that there was inconsistency in trusting a bank in the long-term.

Hence, although respondents in general felt confident with the level of trust that they had in the bank, they did not really believe that it was genuinely concerned about consumers' needs (Q 1.8 – 4.52). The best explanation for this is perhaps that the bank only sells products or services that they currently offer rather than based on what consumers need. This also explains why the bank cannot be trusted at all times (Q 1.6).

The reliability test for Trust, as shown in Table 5.11, had a good result with a Cronbach's alpha of .896. Therefore, it fell into the respectable category (DeVellis, 2003).

Table 5.11 Reliability Statistics for Trust

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.896	.896	5

5.4.4. Switching Costs

The factor analysis in Table 5.12 shows that Switching Costs are important for customers continuing their commitment with the bank. Among the three items, respondents gave the highest ranking to being concerned about financial loss (Q 4.2 - .809) and the least loading score to "too much bother in terms of time and effort" (Q 4.1 - .739). Overall, the results indicate that all Switching Costs constructs had satisfactory measurement qualities with values above .5.

Table 5.12 EFA and Descriptive Statistics for Switching Costs

Construct	Question No.	Items in the Questionnaire	Factor Loading	Mean	Std. Deviation
Switching Costs	4.1	Too much bother in terms of time and effort	.739	5.19	1.506
	4.2	I am concerned about financial loss	.809	4.45	1.702
	4.3	I feel locked in because of the products I have with my current bank	.786	4.14	1.700

A closer examination of the results tends to suggest that regardless of the financial outcomes related to switching costs (high exit penalties, higher fees, etc.), they are still less important than emotional or psychological outcomes. This is not surprisingly because time and effort cannot be replaced in a busy business environment such as the Perth metropolitan area.

However, it is worth noting that because of the Internet, comparing or judging products and services between banks is just a click away. The question thus remains of why consumers think that switching to another bank is too much bother in terms of time and effort. The best explanation for this is that the Internet is just an entry point for gathering information, not for decision making. When it comes to decision making, there are a lot more things to be considered.

Another interesting finding was that the intention to switch to another bank could not be abided by the bank easily. No matter how hard the bank tries to "lock in" their consumers, this is not a strong reason for consumers to stay with their current banks. Consumers should ultimately think about the economic and psychological benefits of staying or switching to another bank.

As expected, the reason for switching to another bank was not merely based on economic or financial benefits. As Table 5.26 indicates, consumers believe that switching is just "too much bother in terms of time and effort" (Q 4.1) with a mean of 5.19.

The Switching Costs reliability test shown in Table 5.13 had a Cronbach's alpha of .691. This was good for measurement quality and it fell into the acceptable category for high internal consistency (DeVellis, 2003).

Table 5.13 Reliability Statistics for Switching Costs

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.691	.690	3

5.4.5. Interaction Quality

Interaction Quality had five items in the questionnaire (Q 3.4 to Q 3.8) as indicated in Table 5.14. The highest loading was Q 3.7 "If I were to change my bank, I would lose a good friend who happened to work as a Relationship Manager" with a loading of .893 and the lowest ranking was .848 for "My Relationship Manager and I are able to talk openly as friends" (Q 3.5). This clearly means that customers value their relationships with their Relationship Managers. Interestingly, the relationship is seen to be personal, as consumers feel they would hurt the Relationship Manager's feelings by switching to another bank (.860 loading) and since the interaction has a social basis (.861 loading).

Although consumers no longer go to the bank's branch and tend to go online for convenience, the personal touch – warm and friendly gestures and social interactions – remains essential. If consumers are happy with their Relationship Managers, they become friends and are concerned about losing their interactions. Therefore, honest and open communication between the two parties is highly valued in this relationship as with real friends or family members.

Table 5.14 EFA and Descriptive Statistics for Interaction Quality

Construct	Question No.	Items in the Questionnaire	Factor Loading	Mean	Std. Deviation
Interaction Quality	3.3	I often interact with my Relationship Manager on a social basis outside of work	.861	3.87	1.999
	3.4	My Relationship Manager and I are able to talk openly as friends	.848	4.48	1.800
	3.5	I consider my Relationship Manager as being almost as close to me as family	.890	3.74	1.966
	3.6	If I were to change my bank, I would lose a good friend who happened to work as a Relationship Manager	.893	4.11	1.916
	3.7	I would consider whether my Relationship Manager's feeling would be hurt before switching to another bank	.860	4.08	1.854

Table 5.14 shows the means for each item to explain how respondents feel about the interaction quality with their Relationship Managers. The lowest mean was "I consider my Relationship Manager as being almost as close to me as family" (Q 8.5) with a mean of 3.74. The second lowest mean was "I often interact with my Relationship Manager on a social basis outside of work" (Q 8.3) with a mean of 3.87. Because two items did not reach a mean of 4 (Q 8.3 and Q 8.5), it seems that Relationship Managers are not friendly and outgoing as expected.

On the contrary, the standard deviation for Interaction Quality had the highest score compared with the other variables. Three items had a standard deviation above 1.9 (Q 8.3; Q 8.5; Q 8.6). This means that respondents had a wide range of positive and negative experiences of their interactions with the Relationship Manager, demonstrating that interaction quality needs a lot of improvement to make the interaction like those with friends or even with family members.

Overall, the mean average loading for Interaction Quality was the lowest compared with the other dependent variables. Thus, as more and more customers go online and do mobile banking, they do not think they need a "human touch" for their banking needs. Actually, the banking industry encourages customers to go online for most banking needs to reduce operating costs dramatically. Regardless of customers' preferences over online banking or traditional banking, the results for Interaction Quality are not good. A social interaction with warm communication can be established simply by sending emails or greetings cards on special occasions such as birthdays, anniversaries and the like. After all, financial services firms are supposed to offer personalised products and services for their customers to prevent costly mistakes (Peppard, 2000) and increase future business engagements.

For the Interaction Quality reliability statistics, Table 5.15 shows that with a Cronbach's alpha of .926, it had respectable measurement quality (DeVellis, 2003).

Table 5.15 Reliability Statistics for Interaction Quality

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.926	.926	5

5.4.6. Retention

Retention had three items as shown in Table 5.16. The highest loading was Q 5.6 "I wish to retain my relationship with my current bank" (.896), followed by Q 5.5 "The relationship is important to me" (.811) and Q 5.4 "I am not looking for another bank to replace my current bank" (.674). They all had good results because all loadings were above .5.

Table 5.16 EFA and Descriptive Statistics for Retention

Construct	Question No.	Items in the Questionnaire	Factor Loading	Mean	Std. Deviation
Retention	5.4	I am not looking for another bank to replace my current bank	.674	5.26	1.532
	5.5	The relationship is important to me	.811	4.82	1.565
	5.6	I wish to retain my relationship with my current bank	.896	4.98	1.476

As indicated in Table 5.16, the highest mean for Retention was "I am not looking for another bank to replace my current bank" (Q 5.4) with a mean of 5.26, whereas the lowest was "The relationship is important to me (Q 5.5) with a mean of 4.82.

This outcome is positive for premium banking services, because the findings tend to suggest that consumers stay with their banks for the long-term. Moreover, the most important thing for consumers is that they are not looking for another bank to replace their current banks (Q 5.4 - 5.26), as these consumers are happy for now. Regardless of their previous experiences with the bank, it is still worthwhile maintaining business relationships with the current bank. With stiff competition in the banking industry, marketing gimmicks and advertising wars are only some of the strategies for acquiring new customers. Therefore, switching to another bank seems to be a tempting move for existing customers in a bank. However, this also means that consumers would be dealing with unknown risks and unknown results, too. There is no guarantee that moving to another bank would be a smart move. Not surprisingly, consumers prefer to stay with their current banks (Q 5.6 – 4.98) and value the relationship between them (Q 5.5 - 4.82). This is in line with the results of the previous variables of Switching Costs and Interaction Quality, as discussed in the previous sections in this chapter.

The Retention reliability test, as shown in Table 5.17, had a Cronbach's alpha of .753. Thus, it was considered to have good measurement quality and it fell into the very good category for high internal consistency (DeVellis, 2003).

Table 5.17 Reliability Statistics for Retention

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.753	.755	3

5.5. Cross-buying

Unlike the other variables in the study that used seven-point Likert scales, Cross-buying used a multiple choice, single-response scale. To investigate cross-buying behaviour, it is essential to know the product categories that respondents currently possess. Table 5.18 indicates that of the 525 respondents, 111 (21.1%) had credit cards, 102 (19.4%) had loans such as home loans and car loans, 92 (17.5%) had insurance policies, 86 (16.4%) had investments, 70 (13.3%) had everyday accounts (savings accounts, credit accounts) and 64 (12.2%) had international products with their main banks.

Table 5.18 Total Number of Product Categories

Product	Frequency	Percent (%)
Everyday account	70	13.3%
Credit cards	111	21.1%
Loans (home loans, car loans, student loans, etc.)	102	19.4%
Insurance policies	92	17.5%
Investments (term deposits, savings plan, etc.)	86	16.4%
International (bought travellers cheques, foreign exchange)	64	12.2%

This clearly shows that credit cards are the most familiar product for consumers (21.1%), whereas international products such as travellers cheques and foreign exchange were lowest (12.2%).

When choosing a bank's products, consumers think carefully and take their time. No decisions are made lightly. When considering a checking account embedded with an EFTPOS card, for example, customers need to know the full disclosure of all fees associated with carrying and using or even not using the card. Some fees that need to be aware of include charges on negative balances, decline charges, daily withdrawal limit, direct deposit and inactivity/cancelation fees.

Further, Table 5.19 shows that of the total number of products that respondents currently possessed, international products such as travellers cheques and foreign exchange were the most unlikely (65.3%), while everyday accounts were most likely with 92%, followed by credit cards (73.3%), investments (52.6%), loans (45.7%), insurance policies (40.8%) and international products (34.7%).

Table 5.19 Total Number of Products Currently Owned

Product	None		1 or more		Total	
	Frequency	%	Frequency	%	Frequency	%
Everyday accounts	42	8%	483	92%	525	100%
Credit cards	140	26.70%	385	73.30%	525	100%
Loans	285	54.30%	240	45.70%	525	100%
Insurance policies	311	59.20%	214	40.80%	525	100%
Investments	249	47.40%	276	52.60%	525	100%
International	343	65.30%	182	34.70%	525	100%

These findings indicate that everyday accounts for banking remain popular, while only 276 (52.6%) respondents had investments in more than one account. This finding suggests that some consumers use the bank only for their daily or monthly needs such as paying bills to the third parties. Further, the desire for daily consumption is shown by the possession of at least one credit card (26.7%) and more than one credit card (73.3%), while that for investing in the future is shown in insurance policies (59.2% for one account and 40.8% for more than one).

5.6. Descriptive Analysis and Discussion

The major statistical techniques used for the analysis included general descriptive statistics. Descriptive statistics were used to summarise the numerical data and to provide a broad overview of the respondents, including means, standard deviations, minimum and maximum ranges and skewness and kurtosis of data. Individual item analysis was performed to investigate the means and standard deviations of the items pertaining to the constructs of the model. A composite score was then computed for each dimension by totalling the scores for the items in a dimension and dividing it by the total number of items. Table 5.20 shows the results of the composite scores for each dimension in the study.

Table 5.20 Descriptive Statistics of the Variables

Variable	N	Min	Max	Mean	Std. Deviation	Skewness	Kurtosis
Reputation	525	1	7	5.2038	1.08860	-.954	1.358
Expertise	159	1	7	5.5723	1.15265	-1.152	1.544
Trust	525	1	7	4.8648	1.18608	-.693	.531
Switching Costs	525	1	7	4.5962	1.19987	-.410	-.169
Interaction Quality	159	1	7	4.0566	1.67591	-.395	.-890
Retention	525	1	7	5.0229	1.22124	-.277	-.450
Cross-buying	525	1	6	3.3905	1.58894	.122	-1.121

As shown in Table 5.20, the distribution of the data indicates a normal distribution as shown by the value of skewness (the degree of distribution values divided by the symmetry around the mean) and kurtosis (the "peakness" or "flatness" of a frequency distribution). Most data were in the range of ± 1 (considered to be excellent) with the exception of several items that had values of ± 2, which is still considered to be acceptable.

As cross-buying refers to the customer's practice of buying additional products and services from the existing service provider in addition to the ones s/he currently has (Ngobo, 2004, p. 1129), the measurement of Cross-buying came from the number of product categories each customer has in their relationships with the bank. It is worth noting that the mean for Cross-buying was generated from slightly modified data in the survey. Originally, the options in the survey were the number of accounts/products used with nominal data (none, one, two, more than two). For more accurate results, the data were transformed and modified to interval data (none or one or more).

As shown in Table 5.20, the descriptive statistics clearly indicate that the most important variable in the model was Expertise with a mean of 5.5723. Respondents clearly feel that bank expertise is crucial for continuance commitment. Therefore, it is essential to have an expert as well as a competent Relationship Manager to retain customers in the long-term. The second most important variable for customers was Reputation with a mean of 5.2038, followed by Trust (4.8648), Switching Costs (4.5962) and Interaction Quality (4.0566). However, Expertise and Interaction Quality were most relevant for respondents who had a Relationship Manager. Therefore, as discussed in the previous section, only 159 (30.2%) respondents out of 525 in the survey were eligible to respond to the questions.

As one of the antecedents of Trust, Reputation (5.2038) was found to be less important than Expertise (5.5723). This finding suggests that while Reputation is a must for a bank, for more specific banking needs, customers value Expertise. In other words, a bank is more trustworthy for customers if it can deliver the products and services immaculately as promised. Further, this implies that a well-segmented and focused bank is highly regarded in customers' eyes.

Another interesting observation from the descriptive analysis is that customers value Switching Costs (4.5962) more than Interaction Quality (4.0566). This means the decision to commit to the bank is based on concerns about lost financial, time and effort rather than warm relationships with their Relationship Managers. Although customers positively respond to both professional and personal interactions with their Relationship Managers in a bank, this social bond is clearly not strong enough for customers to stay or cross-buy. Thus, in a highly competitive market such as premium banking services and considering the easiness of online banking, customers rely on rational judgments rather than on emotional judgments when committing to their banks.

5.7. Chapter Summary

This chapter presented the findings from the quantitative research and analysed respondents' characteristics. In the analysis of the measurement model, one of 27 observed variables initially developed was excluded from further analysis because of insufficient factor loadings. Therefore, only 26 variables were included in the rest of the analysis. These 26 observed variables represented seven latent constructs, which were reliable and accurate in measuring their underlying constructs.

The statistical results and model testing obtained from the primary research of the study will be discussed in Chapter 6.

CHAPTER 6

DATA ANALYSIS: MODEL TESTING

6.1. Introduction

This chapter presents the results of the study based on the data analysis and preliminary/descriptive analysis outlined in the previous chapter. It analyses among other things customer retention and cross-buying within a premium banking services setting. The results are derived through a comprehensive regression analysis.

The current study uses the IBM SPSS Statistics 19 software to analyse the research model. Based on the previous chapter, a two-stage procedure to analyse the data was used. First, an EFA was carried out to assess the measurement model. Second, a regression analysis was conducted to test the relationship between the variables. Various statistical techniques were used such as ANOVA and MANOVA. The results lead to a discussion of the major findings.

6.2. EFA and the Reliability Test of the Constructs

The two-stage analytical procedure was needed not only for developing unidimensional and reliable measurement scales, but also for building and testing the theory. EFA was first conducted to ensure that all variables exhibited content validity before internal consistency was established. It then followed by reliability analysis using standard Cronbach's alpha indices.

6.2.1. EFA

For the purpose of convenience, the summary results of EFA as discussed in Chapter 5 is shown in Table 6.1.

Table 6.1 EFA

Constructs	Indicators	Factor Loading
Reputation	1. My bank is highly regarded in the finance industry	.838
	2. My bank is known to be concerned about customers	.472
	3. My bank is one of the most capable firms in the finance industry	.825
Expertise	1. My Relationship Manager has good financial expertise	.893
	2. My Relationship Manager knows his/her products and services very well	.853
Trust	1. My bank has high integrity	.745
	2. My bank keeps the promises it makes to me	.666
	3. My bank can be trusted at all time	.888
	4. My bank is trustworthy	.860
	5. My bank is genuinely concerned about my needs	.765
Switching Costs	1. Too much bother in terms of time and effort	.739
	2. I am concerned about financial loss	.809
	3. I feel locked in because of the products I	.786

	have with my current bank	
Interaction Quality	1. I often interact with my Relationship Manager on a social basis outside of work	.861
	2. My Relationship Manager and I are able to talk openly as friends	.848
	3. I consider my Relationship Manager as being almost as close to me as family	.890
	4. If I were to change my bank, I would lose a good friend who happened to work as a Relationship Manager	.893
	5. I would consider whether my Relationship Manager's feelings would be hurt before switching to another bank	.860
Retention	1. I am not looking for another bank to replace my current bank	.674
	2. The relationship is important to me	.811
	3. I wish to retain my relationship with my current bank	.896

With the exception of indicator number 2 on Reputation, all constructs had a value above .6. Therefore, they were all acceptable for factor loading significance. Further, following Hair *et al.* (2006), items with loadings less than .50 were eliminated from further statistical analysis. Overall, the highest loading was Retention 3 *"I wish to retain my relationship with my current bank"* with a

.896 loading and the lowest loading was Trust 2 *"My bank keeps the promises it makes to me"* with a .666 loading.

6.2.2. Reliability Test

The reliability test using Cronbach's alpha values indicates that all components have high internal consistency. Following DeVellis (2003), values below .60 are unacceptable, values between .60 and .64 are undesirable, values between .65 and .69 are acceptable, values between .70 and .74 are good, values between .75 and .80 are very good and values over .80 are respectable. The summary of Cronbach's alpha values is shown in Table 6.2. It ranges between .691 (Switching Costs) and .926 (Interaction Quality).

Table 6.2 Reliability Statistics

Constructs	Cronbach's α
Reputation	.801
Expertise	.883
Trust	.896
Switching Costs	.691
Interaction Quality	.926
Customer Retention	.753

Therefore, four constructs of the study, namely Interaction Quality (.926), Trust (.896), Expertise (.883) and Reputation (.801), fall into the respectable category, whereas Customer Retention (.753) is in the good category and Switching Costs (.691) is acceptable. In other words, all constructs are reliable and consistent.

6.3. Correlation Matrix

A correlation matrix was conducted to establish patterns in the relationships between the constructs (Hair *et al.*, 2006). A perfect bivariate correlation as indicated on a *Pearson Correlation* is 1; therefore, any numbers close to 1 indicate a strong correlation and any numbers close to 0 a weak correlation.

Table 6.3 Correlation between Factors

Correlations

		Reputation	Trust	Expertise	INTERACTQUAL	SWITCOST	RETENTION	CROSBUY
Reputation	Pearson Correlation	1	.664**	.616**	.278**	.187**	.474**	.048
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.275
	N	525	525	159	159	525	525	525
Trust	Pearson Correlation		1	.499**	.310**	.081	.621**	.179**
	Sig. (2-tailed)			.000	.000	.065	.000	.000
	N		525	159	159	525	525	525
Expertise	Pearson Correlation			1	.288**	.214**	.419**	.108
	Sig. (2-tailed)				.000	.007	.000	.174
	N			159	159	159	159	159
INTERACTQUAL	Pearson Correlation				1	.263**	.407**	.313**
	Sig. (2-tailed)					.001	.000	.000
	N				159	159	159	159
SWITCOST	Pearson Correlation					1	.135**	.175**
	Sig. (2-tailed)						.002	.000
	N					525	525	525
RETENTION	Pearson Correlation						1	.241**
	Sig. (2-tailed)							.000
	N						525	525
CROSBUY	Pearson Correlation							1
	Sig. (2-tailed)							
	N							525

**. Correlation is significant at the 0.01 level (2-tailed).

Table 6.3 indicates strong correlation between Reputation and Trust (.664). In fact, this was the highest correlation in the study. The second strongest correlation was between Trust and Retention (.621), followed by Reputation and Expertise (.616).

Interestingly, the study also showed no correlation between Reputation and Cross-buying and between Expertise and Cross-buying. The highest correlation for Cross-buying was with Interaction Quality (.313). This means the higher or the more intense interaction quality, the more likely customers are to cross-buy.

6.4. Hypotheses Testing

Based on the research questions and research objectives, seven hypotheses were analysed. In order for a hypothesis to be supported, it had to be significant at 95% (sig. ≤ .05) or more for both factors (Retention and Cross-buying). It was thus not supported or rejected if the significance level was less than 95% (sig. > .05) for both factors. However, a hypothesis could be partially supported if one of the dependent variables (Retention or Cross-buying) had a standard error of less than 5%.

In analysing hypotheses, R^2 (R square) also needs to be considered. R^2 is the proportion of the variance in the values of the dependent variable (Y) explained by all the independent variables (Xs) in the equation together.

6.4.1. There is a Positive Relationship between a Bank's Perceived Reputation and Trust (H1)

Table 6.4 Hypothesis 1 Results

Proposed Hypothesis	R	R Square	Sig.	Outcome
Reputation → Trust (H1)	.563	.317	.000**	Supported

** Significant at 0.01

It was hypothesised in H1 that Reputation positively affects Trust. Table 6.4 shows that it has good correlation as indicated by the fact that the multiple correlation coefficient (R) 56.3% and 31.7% (R Square) of Trust can be explained or predicted by Reputation (R Square). Hence, with a significance level of almost 100% (Sig. = .000), this indicates a significant relationship. Therefore, H1 is supported.

6.4.2. A Bank's Perceived Reputation has a Direct Positive Effect on Continuance Commitment (H2)

Table 6.5 Hypothesis 2 Results

Proposed Hypothesis	R	R Square	Sig.	Outcome
Reputation → Continuance Commitment (H2)				Supported with respect to Retention
a. Retention	.384	.147	.000**	
b. Cross-buying	.007	.000	.864	

** Significant at .01

H2 posited that Reputation has a direct positive effect on Continuance Commitment. Table 6.5 shows that the findings partially support the hypothesis that Reputation leads to Continuance Commitment. While the significance level for Retention is almost 100% (Sig. = .000), Cross-buying is not statistically significant with only .864. Further, Reputation positively affects Retention because the correlation coefficient (R) 38.4% and 14.7% (R Square) of Retention can be explained or predicted by Reputation. This indicates the corresponding belief that a bank should enhance its Reputation to increase Retention.

6.4.3. There is a Positive Relationship between a Bank's Perceived Expertise and Trust (H3)

Table 6.6 Hypothesis 3 Results

Proposed Hypothesis	R	R Square	Sig.	Outcome
Expertise → Trust (H3)	.499	.249	.000**	Supported

** Significant at .01

The hypothesis that Expertise results in Trust (H3) is also supported as indicated in Table 6.6. Although the correlation between Expertise and Trust is only moderate as shown by the R (49.9%) and R Square values (24.9%), this confirms that Expertise creates Trust (Sig. almost 100%). Further, if the level of Expertise as demonstrated by the Relationship Manager is good, Trust for the bank is positive from the consumer's perspective.

6.4.4. A Bank's Perceived Expertise has a Direct Positive Effect on Continuance Commitment (H4)

Table 6.7 Hypothesis 4 Results

Proposed Hypothesis	R	R Square	Sig.	Outcome
Expertise → Continuance Commitment (H4)				Supported with respect to Retention
a. Retention	.419	.176	.000**	
b. Cross-buying	.136	.019	.086	

** Significant at .01

Mixed results were found for H4 as indicated in Table 6.7. While Expertise was found to positively affect Retention, on the contrary Expertise was not found to positively affect Cross-buying. Hence, although the result of Expertise's coefficient correlation (R) on Retention is only moderate at 41.9% (R^2 = 17.6%), it demonstrates a strong level of significance at .000. Meanwhile, the significance level for Cross-buying is only .086, which is well below significance.

6.4.5. Trust has a Direct Positive Effect on Continuance Commitment (H5)

Table 6.8 Hypothesis 5 Results

Proposed Hypothesis	R	R Square	Sig.	Outcome
Trust → Continuance Commitment (H5)				Supported
a. Retention	.621	.386	.000**	
b. Cross-buying	.151	.023	.001**	

** Significant at .01

The findings support the hypothesis that Trust positively affects Continuance Commitment (H5). As shown in Table 6.8, there is a very strong significance value at .000 for Retention and .001 for Cross-buying. This also shows that Trust has a coefficient correlation (R) for Retention of 62.1% and one for Cross-buying of 15.1%.

6.4.6. Switching Costs Negatively Moderate the Relationship between Trust and Continuance Commitment (H6)

Table 6.9 Hypothesis 6 Results

	Retention F Values	**Cross-buying F Values**
Trust	191.955**	16.374**
Switching Costs	1.121	5.344*
Trust X Switching Costs	.233	6.646**
R^2	.272	.053

***** Significant at .05

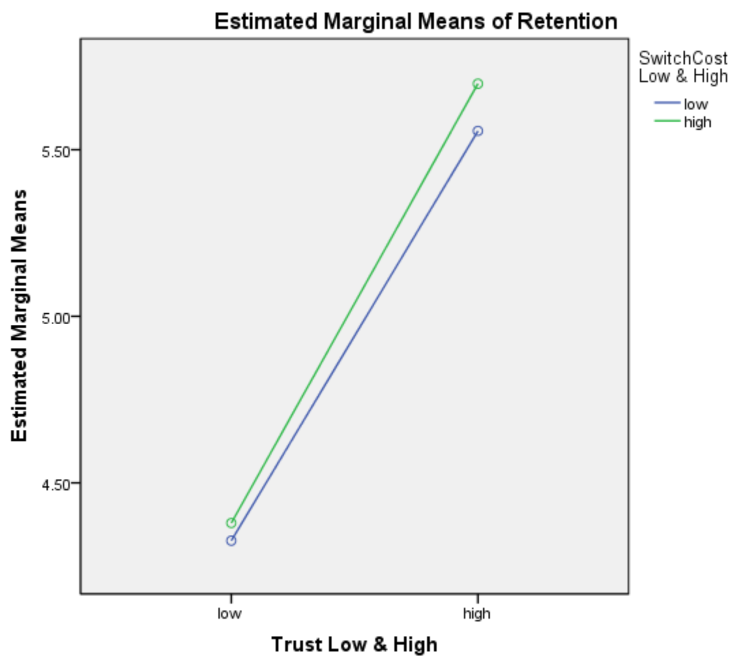
** Significant at .01

Hypothesis 6 suggested that Switching Costs act as a moderating variable between Trust and Continuance Commitment. As shown in Table 6.9, the findings partially support the hypothesis. Consistent with Hypothesis 5, Trust is found to be significant with Retention (F Value 191.955) and Cross-buying (F Value 16.374).

However, Switching Costs do not negatively moderate the relationship between Trust and Retention (F Value .233). Hence, there is no direct impact of Switching Costs on Retention (F Value 1.121). On the contrary, Switching Costs are found to be significant in moderating the relationship between Trust and Cross-buying (F Value 6.646). Further, the MANOVA also showed a significant direct effect of Switching Costs on Cross-buying (F Value 5.344).

To gain a better understanding, Figure 6.1 shows the relationships among the three variables. This figure shows that the non-significance of the interaction effect is supported in the profile plots that show almost parallel lines for the means of Retention by Switching Costs and Trust. This means that as Trust increase, Retention is likely to increase regardless of the level of Switching Costs experienced by the customers.

Figure 6.1 Estimated Marginal Means of Switching Costs Negatively Moderate Trust and Retention



Further, Figure 6.2 shows that the significance of the interaction is supported in the profile plots, which show that the intersection lines for the mean of Cross-buying are influenced by Switching Costs and Trust. In this way, the Trust and Cross-buying relationship is the same for both high and low Switching Costs experienced by the customers.

Figure 6.2 Estimated Marginal Means of Switching Costs Negatively Moderate Trust and Cross-buying

6.4.7. Interaction Quality Positively Moderates the Relationship between Trust and Continuance Commitment (H7)

Table 6.10 Hypothesis 7 Results

	Retention F Values	**Cross-buying F Values**
Trust	32.077**	3.382
Interaction Quality	11.470**	3.382
Trust X Interaction Quality	1.391	.009
R^2	.321	.071

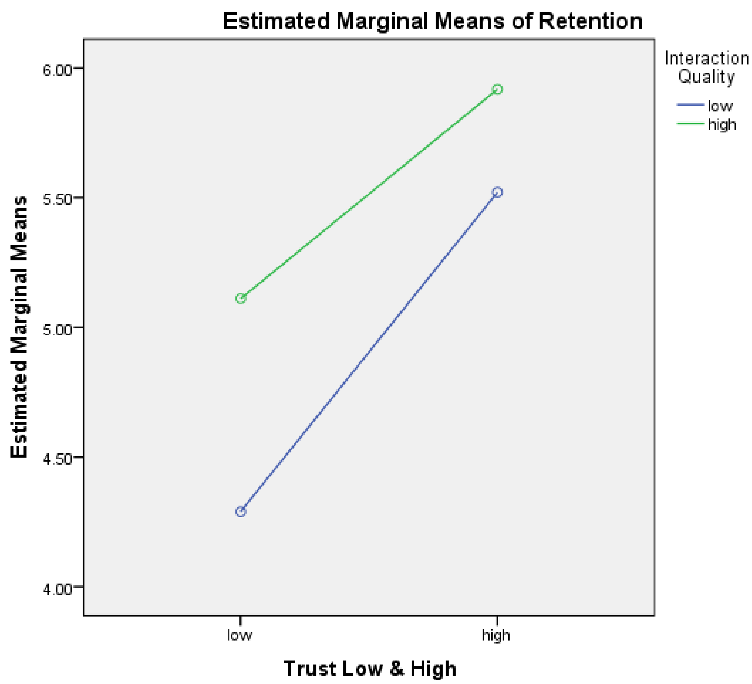
** Significant at .01

Hypothesis 7 is similar to Hypothesis 6. As shown in Table 6.10, for customers who have a Relationship Manager, Trust has a direct impact on Retention (F

Value 32.077) but not on Cross-buying (F Value 3.382). Further, Interaction Quality does not moderate the relationship between Trust and Retention (F Value 1.391) but does affect Retention (F Value 11.470). Similarly, Interaction Quality does not moderate the relationship between Trust and Cross-buying (F Value .009) and has no direct effect on Cross-buying (F Value 3.382).

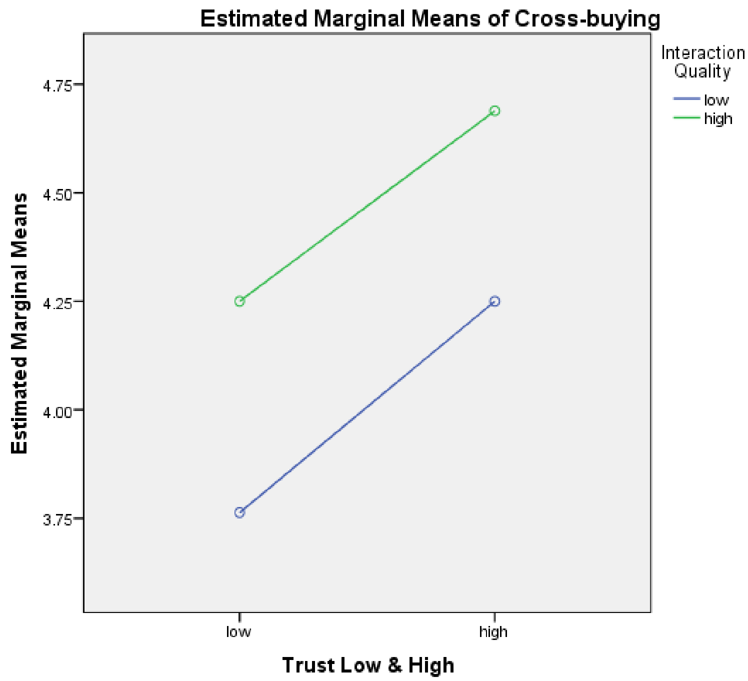
Figure 6.3 shows that the significance of the interaction is supported in the profile plots, which show the lines for the mean of Retention are influenced by Interaction Quality and Trust.

Figure 6.3 Estimated Marginal Means of Interaction Quality Positively Moderate Trust and Retention



Further, Figure 6.4 shows that the non-significance of the interaction effect is supported in the profile plots, which show the parallel lines for the mean of Cross-buying are influenced by Interaction Quality and Trust.

Figure 6.4 Estimated Marginal Means of Interaction Quality Positively Moderate Trust and Cross-buying



Overall, Table 6.11 indicates that three of the seven hypotheses were found to be statistically significant well above the conventional 95% confidence level (H1 - .000; H3 - .000; H5 - .000 and .001). The other four hypotheses were found to be partially statistically significant H2 (.000 and .864), H4 (.000 and .086), H6 (.290 and .021) and H7 (.001 and .068).

Table 6.11 Summary of the Hypotheses of the Study

Proposed Hypothesis	R	R Square	Sig.		Outcome
Reputation → Trust (H1)	.563	.317	.000**		Supported
Reputation → Continuance Commitment (H2) a. Retention b. Cross-buying	 .384 .007	 .147 .000	 .000** .864		Supported with respect to Retention
Expertise → Trust (H3)	.499	.249	.000**		Supported
Expertise → Continuance Commitment (H4) a. Retention b. Cross-buying	 .419 .136	 .176 .019	 .000** .086		Supported with respect to Retention
Trust → Continuance Commitment (H5) a. Retention b. Cross-buying	 .621 .151	 .386 .023	 .000** .001**		Supported

Proposed Hypothesis	R Square		F Values		Outcome
	Retention	Cross-buying	Retention	Cross-buying	
Switching Costs → Trust → Continuance Commitment (H6)	.272	.053			- Supported for main effect Trust on Retention
a. Trust b. Switching Costs c. Trust X Switching Costs			191.955** 1.121 .233	16.374** 5.344* 6.646**	- Supported for all in Cross-buying
Interaction Quality → Trust → Continuance Commitment (H7)	.321	.071			Supported with respect to the Trust and Interaction Quality for Retention
a. Trust b. Interaction Quality c. Trust X Interaction Quality			32.077** 11.470** 1.391	3.382 3.382 .009	

* Significant at .05

** Significant at .01

6.5. Chapter Summary

This chapter evaluated the measurement and tested the model. The hypotheses developed in the study were tested by examining the significance level, R and R^2. From the seven hypotheses, three were supported, whereas the other four were supported with respect to either Retention or Cross-buying. The significance values for the supported hypotheses were between .000 and .001, and the F Values were between 5.344 and 191.955. These statistical analyses will be interpreted and discussed further in Chapter 7.

CHAPTER 7
DISCUSSION AND FINDINGS

7.1. Introduction

This study explores the factors that influence customer retention and cross-buying in premium banking services. It draws the concept from relationship marketing, particularly commitment–trust theory. The extension of the theory allows the researcher to apply more objective measurements.

Based on an extensive literature review, seven hypotheses with regard to the commitment–trust theory were developed. These were statistically tested and analysed in the previous chapter. The results of these analyses are discussed in detail in this chapter.

7.2. Discussion

The current study sought to contribute to the literature by investigating:

1. The extension of commitment–trust theory by measuring Continuance Commitment into more objective measurements;
2. The roles of Switching Costs and Interaction Quality in influencing customer Retention and Cross-buying behaviour; and
3. The antecedents of Switching Costs and Interaction Quality and their impacts on customer Retention and Cross-buying behaviour.

7.2.1. There is a Positive Relationship between a Bank's Perceived Reputation and Trust (H1)

The analysis of the results indicates that consumers' perceived Reputation of a bank leads to Trust (sig .000). This finding confirms those of previous studies such as Anderson and Weitz (1989), Doney and Cannon (1997) and Jeng (2011). The finding is not surprising because Reputation is the overall impression of a bank's image, identity and various marketing communications over a period of time. In premium banking services, being the oldest or the first in the market is a competitive advantage for gaining more Reputation. It is believed that when dealing with a highly reputable firm risk is lower (Selnes, 1998) and Trust is greater (Bennett and Gabriel, 2001). Concomitantly, a good Reputation leads to Trust because both are the essence of business engagements, especially for a long-term relationships.

Further, the risk of Reputation loss is caused not only by bank failures such as fraud, mismanagement or bad business decisions but also by mistakes made on a day-to-day basis. In April 2011, NAB experienced computer glitches that affected millions of customers (Griffith, 2011). Poor investments and management of its IT system were to blame. The fiasco resulted in many angry customers leaving the bank. The fact that good Reputation and Trust could collapse overnight through a "simple" mistake is obvious.

In addition, building trust is always a challenge for a bank, especially in a mature market such as Australia. Negative customer perceptions translate not only into losing Reputation or market share, but also much wider implications such as under-capitalised and over-leveraged practices that led to financial crisis.

7.2.2. A Bank's Perceived Reputation has a Direct Positive Effect on Continuance Commitment (H2)

The current study found that perceived Reputation has a direct positive effect on Continuance Commitment. Perceived Reputation was also found to lead to Retention (sig .000) in line with previous studies (Shapiro, 1983; Nguyen and Leblanc, 2001). A bank with a strong Reputation has a competitive advantage because it is more likely to retain its customers. Hence, a strong Reputation is associated with high-quality products and services (Carmeli and Tishler, 2005), which makes customers willing to pay more for a better corporate Reputation (Graham and Bansal, 2007).

However, it was found in this study that a good Reputation does not encourage Cross-buying (sig .864). This finding is inconsistent with the finding of Jeng (2008) that suggested that reputation has a positive effect on cross-buying intention. The possible explanation for this different result is that the current study focused on premium banking services and that Australia is a mature market in contrast to that in Taiwan. The absence of a significant relationship between perceived Reputation and Cross-buying could be attributed to the fact that in this specific market, customers tend to diversify their portfolios with more providers. With better offers such as better interest rates and low fees, it is easy for customers to have more than one account with many banks. Hence, even though a finance service provider has a good reputation, customers are more likely to buy a product from other service providers (Jeng, 2008).

7.2.3. There is a Positive Relationship between a Bank's Perceived Expertise and Trust (H3)

The study found that perceived Expertise positively affects Trust (sig .000). This confirms previous studies that suggested that Expertise is an important element for Trust (Swan *et al.*, 1985; Lagace *et al.*, 1991; Moorman *et al.*, 1993; Doney and Cannon, 1997). Customers always have great expectations for a bank's Expertise. This is reflected by a Relationship Manager's product knowledge and his/her ability to communicate and solve problems for their customers. Consequently, the more expert the bank, the more Trust it earns from customers.

Expertise also leads to higher sales. A good Relationship Manager can offer customers products and services in a timely manner to meet their ever-changing profiles. By observing a customer's early behaviour, a Relationship Manager will know the potential revenue in the short-, medium- and long-term. Through these approaches, a customer is more likely to provide positive feedback.

Previous research has shown that persuasive communications with relevant competencies of products and services lead to sales (Crosby *et al.*, 1990).

7.2.4. A Bank's Perceived Expertise has a Direct Positive Effect on Continuance Commitment (H4)

The analysis of the results indicates partial support for Expertise having a direct positive effect on Continuance Commitment. Further, Expertise leads to Retention (sig .000), but not to Cross-buying (sig .086). This finding confirms a previous study that found that Expertise has a positive effect on Retention (Liu and Wu, 2007). The more complicated the product, the more customers rely on the Relationship Manager. Accordingly, the Relationship Manager as the expert in the bank must resolve problems and apply for complex products such as mortgages, loans and insurance. Apparently, Expertise is needed for customers to feel confidence and security with products, thus becoming one of the reasons for customers staying with a bank. Nevertheless, several issues may cause level of expertise to drop, such as outdated skill sets, unfocused recruitment and inadequate training practices, a lack of authority, unavailability of tools to support face-to-face interaction with customers and misaligned incentive systems (EFMA *et al.*, 2011). Consequently, it is a must for a bank to have continuous training and development to empower their staff/Relationship Manager to deliver better services for customers.

However, the lack of impact of Expertise on Cross-buying suggests that the behaviour for Cross-buying is normatively determined rather than depending on Expertise. In other words, just because a Relationship Manager is the expert on the products offered does not necessarily mean that Cross-buying is desired. The finding contrasts with that of Liu and Wu (2007), who suggested that Expertise has an important role in Cross-buying. The absence of a significant relationship between Expertise and Cross-buying may be explained by the countless products offered from competitors and the lack of differentiation; customers can learn the product's benefits and disadvantages online or through other social media. For example, when a customer needs a credit card, he or she compares all credit cards available in the market from various banks. This comparison may include annual fee, purchase rate, interest-free days, cash advance and balance transfer. This provides them with "Expertise" in credit cards. Consequently, the Cross-buying decision does not rely on the Relationship Manager.

7.2.5. Trust has a Direct Positive Effect on Continuance Commitment (H5)

The statistical findings suggest that Trust has a positive effect on Continuance Commitment for both Retention (sig .000) and Cross-buying (sig .001). However, it was found that Trust has a larger impact on Retention (38.6%) compared with Cross-buying (2.3%). With a very low statistical result, clearly many other things need to be considered other than Trust for promoting Cross-buying. Overall, this finding is in line with a previous study that suggested that Trust leads to maintaining the relationship (Gounaris and Venetis, 2002) and positively affects Cross-buying (Soureli *et al.*, 2008; Liu and Wu, 2009).

Although the current study did not explore the relationship duration between the two, it is appropriate to suggest that the longer the relationship, the more Trust the bank will gain. Likewise, it has been found that the longer the relationship between buyer and seller, the more Trust grows between them (Dwyer *et al.*, 1987).

When Trust is attained by the bank, it is easy to cross-sell. For example, if a customer has extended the life of his or her loan relationship, the Relationship Manager servicing his or her portfolio value has an opportunity to cross-sell other products. The bank is one step ahead of its competitors because Trust with a firm is also associated with Trust with the salesperson (Doney and Cannon, 1997) and, therefore, creates a psychological bond between the parties (Kingshott and Pecotich, 2007).

7.2.6. Switching Costs Negatively Moderate the Relationship between Trust and Continuance Commitment (H6)

According to the statistical analysis, consumers had mixed feelings on whether Switching Costs negatively moderate the relationship between Trust and Continuance Commitment. It was found that Switching Costs do not negatively moderate the relationship between Trust and Retention (F Value .233). Hence, there is no direct impact of Switching Costs on Retention (F Value 1.121). These findings confirm those of a previous study that Trust has more impact on relationship commitment than Switching Costs (Sharma and Patterson, 2000). Clearly, customers value the relationship with their banks. The more Trust is given, the better is the relationship and commitment between them. Hence, switching to other providers is difficult because when a relationship exists, the parties involved become more interdependent (Möller and Halinen, 2000).

As the competition is fierce in premium banking services, customers also look for price (interest rates and service fees) and convenience (such as location and hours of operation) other than services when it comes to staying with their current service providers (Keaveney, 1995). In addition, in early February 2012 when the Reserve Bank of Australia held the cash rate steady at 4.25%, tens of thousands of homeowners were prepared to switch their banks in search of a better deal (McMahon, 2012). It is reassuring that financial reasons are one of the drivers for switching to another bank. Therefore, higher Switching Cost strategies need to be applied. One of the common strategies for increasing customer Retention in retail banking is product bundling (Burnham *et al.*, 2003). It has been found that product bundling can prevent customers from switching to other service providers (Lopez *et al.*, 2006).

However, as expected, Switching Costs were found to be significant in moderating the relationship between Trust and Cross-buying (F Value 6.646). Further, Switching Costs have a direct effect on Cross-buying (F Value 5.344). This suggests that the higher the Switching Costs, the more likely consumers are to have Trust and perform Cross-buying. It is worth noting that the Internet makes it easy for consumers to compare products and services regardless of their level of Trust with their current banks. Therefore, similar to retaining customers, in order to increasing Switching Costs, banks should consider bundling their products and services to increase sales and profits (Venkatesh and Mahajan, 1993). One example of product bundling is "one account" or a "universal account", a single account that is a combined banking product such as a checking, deposit and credit facility for a customer. With a residential property as a security, a borrower has a consolidated account for his/her mortgage, personal loans, home equity or other financial needs. The complexity of product bundling and its rewards should discourage customer switching to another bank. In addition, previous studies such as Yavas *et al.* (2004) and Manrai and Manrai (2007) have found that while consumers are happy with the services provided by their banks, they have no intentions of switching to other banks.

7.2.7. Interaction Quality Positively Moderates the Relationship between Trust and Continuance Commitment (H7)

The current study found mixed results on Interaction Quality positively moderating the relationship between Trust and Continuance Commitment. For customers who have Relationship Managers, Trust has a direct impact on Retention (F Value 32.077) but not on Cross-buying (F Value 3.382). Further, the study showed that Interaction Quality does not moderate the relationship between Trust and Retention (F Value 1.391) but does impact on Retention (F Value 11.470). The best possible explanation for this is while customers enjoy being recognised and having social benefits such as friendship and familiarity with their Relationship Managers (Parasuraman *et al.*, 1985; Gwinner *et al.*, 1998), customers use e-banking on a daily basis. It has also been determined that customers who use the Internet are concerned about convenience and price savings (Overby and Lee, 2006).

However, they still go into the branch for advisory services and financial transactions (EFMA *et al.*, 2011) as well as for specific questions regarding complicated products such as mortgages or loans. When this happens, it is an opportunity for the Relationship Manager to increase Trust by engaging further with customers for Continuance Commitment. The longer the relationships last, the more likely customers are to stay with the service provider (Dawes, 2009). The current study also showed that Interaction Quality has a direct impact on Retention. Therefore, one could argue that with similar products, channels and lifecycle stages in premium banking services, the only difference is the services offered in long-term relationships. From a bank's perspective, being profitable is not enough, as the role of Interaction Quality is important for customer Retention because customers value personal interaction. A previous study indicated a retail bank has to implement a personal touch to meet customers' individual financial needs (Peppard, 2000).

In addition, service innovation is also a must for retail banks. The Relationship Manager must acknowledge small details when dealing with customers. These include remembering customers' names, profiles and preferences for future business engagements. In fact, one retail bank had their employees train at the Ritz-Carlton Hotel (well-known for its superb service delivery) to encourage staff to recognise and reward service innovation (Maguire *et al.*, 2009).

Contrary to expectations, despite the importance of Interaction Quality or Social Bonding for Continuance Commitment, it does not moderate the relationship between Trust and Cross-buying (F Value .009). Further, Interaction Quality has no direct effect on Cross-buying (F Value 3.382).

This suggests that consumers rely on rational judgments (such as financial benefits and convenience) rather than on emotional judgments. Given the lack of product differentiation among premium banking services and fierce competition in the industry, consumers tend to spread their financial portfolios to gain better deals. Clearly, Social Bonds between customers and their Relationship Managers are not strong enough to expand the business. Therefore, it is important to target customers at the early stages of their lifecycles. With intense interaction from time to time, the bank can understand their consumer behaviours such as spending and saving patterns. Once they have reached a mature stage, a Relationship Manager should then provide them with better services for their appropriate financial needs.

7.3. Chapter Summary

The result of the hypotheses testing was presented and discussed. The next Chapter, Chapter 8, draws the research conclusions, theoretical contributions, managerial implications, limitations of the study and guidelines for future research

CHAPTER 8
CONCLUSION

8.1. Introduction

Based on the findings and discussion in the study, the conclusion is drawn in this chapter. The study integrates a model that incorporates a full range of stimuli and individual-level variables along with multiple outcomes from customer retention and cross-buying in premium banking services. The findings of this study highlight the strong role of the extension of commitment–trust theory. The next section describes the contributions of the study, both theoretically and managerially. The chapter then presents the limitations of the study and guidelines for future research.

8.2. Contributions of the Study

This study contributes to the relationship marketing literature by identifying the role of switching costs and interaction quality in customer retention and cross-buying in premium banking services. There are two important outcomes from the study.

8.3. Theoretical Contributions

The main contribution of the study relates to the extension of commitment–trust theory. The interaction between switching costs and interaction quality has been shown to extend this theory. Secondly, the findings add depth to the commitment–trust literature because previous studies have never showed more objective measurements of continuance commitment (Gundlach *et al.*, 1995; Bansal *et al.*, 2004). The results of this study suggest that switching costs and interaction quality play important roles in influencing continuance commitment (retention and cross-buying).

Thirdly, the study has revealed the factors that affect customer retention and cross-buying behaviour. Hence, it extends the knowledge about the proposition variables for retention and cross-buying. Prior studies have only focused on the drivers of either on retention (e.g., Woo and Fock, 2004; Farquhar and Panther, 2008) or cross-buying (e.g., Ngobo, 2004; Soureli *et al.*, 2008) and little has been done for the drivers and effects on both retention and cross-buying.

Finally, the study has synthesised a framework that describes the drivers of customer retention and cross-buying with data. The data provides empirical evidence for further understanding and analysing on all variables studied.

8.4. Managerial Implications

The study has important implications for the practice of premium banking marketing. In particular, the study addresses the questions:

1. "What factors influence customer retention and cross-buying in premium banking services?",
2. "How important are switching costs and interaction quality for customer retention and cross-buying in premium banking services?" and
3. "How can banks facilitate a situation where these factors can have the greatest impact on customer retention and cross-buying?"

The overall conclusion of this study is that customers' continuance commitment is not determined by one element, but is rather conceived by a synthesis of interrelationships between several variables. As they validate that the concepts of commitment and trust are crucial for business performance, the results of the study are persuasive and/or provide dramatically different strategies for retention and cross-buying strategies in premium banking services. Furthermore, the findings are useful for identifying good prospects for cross-selling efforts and for enhancing the quality of the relationship between customers and banks for product customisation and successful marketing mix programs.

First, reputation and expertise are important sources of trust. A strong reputation and high expertise lead to higher trust with the bank. Therefore, maintaining a good reputation as well as recruiting an experienced Relationship Manager is crucial to understanding customers' needs in the long-term.

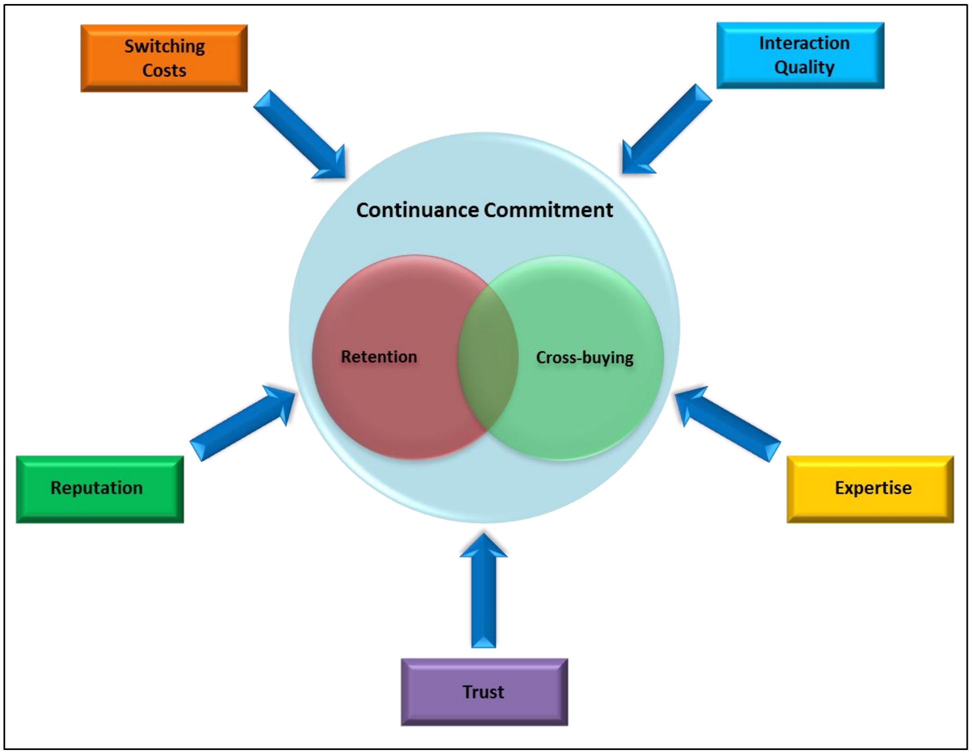
Secondly, continuance commitment should be treated carefully. The study found that customer retention is not necessarily followed into cross-buying. Although trust leads to both retention and cross-buying, interaction quality by the Relationship Manager and switching costs could also influence retention and cross-buying. An attractive product with a good interest rate or service fee is not enough. Cross-selling products with product bundling could be a strategy for rewarding customers while at the same time discouraging them from switching to other banks. However, cross-selling is not just offering any other products to customers; it should also offer differentiated products and services in particular customer segments. Different market segments have different needs. For example, following the customer's lifecycle, as a single adult they need a savings and checking account, credit cards and car loans; as young families, they need loans and insurance; as established families, they need home equity loans, investments and education loans for their children; and as mature adults they need investments and estate planning.

Thirdly, although switching costs do not influence the relationship between trust and retention, they do influence the relationship between trust and cross-buying. The explanation for this is the extreme competition in premium banking services with less differentiated products causing customers to shop around. The effort is tempting to find better deals with other banks. Thus, switching costs were found to positively moderate the relationship between trust and cross-buying. The higher the switching costs, the more likely a customer is to cross-buy. This concurs with previous studies suggesting that continuance commitment is associated with the perceived costs resulting from the termination of a service (Meyer and Herscovitch, 2001) and the economic costs of leaving (Gilliland and Bello, 2002). The challenge remains to reverse the notion of customers feeling “trapped” into continuing their commitments.

Fourthly, the Relationship Manager plays an important role for interaction quality or social bonding by moderating the relationship between trust and continuance commitment. The study showed that interaction quality does not influence the relationship between trust and retention or that between trust and cross-buying. This somewhat confirms that customers are rational when it comes to purchasing a banking product. With more and more banks being able to reach new and existing customer 24 hours, 7 days a week through the Internet and mobile phones (Jun and Cai, 2001; Bradley and Stewart, 2003; Wong *et al.*, 2008), competition has never been more intense. However, the study confirmed that interaction quality and social bonding between the Relationship Manager and customers influence retention directly. Customers seem to be happy being recognised and have warm relationships with their Relationship Managers. Moreover, the form of social bonding is an effective way for information exchange and solving customers’ problems. Therefore, managing relationships with customers is important. As a long-term relationship in the form of retention is highly desirable for the bank, personal relationships with the Relationship Manager must be formed. Consequently, the Relationship Manager as the customer’s main contact has an impact on the overall outcomes of the bank.

Finally, although it is a challenge to encourage customers to cross-buy, with the proper strategy such as product bundling, such action could be encouraged. It has been found that product bundling is considered to be a low-cost marketing technique, while customers also believe that when they are offered a product bundle, the products are more important compared with individually (Hamilton and Koukova, 2008). In summary, the importance of continuance commitment and the variables that influence it is shown in Figure 8.1.

Figure 8.1 Importance of Continuance Commitment



While the ideal continuance commitment for premium banking services is when a customer stays and cross-buys altogether, such a condition is applicable when reputation, expertise, trust, switching costs and interaction quality are strategically well planned and well executed.

8.5. Limitations of the Study and Guidelines for Future Research

There is no research without limitations and this study is no exception. These limitations suggest directions for future research. First, one limitation can be attributed to the fact that the current study was based on cross-sectional data over a short period of time. Therefore, further research could use longitudinal data over a longer period of time. Moreover, the study only classified customers as having a Relationship Manager or not. Longitudinal studies could also classify customers according to their relationship characteristics such as length, depth and breadth (Bolton *et al.*, 2004) and examine before and after the engagement between customers and their Relationship Managers.

Secondly, the current study only tested the hypotheses in one particular context, that is premium banking services in Australia, which is a developed country. Because the industry has distinctive characteristics such as intense competition, a mature market, and a lack of differentiation in products and services, it would be worthwhile studying other industries with different circumstances such as in emerging countries. Hence, a promising avenue for further research is to consider an alternative model using a long-term relationship context such as business-to-business, between a bank and its suppliers, or between a bank and its outsource providers.

Third, the impact of switching costs needs to be investigated further by dividing into three dimensions; utility maximisation, expectation disconfirmation and stochastic factors (Lees *et al.*, 2007). With a distinct classification of switching costs, the findings might be somewhat different with different implications.

Fourth, in the context of commitment–trust theory the current study has only taken into account continuance commitment. Future research might consider other forms of commitments, namely affective and calculative commitment.

Finally, this study does not acknowledge any government regulations. As one of the main concerns for market structure in the banking industry, it is known that the government is aware that switching costs could have a negative impact on market competition (Lee *et al.*, 2006; Polo and Sesé, 2009). Thus, it would be interesting to further investigate whether Gillard government remove exit fees or termination fees for customers. Therefore, future research might consider the role of government policy and regulation as an interesting extension for switching costs and interaction quality.

REFERENCES

Abratt, R. (1989). A new approach to corporate image management process. *Journal of Marketing Management, 5*(1), 63-76.

Ahmad, R., and Buttle, F. (2001). Customer retention: A potentially potent marketing management strategy. *Journal of Strategic Marketing, 9*(1), 29-45.

Akerlund, H. (2005). Fading customer relationships in professional services. *Managing Service Quality, 15*(2), 156-171.

Aksin, O. Z., and Harker, P. T. (1999). To sell or not to sell in retail banking phone centres. *Journal of Service Research, 2*(1), 19-33.

Allen, N. J., and Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational Psychology, 63*(1), 1-18.

Amato-McCoy. (2005). Creating virtual value. *Bank Systems and Technology, 45*(2), 22-28.

AmericanBankersAssociation. (2010). *2010 Bank Marketing Survey Report*. Washington DC: American Bankers Association.

Anderson, E., and Weitz, B. (1989). Determinants of continuity in conventional industrial channel dyads. *Marketing Science, 8*(4), 310-323.

Anderson, E., and Weitz, B. (1992). The use of pledges to build and sustain commitment in distribution channels. *Journal of Marketing Research 29*(1), 18-34.

Anderson, J. C. (1995). Exchange episodes, value creation and their empirical assessment. *Journal of the Academy of Marketing Science, 23*(4), 351-357.

Anderson, J. C., and Narus, J. A. (1990). A model of distributor firm and manufacturer firm working partnerships. *Journal of Marketing, 54*(1), 42-58.

Ang, L., and Buttle, F. (2006). Customer retention management processes: A quantitative study. *European Journal of Marketing, 40*(1/2), 83-99.

Ansell, J., Harrison, T., and Archibald, T. (2007). Identifying cross-selling opportunities, using lifestyle segmentation and survival analysis. *Marketing Intelligence & Planning, 25*(4), 394-410.

Austrade. (2008). Australian banks - Recent developments and trends. Retrieved 3 January, 2009, from www.austrade.gov.au/invest

AustralianBankers'Association. (2012). Banking facts and figures. Retrieved 6 June, 2012, from http://www.bankers.asn.au/Banks-in-Australia/Facts-and-Figures

AustralianBureauofStatistics. (2009). *Education and work*. Canberra: Australian Bureau of Statistics.

AustralianPaymentsClearingAssociation. (2012). Transaction statistics. *Payment statistics* Retrieved 6 June, 2012, from http://www.apca.com.au/payment-statistics/transaction-statistics

AustralianPrudentialRegulationAuthority. (2011). *Monthly banking statistics* (No. issued 31 October 2011). Sydney, NSW: Australian Prudential Regulation Authority.

AustralianTaxationOffice. (2010). *Individual income tax rates*. Canberra: Australian Taxation Office.

AustralianTradeComission. (2011). *Australia's banking industry*. Canberra, ACT: Australian Trade Comission

Aydin, S., Ozer, G., and Arasil, O. (2005). Customer loyalty and the effect of switching costs as a moderator variables: A case in the Turkish mobile phone market. *Marketing Intelligence & Planning, 23*(1), 89-103.
Bäckström, L., Pitt, L., Campbel, C., and Nel, D. (2009). Personal acquaintances and salespeople in financial services: Differences between customers and friends. *Journal of Financial Services Marketing, 14*(1), 26-39.
Baker, M. J., Buttery, E. A., and Richter-Buttery, E. M. (1998). Relationship marketing in three dimensions. *Journal of Interactive Marketing, 12*(4), 47-62.
Balmer, J. M. (1998). Corporate identity and the advent of corporate marketing. *Journal of Marketing Management, 14*(8), 963-996.
Bansal, H. S., Irving, P. G., and Taylor, S. F. (2004). A three-component model of customer commitment to service providers. *Journal of the Academy of Marketing Science, 32*(3), 234-250.
Barich, H., and Kotler, P. (1991). A framework for marketing image management. *Sloan Management Review, 32*(2), 94-104.
Barnes, J. G., and Cumby, J. A. (2002). Establishing customer relationships on the internet requires more than technology. *Australasian Marketing Journal, 10*(1), 36-46.
Baron, R. M., and Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology, 51*(6), 1173-1182.
Baron, S., and Haris, K. (2003). *Services marketing: Text and cases*. New York: Palgrave.
Barrutia, J. M., and Echebarria, C. (2005). The internet and consumer power: the case of Spanish retail banking. *Journal of Retailing and Consumer Services, 12*(4), 255-271.
Baumann, C., Burton, S., and Elliott, G. (2007). Predicting consumer behavior in retail banking. *Journal of Business & Management, 13*(1), 79-96.
Becker, H. S. (1960). Notes on the concept of commitment. *American Journal of Sociology, 66*(1), 32-42.
Bell, S. J., Auh, S., and Smalley, K. (2005). Customer relationship dynamics: service quality and customer loyalty in the context of varying levels of customer expertise and switching costs. *Journal of the Academy of Marketing Science, 33*(2), 169-183.
Bendapudi, N., and Berry, L. L. (1997). Customers' motivations for maintaining relationships with service providers. *Journal of Retailing 73*(1), 15-37.
Benedicktus, R. L., and Andrews, M. L. (2006). Building trust with consensus information: the effects of valence and sequence direction. *Journal of Interactive Advertising, 6*(2), 17-29.
Bennett, R., and Gabriel, H. (2001). Reputation, trust and supplier commitment: The case of shipping company/seaport relations. *Journal of Business & Industrial Marketing, 16*(6), 424-438.
Berger, A. N., Klapper, L. F., Martinez Peria, M. S., and Zaidi, R. (2008). Bank ownership type and banking relationships. *Journal of Financial Intermediation, 17*(1), 37-62.

Bergeron, J., and Laroche, M. (2009). The effects of perceived salesperson listening effectiveness in the financial industry. *Journal of Financial Services Marketing, 14*(1), 6-25.

Berry, L. L. (1983). *Relationship marketing: Emerging perspectives of service marketing.* Paper presented at the American Marketing Association, Chicago.

Berry, L. L. (1995). Relationship marketing of services - growing interest, emerging perspectives. *Journal of the Academy of Marketing Science, 23*(4), 236-245.

Berry, L. L. (2002). Relationship marketing of services perspectives from 1983 and 2000. *Journal of Relationship Marketing, 1*(1), 59 - 77.

Berry, L. L., and Parasuraman, A. (1991). *Marketing services: Competing through quality*. New York: Free Press.

Bitner, M. J., Brown, S. W., and Meuter, M. L. (2000). Technology infusion in service encounters. *Journal of the Academy of Marketing Science, 28*(1), 138-149.

Blattberg, R. C., and Deighton, J. (1991). Interactive marketing: Exploiting the age of addressability. *Sloan Management Review, 33*(1), 5-14.

Blattberg, R. C., Getz, G., and Thomas, J. S. (2001). *Customer equity: Building and managing relationships as valuable assets*. Boston: Harvard Business School Press.

Blau, P. (1964). *Exchange and power in social life*. New York: John Wiley & Sons.

Blery, E., and Michalakopoulos, M. (2006). Customer relationship management: A case study of a Greek bank. *Journal of Financial Services Marketing, 11*(2), 116-124.

Bloemer, J., Brijs, T., Swinnen, G., and Vanhoof, K. (2002). Identifying latently dissatisfied customers and measures for dissatisfaction management. *International Journal of Bank Marketing, 20*(1), 27-37.

Bloom, B. L., Asher, S. J., and White, S. W. (1978). Marital disruption as stressor: A review and analysis. *Psychological Bulletin, 85,* 869-894.

Boles, J., and Johnston, W. (1999). The selection and organization of national accounts: A North America perspective. *Journal of Business & Industrial Marketing, 14*(4), 264-275.

Bolton, R. N. (1998). A dynamic model of the duration of the customer's relationship with a continuous service provider: The role of satisfaction. *Marketing Science, 17*(1), 45-65.

Bolton, R. N., Kannan, P. K., and Bramlett, M. D. (2000). Implications of loyalty program membership and service experiences for customer retention and value. *Journal of the Academy of Marketing Science, 28*(1), 95-108.

Bolton, R. N., and Lemon, K. N. (1999). A dynamic model of customers' usage of services: Usage as an antecedent and consequence of satisfaction. *Journal of Marketing Research, 36*(2), 171-186.

Bolton, R. N., Lemon, K. N., and Verhoef, P. C. (2004). The theoretical underpinnings of customer asset management: A framework and propositions for future research. *Journal of the Academy of Marketing Science, 32*(3), 271-292.

Bonner, J. M., and Calantone, R. J. (2005). Buyer attentiveness in buyer-supplier relationships. *Industrial Marketing Management, 34*(1), 53-61.

Bradley, L., and Stewart, K. (2003). The diffusion of online banking. *Journal of Marketing Management, 19*(9/10), 1087-1109.

Brady, N. (2004). In search of market orientation: An experiment in key account management. *Marketing Intelligence and Planning, 22*(2/3), 144-159.

Brown, J. R., Lusch, R. F., and Nicholson, C. Y. (1995). Power and relationship commitment: Their impact on marketing. *Journal of Retailing, 71*(4), 363-392.
Brunner, T. A., Stocklin, M., and Opwis, K. (2008). Satisfaction, image and loyalty: New versus experienced customers. *European Journal of Marketing, 42*(9/10), 1095-1105.
Burand, C. (2001). Beware the pitfalls of cross-selling. *National Underwriter / Property & Casualty Risk & Benefits Management, 105*(38), 17 & 19.
Burnham, T. A., Frels, J. K., and Mahajan, V. (2003). Consumer switching costs: A typology, antecedents, and consequences. *Journal of the Academy of Marketing Science, 31*(2), 109-126.
Burns, A. C., and Bush, R. F. (2010). *Marketing Research* (6th ed.). Upper Saddle River, NJ: Prentice Hall.
Buttle, F. (2004). *Customer relationship management: Concepts and tools*. Buttenworth-Heinemann: Oxford.
Camarero, C. (2007). Relationship orientation or service quality? What is the trigger of performance in financial and insurance services? *The International Journal of Bank Marketing, 25*(6), 406-426.
Capgemini, and MerrillLynch. (2011). *2011 World wealth report*: Capgemini and Merrill Lynch.
Carmeli, A., and Tishler, A. (2005). Perceived organizational reputation and organizational performance: an empirical investigation of industrial enterprises. *Corporate Reputation Review, 8*(1), 13-30.
Carroll, P. (1991). The fallacy of customer retention. *Journal of Retail Banking, 13*(4), 15-24.
Cater, B., and Zabkar, V. (2009). Antecedents and consequences of commitment in marketing research services: The client's perspective. *Industrial Marketing Management, 38*(7), 785-797.
Chiu, H.-C. (2002). A study on the cognitive and affective components of service quality. *Total Quality Management, 13*(2), 265-274.
Chiu, H.-C., Hsieh, Y.-C., Li, Y.-C., and Lee, M. (2005). Relationship marketing and consumer switching behavior. *Journal of Business Research, 58*(12), 1681-1689.
Cocheo, S., and Harris, K. (2005). Key customers, today and tomorrow: What sells now, what may sell then. *ABA Banking Journal, 97*(3), 3-6.
Cohen, D., Gan, C., Yong, H. H. A., and Chong, E. (2007). Customer retention by banks in New Zealand. *Banks and Bank Systems, 2*(1), 40-55.
Colgate, M., and Lang, B. (2001). Switching barriers in consumer market: An investigation of the financial services industry. *Journal of Consumer Marketing, 18*(4), 332-347.
Colgate, M., and Stewart, K. (1998). The challenge of relationship in services - a New Zealand study. *International Journal of Service Industry Management, 9*(5), 454-468.
Colletti, J. A., and Tubridy, G. S. (1987). Effective major account management. *Journal of Personal Selling & Sales Management, 7*(2), 1-10.
Coltman, T. (2007). Can superior CRM capabilities improve performance in banking. *Journal of Financial Services Marketing, 12*(2), 102-114.
Cooper, D. R., and Schindler, P. S. (2001). *Business research methods* (7th ed.). New York: McGraw-Hill.

Coote, L. V., Forrest, E. J., and Tam, T. W. (2003). An investigation into commitment in non-Western industrial marketing relationships. *Industrial Marketing Management, 32*(7), 595-604.
Coughlan, A. T. (1987). Distribution channel choice in a market with complementary goods. *International Journal of Research in Marketing, 4*(2), 85-97.
Coulter, K. S., and Coulter, R. A. (2003). The effects of industry knowledge on the development of trust in service relationships. *International Journal of Research in Marketing, 20*(1), 31-43.
Coviello, N. E., Brodie, R. J., Danaher, P. J., and Johnston, W. J. (2002). How firms relate to their markets: An empirical examination examination of contemporary marketing practices. *Journal of Marketing, 66*(3), 33-46.
Craft, R. C., and Leake, C. (2002). The Pareto Principle in organizational decision making. *Management Decision, 40*(8), 729-733.
CreditSuisse. (2011). *Global wealth report 2011*. Zurich: Credit Suisse.
Crosby, L. A., Evans, K. R., and Cowles, D. (1990). Relationship quality in service selling: An interpersonal influence perspective. *Journal of Marketing, 54*(3), 68-81.
Danaher, P. J., Conroy, D. M., and McColl-Kennedy, J. R. (2008). Who wants a relationship anyway? conditions when consumers expect a relationship with their service provider. *Journal of Service Research, 11*(1), 43-62.
Davies, I. A., Ryals, L. J., and Holt, S. (2010). Relationship management: A sales role, or a state of mind? An investigation of functions and attitudes across a business-to-business sales force. *Industrial Marketing Management, 37*(7), 1049-1062.
Dawes, J. (2009). The effect of service price increases on customer retention: The moderating role of customer tenure and relationship breadth. *Journal of Service Research, 11*(3), 232-245.
De Ruyter, K., Moorman, L., and Lemmink, J. (2001). Antecedents of commitment and trust in customer-supplier relationships in high technology markets. *Industrial Marketing Management, 30*(3), 271-286.
DeVellis, R. F. (2003). *Scale development: Theory and applications* (2nd ed.). California: Sage Publications.
Devine, I., and Halpern, P. (2001). Implicit claims: The role of corporate reputation in value creation. *Corporate Reputation Review, 4*(1), 42-49.
Dibb, S., and Meadows, M. (2004). The application of a relationship marketing perspective in retail banking. *The Services Industries Journal, 21*(1), 169-194.
Dimitriadis, S., and Kyrezis, N. (2008). Does trust in the bank build trust in its technology-based channels? *Journal of Financial Services Marketing, 13*(1), 28-38.
Dolphin, R. R. (2004). Corporate reputation - a value creating strategy. *Corporate Governance, 4*(3), 77-92.
Doney, P. M., and Cannon, J. P. (1997). An examination of the nature of trust in buyer-seller relationship. *Journal of Marketing, 61*(2), 35-51.
Dorsch, M. J., Swanson, S. R., and Kelley, S. W. (1998). The role of relationship quality in the stratification of vendors as perceived by customers. *Journal of the Academy of Marketing Science, 26*(2), 128-142.
Dowling, G. R. (1994). *Corporate reputation*. New York, NY: Longman Publishing.

Dowling, G. R. (2004). Corporate reputations: Should you compete on yours? *California Management Review, 45*(3), 19-36.
Drucker, P. (1996). *The effective executive*. New York, NY: Harper and Row.
Durkin, M., McCartan-Quinn, D., O'Donnell, A., and Howcroft, B. (2003). Retail bank customer preferences: Personal and remote interactions. *International Journal of Retail & Distribution Management, 31*(4), 177-189.
Durkin, M., O'Donnell, A., and Crowe, J. (2008). Relationship disconnect in retail banking. *Journal of Financial Services Marketing, 12*(4), 260-271.
Dwyer, F., Schurr, P., and Oh, S. (1987). Developing buyer-seller relationships. *Journal of Marketing, 51*(2), 11-27.
EFMA, and SAP. (2006). *The five pillars of excellence in retail banking: a European benchmark review*: The European Financial Management and Marketing Association (EFMA).
EFMA, UniCredit, and Capgemini. (2011). *2011: World retail banking report*: The European Financial Management and Marketing Association (EFMA).
Eppen, G., Hanson, W. A., and Martin, R. K. (1991). Bundling - new products, new markets, low risk. *Sloan Management Review, 32*(4), 7-14.
Eriksson, K., Majkgard, A., and Sharma, D. D. (1999). Service quality by relationships in the international market. *Journal of Services Marketing, 13*(4/5), 361-375.
Eriksson, K., and Söderberg, I.-L. (2010). Customers' ways of making sense of a financial service relationship through intersubjective mirroring of others. *Journal of Financial Services Marketing, 15*(2), 99-111.
Ernst, and Young. (2011). *A new era of customer expectation: Global consumer banking survey 2011*: Ernst & Young.
Evanschitzky, H., Iyer, G. R., Plassmann, H., Niessing, J., and Meffert, H. (2006). The relative strength of affective commitment in securing loyalty in service relationships. *Journal of Business Research, 59*(12), 1207-1213.
Farquhar, J. D., and Panther, T. (2008). Acquiring and retaining customers in UK banks: an exploratory study. *Journal of Retailing and Consumer Services, 15*(1), 9-21.
Field, A. (2005). *Discovering statistics using SPSS* (Second ed.). London, Thousand Oaks, New Delhi: Sage Publications.
Fisher, A. (2001). Winning the battle for customers. *Journal of Financial Services Marketing, 6*(1), 77.
Fombrun, C. J. (1996). *Reputation*. Boston: Harvard Business School Press.
Fombrun, C. J., Gardberg, N. A., and Sever, J. W. (2000). The reputation quotient: A multi-stakeholder measure of corporate reputation. *The Journal of Brand Management, 7*(4), 241-255.
Ford, D. (1980). The development of buyer-seller relationships in industrial markets. *European Journal of Marketing, 14*(5/6), 339-353.
Ford, D., Gadde, L.-E., Håkansson, H., Lundgren, A., Snehota, I., Turnbull, P., and Wilson, D. T. (1998). *Managing business relationships*. Chichester, England: John Wiley & Sons.
Fornell, C. (1992). A national customer satisfaction barometer: The Swedish experience. *Journal of Marketing, 56*(1), 6-21.
Fournier, S., Dobscha, S., and Mick, D. G. (1998). Preventing the premature death of relationship marketing. *Harvard Business Review, 76*(1), 42-51.

Frazier, G. L. (1999). Organizing and managing channel of distribution. *Journal of the Academy of Marketing Science, 27*(2), 226-240.
Fullerton, G. (2003). When does commitment lead to loyalty? *Journal of Service Research, 5*(4), 333-344.
Fullerton, G. (2005). How commitment both enables and undermines marketing relationships. *European Journal of Marketing, 39*(11/12), 1372-1388.
Fullerton, G. (2011). Creating advocates: The roles of satisfaction, trust and commitment. *Journal of Retailing and Consumer Services, 18*(1), 92-100.
Ganesan, S. (1994). Determinants of long-term orientation in buyer-seller relationships. *Journal of Marketing, 58*(2), 1-19.
Garbarino, E., and Johnson, M. S. (1999). The different roles of satisfaction, trust, and commitment in customer relationships. *Journal of Marketing, 63*(2), 70-87.
Gerbing, D. W., and Anderson, J. C. (1988). An updated paradigm for scale development incorporating unidimensionality and its assessment. *Journal of Marketing Research, 25*(2), 186-192.
Geyskens, I., Steenkamp, J.-B. E. M., Scheer, L. K., and Kumar, N. (1996). The effects of trust and interdependence on relationship commitment: A trans-atlantic study. *International Journal of Research in Marketing, 13*(4), 303-317.
Gilliland, D. I., and Bello, D. C. (2002). Two sides to attitudinal commitment: The effect of calculative and loyalty commitment on enforcement mechanisms in distribution channels. *Journal of the Academy of Marketing Science, 30*(1), 24-43.
Goodman, L. E., and Dion, P. A. (2001). The determinants of commitment in the distributor-manufacturer relationship. *Industrial Marketing Management, 30*(3), 287-300.
Gordon, T. L. O., Pires, G. D., and Stanton, J. (2008). The relationship marketing orientation of Hong Kong financial services industry managers and its links to business performance. *Journal of Financial Services Marketing, 13*(3), 193-203.
Gotsi, M., and Wilson, A. M. (2001). Corporate reputation: Seeking a definition. *Corporate Communications: An International Journal, 6*(1), 24-30.
Gounaris, S., and Koritos, C. (2008). Investigating the drivers of internet banking adoption decision: A comparison of three alternative frameworks. *International Journal of Bank Marketing, 26*(5), 282-304.
Gounaris, S. P. (2005). Trust and commitment influences on customer retention: Insights from business-to-business services. *Journal of Business Research, 58*(2), 126-140.
Gounaris, S. P., and Venetis, K. (2002). Trust in industrial service relationships: Behavioral consequences, antecedents and the moderating effect of the duration of the relationship. *Journal of Services Marketing, 16*(7), 636- 655.
Graham, M. E., and Bansal, P. (2007). Consumers' willingness to pay for corporate reputation: The context of airline companies. *Corporate Reputation Review, 10*(3), 189-200.
Green, P. L. (2002). Non-stop growth in one-stop banking. *Global Finance, 16*(3), 35-37.
Greyser, S. A. (1999). Advancing and enhancing corporate reputation. *Corporate Communications: An International Journal, 4*(4), 177-181.

Griffith, C. (2011). Computer glitch disrupts NAB transactions and wage payments for millions. Retrieved February 14, 2012, from http://www.theaustralian.com.au/australian-it/computer-glitch-disrupts-nab-transactions-and-wage-payments/story-e6frgakx-1226039670918

Groenland, E. A. G. (2002). Qualitative research to validate the RQ-dimensions. *Corporate Reputation Review, 4*(4), 309-315.

Gronhaug, K., and Gilly, M. C. (1991). A transaction cost approach to customer dissatisfaction and complaint actions. *Journal of Economic Psychology, 12*(1), 165-183.

Gronroos, C. (1994). From marketing mix to relationship marketing: Towards a paradigm shift in marketing. *Management Decision, 32*(2), 4-20.

Gronroos, C. (1995). Relationship marketing: The strategy continuum. *Journal of th Academy of Marketing Science, 23*(4), 252-254.

Gronroos, C. (1997). Value-driven relational marketing: From products to resources and competencies. *Journal of Marketing Management, 13*(5), 407-419.

Gronroos, C. (2004). The relationship marketing process: Communication, interaction, dialogue, value. *Journal of Business & Industrial Marketing, 19*(2), 99-113.

Gronross, C. (1994). From marketing mix to relationship marketing: Towards a paradigm shift in marketing. *Management Decision, 32*(2), 4-20.

Gruen, T., Summers, J., and Acito, F. (2000). Relationship marketing activities, commitment and membership behaviors in professional associations. *Journal of Marketing, 64*(3), 34-49.

Guenzi, P., Pardo, C., and Georges, L. (2007). Relational selling strategy and key account managers' relational behaviors: An exploratory study. *Industrial Marketing Management, 36*(1), 121-133.

Gulati, R. (1995). Does familiarity breed trust? the implications of repeated ties for contractual choice in alliances. *Academy of Management Journal, 38*(1), 85-112.

Gundlach, G. T., Achrol, R. S., and Mentzer, J. T. (1995). The structure of commitment in exchange. *Journal of Marketing, 59*(1), 78-92.

Gupta, S., Lehmann, D. R., and Stuart, J. A. (2004). Valuing customers. *Journal of Marketing Research, 41*(1), 7-18.

Gustafsson, A., Johnson, M. D., and Roos, I. (2005). The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. *Journal of Marketing, 69*(4), 210-218.

Gwinner, K. P., Gremler, D. D., and Bitner, M. J. (1998). Relational benefits in services industries: The customer's perspective. *Journal of the Academy of Marketing Science, 26*(2), 101-114.

Hair, J. F., Black, W. C., Babin, B. J., and Anderson, J. C. (2006). *Multivariate data analysis* (6th ed.). London: Prentice-Hall.

Hakansson, H., and Ostberg, C. (1975). Industrial marketing - an organizational problem? *Industrial Marketing Management, 4*(2-3), 113-123.

Hamilton, R. W., and Koukova, N. T. (2008). Choosing options for products: The effects of mixed bundling on consumers' inferences and choices. *Journal of the Academy of Marketing Science, 36*(3), 423-433.

Hansen, H., Samuelsen, B. M., and Silseth, P. R. (2008). Customer perceived value in B-t-B service relationships: Investigating the importance of corporate reputation. *Industrial Marketing Management, 37*(2), 206-217.

Harker, M. J. (1999). Relationship marketing defined? An examination of current relationship marketing definitions. *Marketing Intelligence & Planning, 17*(1), 13-20.

Harrison, T., and Ansell, J. (2002). Customer retention in the insurance industry: Using survival analysis to predict cross-selling opportunities. *Journal of Financial Services Marketing, 6*(3), 229-239.

Harvey, M., Myers, M. B., and Novicevic, M. M. (2002). The managerial issues associated with global account management. *Thunderbird International Business Review, 44*(5), 625-647.

Heffernan, T., O'Neill, G., Travaglione, T., and Droulers, M. (2008). Relationship marketing: the impact of emotional intelligence and trust on bank performance. *International Journal of Bank Marketing, 26*(3), 183-199.

Hellier, P. K., Geursen, G. M., Carr, R. A., and Rickard, J. A. (2003). Customer repurchase intention: A general structural equation model. *European Journal of Marketing, 37*(11/12), 1762-1800.

Heneman, H. G. I. (1974). Comparison of self- and superior ratings of managerial performance. *Journal of Applied Psychology, 59*(5), 638-642.

Hennig-Thurau, T., Gwinner, K. P., and Gremler, D. D. (2002). Understanding relationship marketing outcomes: An integration of relational benefits and relationship quality. *Journal of Service Research, 4*(3), 230-247.

Hennig-Thurau, T., and Hansen, U. (2000). *Relationship marketing: Gaining competitive advantage through customer satisfaction and customer retention*. Berlin: Springer Verlag.

Herbig, P., and Milewicz, J. (1993). The relationship of reputation and credibility to brand success. *Journal of Consumer Marketing, 10*(3), 18-24.

Hess, R. L., Jr. (2008). The impact of firm reputation and failure severity on customers' responses to service failures. *Journal of Services Marketing, 22*(5), 385-398.

Hibbard, J. D., Brunel, F., Dant, R. P., and Iacobucci, D. (2001a). Does relationship marketing age well? *Business Strategy Review, 12*(4), 29-35.

Hoch, S. J., Bradlow, E. T., and Wansink, B. (1999). The variety of an assortment. *Marketing Science, 18*(4), 527-546.

Hocutt, M. A. (1998). Relationship dissolution model: Antecedents of relationship commitment and the likelihood of dissolving a relationship. *International Journal of Service Industry Management, 9*(2), 189-200.

Homans, G. C. (1958). Social behavior as exchange. *American Journal of Sociology, 63*(6), 597-606.

Homburg, C., Workman, J. P. J., and Jensen, O. (2000). Fundamental changes in marketing organization: The movement toward a customer-focused organizational structure. *Journal of the Academy of Marketing Science, 28*(4), 459-478.

Howcroft, B., Hewer, P., and Durkin, M. (2003). Banker-customer interactions in financial services. *Journal of Marketing Management, 19*(9/10), 1001-1020.

Huntley, J. K. (2006). Conceptualization and measurement of relationship quality: Linking relationship quality to actual sales and recommendation intention. *Industrial Marketing Management, 35*(6), 703-714.

Inglis, R., Morley, C., and Sammut, P. (2006). Corporate reputation and organisational performance: An Australian study. *Managerial Auditing Journal, 21*(9), 934-947.

Ioanna, P. (2002). The role of employee development incustomer relations: The case of UK retail banks. *Corporate Communication, 7*(1), 62-77.

Jackson, T. W. (2007). Personalisation and CRM. *Database Marketing & Customer Strategy Management, 15*(1), 24-36.

Jarrar, Y. F., and Neely, A. (2002). Cross-selling in the financial sector: Customer profitability is key. *Journal of Targeting, Measurement and Analysis for Marketing, 10*(3), 282-296.

Jayawardhena, C., and Foley, P. (2000). Changes in the banking sector - the case of internet banking in the UK. *Journal of Internet Research: Networking and Policy, 10*(1), 19-30.

Jeng, S.-P. (2008). Effects of corporate reputations, relationships and competing suppliers' marketing programmes on customers' cross-buying intentions. *The Service Industries Journal, 28*(1), 15-26.

Jeng, S.-P. (2011). The effect of corporate reputations on customer perceptions and cross-buying intentions. *The Service Industries Journal, 31*(6), 851-862.

Johnson, D., and Grayson, K. (2005). Cognitive and affective trust in service relationships. *Journal of Business Research, 58*(4), 500-507.

Johnson, M. S., Sivadas, E., and Garbarino, E. (2008). Customer satisfaction, perceived risk and affective commitment: An investigation of directions of influence. *Journal of Services Marketing, 22*(5), 353-362.

Jones, M. A., Mothersbaugh, D. L., and Beatty, S. E. (2000). Switching barriers and repurchase intentions in services. *Journal of Retailing, 76*(2), 259-274.

Jones, M. A., Mothersbaugh, D. L., and Beatty, S. E. (2002). Why customers stay: measuring the underlying dimensions of services switching costs and managing their differential strategic outcomes. *Journal of Business Research, 55*(6), 441-450.

Jones, T., Taylor, S. F., and Bansal, H. S. (2008). Commitment to a friend, a service provider, or a service company - are they distinctions worth making? *Journal of the Academy of Marketing Science, 36*(4), 473-487.

Jones, T. O., and Sasser, W. E. (1995). Why satisfied customers defect. *Harvard Business Review, 73*(6), 88-99.

Jun, M., and Cai, S. (2001). The key determinants of internet bankins service quality: A content analysis. *The International Journal of Bank Marketing, 19*(7), 276-291.

Kamakura, W., Mela, C. F., Ansari, A., Bodapati, A., Fader, P., Iyengar, R., Naik, P., Neslin, S., Sun, B., Verhoef, P. C., Wedel, M., and Wilcox, R. (2005). Choice models and customer relationship management. *Marketing Letters, 16*(3/4), 279-291.

Kamakura, W., Wedel, M., de Rosa, F., and Mazzon, J. (2003). Cross-selling through database marketing: A mixed data factor analyzer for data augmentation and prediction. *International Journal of Research in Marketing, 20*(1), 45-65.

Kassim, N. M., and Souiden, N. (2007). Customer retention measurement in the UAE banking sector. *Journal of Financial Services Marketing, 11*(3), 217-228.

Kaynak, E., and Kucukemiroglu, O. (1992). Bank and product selection: Hong Kong. *The International Journal of Bank Marketing, 10*(1), 3-17.

Keaveney, S. M. (1995). Customer switching behavior in service industry: An exploratory study. *Journal of Marketing, 59*(2), 71-82.
Keiningham, T. L., Cooil, B., Aksoy, L., Andreassen, T. W., and Weiner, J. (2007). The value of different customer satisfaction and loyalty metrics in predicting customer retention, recommendation, and share-of-wallet. *Managing Service Quality, 17*(4), 361-384.
Keller, G., and Warrack, B. (2000). *Statistics for management and economics* (5th ed.). Pacific Grove, CA: Duxbury Press.
Kim, K., and Frazier, G. L. (1997). Measurement of distributor commitment in industrial channels of distribution. *Journal of Business Research, 40*(2), 139-154.
Kingshott, R. P. J. (2006). The impact of psychological contracts upon trust and commitment within supplier-buyer relationships: A social exchange view. *Industrial Marketing Management, 35*(6), 724-739.
Kingshott, R. P. J., and Pecotich, A. (2007). The impact of psychological contracts on trust and commitment in supplier-distributor relationships. *European Journal of Marketing, 41*(9/10), 1053-1072.
Knights, D., Sturdy, A., and Morgan, G. (1994). The consumer rules? An examination of the rhetoric and 'reality' of marketing in financial services. *European Journal of Marketing, 28*(3), 42-54.
Kumar, N., Scheer, L. K., and Steenkamp, J.-B. E. M. (1995). The effects of supplier fairness on vulnerable resellers. *Journal of Marketing Research, 32*(1), 54-65.
Kumar, V., George, M., and Pancras, J. (2008). Cross-buying in retailing: Drivers and consequences. *Journal of Retailing, 84*(1), 15-27.
Lagace, R. R., Dahlstrom, R., and Gassenheimer, J. B. (1991). The relevance of ethical salesperson behavior or relationship quality: The pharmaceutical industry. *Journal of Personal Selling & Sales Management, 11*(4), 39-47.
Lam, S. Y., Shankar, V., Erramilli, M. K., and Murthy, B. (2004). Customer value, satisfaction, loyalty, and switching costs: An illustration from a business-to-business service context. *Journal of the Academy of Marketing Science, 32*(3), 293-311.
Lambe, C. J., Wittmann, C. M., and Spekman, R. E. (2001). Social exchange theory and research on business-to-business relational exchange. *Journal of Business-to-Business Marketing, 8*(3), 1-36.
Lee, J. (2002). A key to marketing financial services: The right mix of products, services, channels and customers. *Journal of Services Marketing, 16*(3), 238-258.
Lee, J., Kim, Y., Lee, J.-D., and Park, Y. (2006). Estimating the extent of potential competition in the Korean mobile telecommunications market: Switching costs and number portability. *International Journal of Industrial Organization, 24*(1), 107-124.
Lees, G., Garland, R., and Wright, M. (2007). Switching banks: Old bank gone but not forgotten. [Article]. *Journal of Financial Services Marketing, 12*(2), 146-156.
Leichtfuss, R., Messenbock, R., Chin, V., Rogozinski, M., Thogmartin, S., and Xavier, A. (2010). *Retail banking: Winning strategies and business models revisited*: The Boston Consulting Group.
Leonidou, L. C., Barnes, B. R., and Talias, M. A. (2006). Exporter-importer relationship quality: The inhibiting role of uncertainty, distance, and conflict. *Industrial Marketing Management, 35*(5), 576-588.

Levy, S. J. (2005). The evolution of qualitative research in consumer behavior. *Journal of Business Research, 58*(3), 341-347.

Li, S., Sun, B., and Wilcox, R. T. (2005). Cross-selling sequentially ordered products: An application to consumer banking services. *Journal of Marketing Research, 42*(2), 233-239.

Liang, C.-J., and Wang, W.-H. (2008). Do loyal and more involved customers reciprocate retailer's relationship efforts? *Journal of Services Research, 8*(1), 63-90.

Liljander, V., and Strandvik, T. (1995). The nature of customer relationships in services. *Advances in Services Marketing and Management, 4*, 141-167.

Lind, D. A., Marchal, W. G., and Wathen, S. A. (2008). *Basic statistics for business and economics* (6th ed.). New York: McGraw-Hill.

Liu, A. H. (2006). Customer value and switching costs in business services: Developing exit barriers through strategic value management. *Journal of Business & Industrial Marketing, 21*(1), 30-37.

Liu, T.-C., and Wu, L.-W. (2007). Customer retention and cross-buying in the banking industry: An integration of service attributes, satisfaction and trust. *Journal of Financial Services Marketing, 12*(2), 132-145.

Liu, T.-C., and Wu, L.-W. (2008). Relationship quality and cross-buying in varying levels of category similarity and complexity. *Total Quality Management, 19*(5), 493-511.

Liu, T.-C., and Wu, L.-W. (2009). Cross-buying evaluations in the retail banking industry. *Service Industries Journal, 29*(7), 903-922.

Lopez, J. P. M., Redondo, Y. P., and Olivan, F. J. S. (2006). The impact of customer relationship characteristics on customer switching behavior: Differences between switchers and stayers. *Managing Service Quality, 16*(6), 556-574.

Lovelock, C. H. (1983). Classifying services to gain strategic marketing insights. *Journal of Marketing, 47*(3), 9-20.

Macintosh, G. (2007). Customer orientation, relationship quality, and relational benefits to the firm. *Journal of Services Marketing, 21*(3), 150-159.

Macintosh, G., and Lockshin, L. S. (1997). Retail relationships and store loyalty: A multi-level perspective. *International Journal of Research in Marketing, 14*(5), 487-497.

Maguire, A., Chin, V., Desmangles, L., Kurstjens, H., Leichtfuss, R., Messenbock, R., Monger, T., Monter, N., Thogmartin, S., and Xavier, A. (2010). *The road to excellence: Global retail banking 2010/2011*: The Boston Consulting Group.

Maguire, A., Kurstjens, H., Berz, K., Chin, V., Walsh, I., Forth, P., Thogmartin, S., and Ramachandran, S. (2009). *The near-perfect retail bank*: The Boston Consulting Group.

Manrai, L. A., and Manrai, A. K. (2007). A field study of customers' switching behavior for bank services. *Journal of Retailing and Consumer Services, 14*(3), 208-215.

Marple, M., and Zimmerman, M. (1999). A customer retention strategy. *Mortgage Banking, 59*(11), 45.

Mathieu, J., and Zajac, D. (1990). A review and meta-analysis of the antecedents, correlates and consequences of organizational commitment. *Psychological Bulletin, 108*(2), 171-194.

Mavondo, F. T., and Rodrigo, E. M. (2001). The effect of relationship dimensions on interpersonal and interorganizational commitment in organizations conducting business between Australia and China. *Journal of Business Research, 52*(2), 111-121.

McDarby, M. (2007). *Why cross-selling fails*: Huthwaite, Inc.

McDonald, M., Millman, T., and Rogers, B. (1997). Key account management: Theory, practice and challenges. *Journal of Marketing Management, 13*(8), 737-757.

McDonald, M., and Woodburn, D. (2007). *Key account management: The definitive guide*. Oxford: Butterworth-Heinemann.

McKnight, H. D., and Chervany, N. L. (2002). What trust means in e-commerce customer relationships: An interdisciplinary conceptual typology. *International Journal of Electronic Commerce, 6*(2), 35-59.

McMahon, S. (2012). Ten of thousands of homeowners prepared to switch over rates. *Interest Rates*, February 9, from http://www.news.com.au/money/interest-rates/ten-of-thousands-of-home-owners-prepared-to-switch-over-rates/story-e6frfmn0-1226266394280

McMillan, G. S., and Maheshkumar, P. J. (1997). Sustainable competitive advantage and firm performance: The role of intangible resources. *Corporate Reputation Review, 1*(1), 81-85.

Menon, A., Jaworski, B. J., and Kohli, A. (1997). Product quality: Impact of interdepartmental interactions. *Journal of the Academy of Marketing Science, 25*(3), 187-200.

Metcalf, L. E., and Frear, C. (1993). The role of perceived product importance in organizational buyer-seller relationships. *Journal of Business-to-Business Marketing, 1*(3), 63-85.

Meuter, M. L., Ostrom, A. L., Roundtree, R. I., and Bitner, M. J. (2000). Self-service technologies: Understanding customer satisfaction with technology-based service encounters. *Journal of Marketing, 64*(3), 50-64.

Meyer, J. P., and Allen, N. J. (1984). Testing the 'side-bed theory' of organizational commitment: Some methodological considerations. *Journal of Applied Psychology, 69*(3), 372-378.

Meyer, J. P., and Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human Resource Management Review, 11*(3), 299-326.

Millman, T. (1999a). From national account management to global account management in business-to-business markets. *Fachzeitschrift Fur Marketing THEXIS, 16*(4), 2-9.

Millman, T. (1999b). *How well does the concept of global account management travel across cultures.* Paper presented at the Third International Conference on selling and major account management, Southampton, UK.

Millman, T., and Wilson, K. (1995). From key account selling to key account management. *Journal of Marketing Practice: Applied Marketing Science, 1*(1), 9-21.

Millman, T., and Wilson, K. (1999). *Developing global account management competencies.* Paper presented at the 15th Annual IMP Conference, Dublin, Ireland.

Mittal, B., and Lassar, W. M. (1998). Why customers switch? the dynamics of satisfaction versus loyalty. *Journal of Services Marketing, 12*(3), 177-194.

Mohr, J., and Nevin, J. R. (1990). Communication strategies in marketing channels: a theoretical perspective. *Journal of Marketing*, *54*(4), 36-51.

Möller, K., and Halinen, A. (2000). Relationship marketing theory: Its roots and direction. *Journal of Marketing Management, 16*(1-3), 29-54.

Moorman, C., Desphande, R., and Zaltman, G. (1993). Factors affecting trust in market research relationships. *Journal of Marketing*, *57*(1), 81-103.

Moorman, C., Zaltman, G., and Despande, R. (1992). Relationship between providers and users of marketing research: The dynamics of trust within and between organizations. *Journal of Marketing Research*, *29*(3), 314-328.

Morgan, R. M., and Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing, 58*(3), 20-38.

Moschis, G. P., and Nguyen, H. V. (2008). Affluent mature consumers: Preference and patronisation for financial services. *Journal of Financial Services Marketing, 13*(3), 259-267.

Mukherjee, A., and Nath, P. (2007). Role of electronic trust in online retailing: A re-examination of the commitment-trust theory. *European Journal of Marketing, 41*(9/10), 1173-1202.

Ngobo, P. V. (2004). Drivers of customers' cross-buying intentions. *European Journal of Marketing, 38*(9/10), 1129-1157.

Nguyen, N., and Leblanc, G. (2001). Corporate image and corporate reputation in customers' retention decisions in services. *Journal of Retailing and Consumer Services, 8*(4), 227-236.

Noble, S. M., and Phillips, J. (2004). Relationship hindrance: why would consumers not want a relationship with a retailer? *Journal of Retailing, 80*(4), 289-303.

O'Donnell, A., Durkin, M. G., and McCartan-Quinn, D. (2002). Corporate banking in the UK: Personal vs remote interaction. *International Journal of Bank Marketing, 20*(6), 273-285.

O'Loughlin, D. (2004). From relationships to experiences in retail financial services. *The International Journal of Bank Marketing, 22*(7), 522-539.

O'Reilly, C., and Chatman, J. (1986). Organizational commitment and pscyhological attachment: The effects of compliance, identification and internazionalization on prosocial behavior. *Journal of Applied Psychology, 71*(3), 492-499.

Oliver, R. L., and Swan, J. E. (1989). Equity and disconfirmation perceptions as influences on merchant and product satisfaction. *Journal of Consumer Research, 16*(3), 372-383.

Overby, J. W., and Lee, E. J. (2006). The effects of utilitarian and hedonic online shopping vaue on consumer preference and intention. *Journal of Business Research, 59*(10-11), 1160-1166.

Page, G., and Fearn, H. (2005). Corporate reputation: what do consumers really care about? *Journal of Advertising Research, 45*(3), 305-313.

Palmatier, R. W., Dant, R. P., Grewal, D., and Evans, K. R. (2006). Factors influencing the effectiveness of relationship marketing: A meta-analysis. *Journal of Marketing, 70*(4), 136-153.

Palmatier, R. W., Scheer, L. K., Houston, M. B., Evans, K. R., and Gopalakrishna, S. (2007). Use of relationship marketing programs in building customer-salesperson and customer-firm relationships: differential influences on financial outcomes. *International Journal of Research in Marketing, 24*(3), 210-223.

Parasuraman, A., Zeithaml, V. A., and Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing, 49*(4), 41-50.
Passavant, P. (1995). From the practitioners: retention marketing needs a new vision. *Journal of Direct Marketing, 9*(2), 2-4.
Patterson, P. G. (2004). A contingency model of behavioural intentions in a services context. *European Journal of Marketing, 38*(9/10), 1304-1315.
Patterson, P. G., Mandhacitara, R., and Smith, T. (2001). Switching cost a moderator of service satisfaction processes in Thailand. *Journal of International Consumer Marketing, 14*(1), 1-22.
Paulssen, M. (2009). Attachment orientations in business-to-business relationships. *Psychology & Marketing, 26*(6), 507-533.
Peppard, J. (2000). Customer relationship management in financial services. *European Management Journal, 18*(3), 312-327.
Peppers, D., Rogers, M., and Dorf, B. (1999). Is your company ready for one-to-one marketing? *Harvard Business Review, 77*(1), 151-160.
Perry, C., Cavaye, A., and Coote, L. V. (2002). Technical and social bonds within business-to-business relationships. *Journal of Business & Industrial Marketing, 17*(1), 75-88.
Peterson, R. A. (1995). Relationship marketing and the consumer. *Journal of the Academy of Marketing Science, 23*(4), 278-281.
Ping, R. A. (1993). The effects of satisfaction and structural constraints on retailer exiting, voice, loyalty, opportunism, and neglect. *Journal of Retailing, 69*(3), 320-352.
Pink, B., and Bascand, G. (2009). *ANZSCO - Australian and New Zealand standard classification of occupations*. Canberra: Australian Bureau of Statistics/Statistics New Zealand.
Plewa, C. (2009). Exploring organizational culture difference in relationship dyads. *Australasian Marketing Journal, 17*(1), 46-57.
Polo, Y., and Sesé, F. J. (2009). How to make switching costly: The role of marketing and relationship characteristics. *Journal of Service Research, 12*(2), 119-137.
PricewaterhouseCoopers. (2005). *A survey of foreign banks in Australia*: PricewaterhouseCoopers.
PricewaterhouseCoopers. (2007). *2007 Trends and perspectives: Customer retention in the consumer finance industry*: PricewaterhouseCoopers.
PricewaterhouseCoopers. (2008). *Customer retention and the mortgage industry*: PricewaterhouseCoopers.
Rajaobelina, L., and Bergeron, J. (2009). Antecedents and consequences of buyer-seller relationship quality in the financial services industry. *International Journal of Bank Marketing, 27*(5), 359-380.
Ranaweera, C., and Prabhu, J. (2003). The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting. *International Journal of Service Industry Management, 14*(4), 374-395.
Ranaweera, C., and Prabhu, J. (2003b). On the relative importance of customer satisfaction and trust as determinants of customer retention and positive word of mouth. *Journal of Targeting, Measurement & Analysis for Marketing, 12*(1), 82-90.

Rao, S., and Perry, C. (2002). Thinking about relationship marketing: Where are we now? *Journal of Business & Industrial Marketing, 17*(7), 598-614.
Reicheld, F. F. (1993). Loyalty-based management. *Harvard Business Review, 71*(2), 64-73.
Reichheld, F. F. (1996). *The loyalty effect: The hidden force behind growth, profits, and lasting value*. Boston, MA: Harvard Business School Press.
Reichheld, F. F. (2003). The one number you need to grow. *Harvard Business Review, 81*(12), 46-54.
Reichheld, F. F., and Kenny, D. W. (1990). The hidden advantages of customer retention. *Journal of Retail Banking, 12*(4), 19-23.
Reichheld, F. F., and Sasser, W. E. (1990). Zero defections: quality comes to services. *Harvard Business Review, 68*(5), 105-111.
Reinartz, W., and Kumar, v. (2000). On the profitability of long-life customers in a noncontractual setting: an empirical investigation and implications for marketing. *Journal of Marketing, 64*(4), 17-35.
Reinartz, W., and Kumar, V. (2002). The mismanagement of customer loyalty. *Harvard Business Review, 80*(7), 86-94.
Reinartz, W., and Kumar, V. (2003). The impact of customer relationship characteristics on profitable lifetime duration. *Journal of Marketing, 67*(1), 77-99.
Reinartz, W., Thomas, J. S., and Bascoul, G. (2008). Investigating cross-buying and customer loyalty. *Journal of Interactive Marketing, 22*(1), 5-20.
Reinartz, W., Thomas, J. S., and Kumar, V. (2005a). Balancing acquisition and retention resources to maximize customer profitability. *Journal of Marketing, 69*(1), 63-79.
Reinartz, W., Thomas, J. S., and KUmar, V. (2005b). Balancing acquisitition and retention resources to maximize customer profitability. *Journal of Marketing, 69*(1), 63-79.
Reiwa.com. (2012). Perth Suburb Profiles. Retrieved 22 March, 2012, from http://reiwa.com.au/Research/Pages/Perth-suburb-profiles.aspx?profile=suburb
ReserveBankofAustralia. (2008). *RBA submission to the inquiry into competition in the banking and non-banking sectors*. Sydney, NSW: Reserve Bank of Australia.
Reynolds, K. E., and Beatty, S. E. (1999). Customer benefits and company consequences of customer salesperson relationships in retailing. *Journal of Retailing, 75*(1), 11-32.
Rindova, V. P. (1997). The image cascade and the formation of corporate reputation. *Corporate Reputation Review, 1*(1 & 2), 188-194.
Roberts, P. W., and Dowling, G. R. (2002). Corporate reputation and sustained superior financial performance. *Strategic Management Journal, 23*(1), 1077-1093.
Rootman, C., Tait, M. l., and Bosch, J. (2008). Variables influencing the customer relationship management of banks. *Journal of Financial Services Marketing, 13*(1), 52-62.
Rylander, D., Strutton, D., and Pelton, L. E. (1997). Toward a synthesized framework of relational commitment: Implications for marketing channel theory and practice. *Journal of Marketing Theory and Practice, 5*(1), 58-71.
Sanders, R. (1987). The Pareto Principle: Its use and abuse. *Journal of Services Marketing, 1*(2), 37-40.

Sarel, D., and Marmorstein, H. (2003). Marketing online banking services: The voice of the customer. *Journal of Financial Services Marketing, 8*(2), 106-118.
Sarel, D., and Marmorstein, H. (2004). Marketing online banking to the indifferent consumer: A longitudinal analysis of banks' actions. *Journal of Financial Services Marketing, 8*(3), 231-243.
Sathye, M. (1999). Adoption of internet banking by Australian consumers: An empirical investigation. *International Journal of Bank Marketing, 17*(7), 324-334.
Saunders, M., Lewis, P., and Thornhill, A. (2007). *Research methods for business students* (4th ed.). Harlow, England: Financial Times/Prentice Hall.
Sayar, C., and Wolfe, S. (2007). Internet banking market performance: Turkey versus the UK. *International Journal of Bank Marketing, 25*(3), 122-141.
Sekaran, U. (2003). *Research methods for business: A skill building approach* (4th ed.). New York: John Wiley & Sons.
Selnes, F. (1998). Antecedents and consequences of trust and satisfaction in buyer-seller relationships. *European Journal of Marketing, 32*(3/4), 305-322.
Shapiro, C. (1983). Premiums for high quality products as returns to reputations. *Quarterly Journal of Economics, 98*(4), 659-679.
Sharma, N., and Patterson, P. (2000). Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional services. *International Journal of Service Industry Management, 11*(5), 470-490.
Sharma, N., and Patterson, P. G. (1999). The impact of communication effectiveness and service quality on relationship commitment in consumer, professional services. *Journal of Services Marketing, 13*(2), 151-170.
Sheth, J. N. (2002). The future of relationship marketing. *Journal of Services Marketing, 16*(7), 590-592.
Sheth, J. N., Garder, D., and Garrett, D. (1988). *Marketing theory: Evolution and evaluation*. New York: John Wiley & Sons.
Shi, L. H., Shaoming, Z., White, J. C., McNally, R. C., and Cavusgil, S. T. (2005). Executive Insights: Global account management capability: Insights from leading suppliers. *Journal of International Marketing, 13*(2), 93-113.
Shugan, S. M. (2005). Brand loyalty programs: Are they shams? *Marketing Science, 24*(2), 185-193.
Sichtmann, C. (2007). An analysis of antecedents and consequences of trust in a corporate brand. *European Journal of Marketing, 41*(9/10), 999-1015.
Sirdeshmukh, D., Singh, J., and Sabol, B. (2002). Consumer trust, value, and loyalty in relational exchanges. *Journal of Marketing, 66*(1), 15-37.
Soureli, M., Lewis, B. R., and Karantinou, K. M. (2008). Factors that affect consumers' cross-buying intention: A model for financial services. *Journal of Financial Services Marketing, 13*(1), 5-16.
Srivastava, R., and Shocker, A. (1987). Strategic challenges in the financial services industry. In A. Pettigrew (Ed.), *The management of strategic change*. Oxford, England: Basil Blackwell.
Sudman, S., and Blair, E. (1998). *Marketing research: A problem-solving approach*. New York, NY: McGraw-Hill.
Swan, J. E., Trawick, I. F., and Silva, D. W. (1985). How industrial salespeople gain customer trust. *Industrial Marketing Management, 14*(3), 203-231.

Swartz, T. A., and Iacobucci, D. (2000). *Handbook of services marketing and management*. Thousand Oaks: Sage Publications.
Tellefsen, T., and Thomas, G. P. (2005). The antecedents and consequences of organizational and personal commitment in business service relationships. *Industrial Marketing Management, 34*(1), 23-37.
Thaler, R. H. (1985). Mental accounting and consumer choice. *Marketing Science, 4*(3), 199-214.
Turnbull, P. W., and Wilson, D. T. (1989). Developing and protection profitable customer relationships. *Industrial Marketing Management, 18*(3), 233-238.
Vazquez-Carrasco, R., and Foxall, G. R. (2006). Positive vs. negative switching barriers: The influence of service consumers' need for variety. *Journal of Consumer Behaviour, 5*(4), 367-379.
Venkatesh, R., and Mahajan, V. (1993). A probablistic approach to pricing a bundle of products or services. *Journal of Marketing Research, 30*(4), 494-508.
Verhoef, P. C. (2003). Understanding the effect of customer relationship management efforts on customer retention and customer share development. *Journal of Marketing, 67*(4), 30-45.
Verhoef, P. C., and Donkers, B. (2005). The effect of acquisition channels on customer loyalty and cross-buying. *Journal of Interactive Marketing, 19*(2), 31-43.
Verhoef, P. C., Franses, P. H., and Hoekstra, J. C. (2001). The impact of satisfaction and payment equity on cross-buying: A dynamic model for a multi-service provider. *Journal of Retailing, 77*(3), 359-378.
Verhoef, P. C., Franses, P. H., and Hoekstra, J. C. (2002a). The effect of relational constructs on customer referrals and number of services purchased from a multiservice provider: does age of relationship matter? *Journal of the Academy of Marketing Science, 30*(3), 202-216.
Vesel, P., and Zabkar, V. (2010). Relationship quality evaluation in retailers' relationships with consumers. *European Journal of Marketing, 44*(9/10), 1334-1365.
Voss, G. B., and Voss, Z. G. (2008). Competitive density and the customer acquisition-retention trade-off. *Journal of Marketing, 72*(6), 3-18.
Vyas, R. S., and Math, N. R. B. (2006). A comparative study of cross-selling practices in public and private sector banks in India. *Journal of Financial Services Marketing, 10*(4), 123-134.
Walsh, G., Dinnie, K., and Wiedmann, K.-P. (2006). How do corporate reputation and customer satisfaction impact customer defection? A study of private energy customers in Germany. *Journal of Services Marketing, 20*(6), 412-420.
Walsh, S., Gilmore, A., and Carson, D. (2004). Managing and implementing simultaneous transaction and relationship marketing. *International Journal of Bank Marketing, 22*(7), 468-483.
Weinstein, A. (2002). Customer retention: A usage segmentation and customer value approach. *Journal of Targeting, Measurement and Analysis for Marketing, 10*(3), 259-268.
Weitz, B. A., and Bradford, K. D. (1999). Personal selling and sales management: A relationship marketing perspective. *Journal of the Academy of Marketing Science, 27*(2), 241-254.

Wetzels, M., Ruyter, K., and Birgelen, M. (1998). Marketing service relationships: The role of commitment. *Journal of Business & Industrial Marketing, 13*(4/5), 406-423.

White, L., and Yanamandram, V. (2007). A model of customer retention of dissatisfied business services customers. *Managing Service Quality, 17*(3), 298-316.

Wijnholds, H. B., and Little, M. W. (1988). One-stop financial shopping-in search of consumer markets. *The Journal of Services Marketing, 2*(1), 39-48.

Williams, J. D., Han, S. L., and Qualls, W. J. (1998). A conceptual model and study of cross-cultural business relationships. *Journal of Business Research, 42*(2), 135-143.

Williamson, O. (1975). *Market and Hierarchies*. New York: Free Press.

Wilson, D. T. (1995). An integrated model of buyer-seller relationships. *Journal of the Academy of Marketing Science, 23*(4), 335-345.

Wilson, D. T., and Jantrania, S. (1994). Understanding the value of a relationship. *Asia-Australia Journal of Marketing, 2*(1), 55-66.

Wilson, D. T., and Mummalaneni, V. (1986). Bonding and commitment in buyer-seller relationships: A preliminary conceptualisation. *Industrial Marketing & Purchasing, 1*(3), 44-58.

Wong, A., and Sohal, A. (2002). An examination of the relationship between trust, commitment, and relationship quality. *International Journal of Retail & Distribution Management, 30*(1), 34-50.

Wong, D. H., Rexha, N., and Phau, I. (2008). Re-examining traditional service quality in an e-banking era. *International Journal of Bank Marketing, 26*(7), 526-545.

Woo, K.-S., and Fock, H. K. Y. (2004). Retaining and divesting customers: An exploratory study of right customers. "at-risk" right customers, and wrong customers. *Journal of Services Marketing, 18*(3), 187-197.

Wotruba, T. R., and Castleberry, S. B. (1993). Job analysis and hiring practices for national account marketing positions. *Journal of Personal Selling & Sales Management, 13*(3), 49-65.

Yanamandram, V., and White, L. (2006). Switching barriers in business-to-business services: A qualitative study. *International Journal of Service Industry Management, 17*(2), 158-192.

Yavas, U., Benkenstein, M., and Stuhldreier, U. (2004). Relationships between service quality and behavioral outcomes: A study of private bank customers in Germany. *International Journal of Bank Marketing, 22*(2), 144-157.

Yoda, T., and Kumakura, T. (2007). Effect of unfairness on customer satisfaction: New insights into customer retention. *Innovative Marketing, 3*(1), 44-55.

Yoon, E., Guffey, H. J., and Kijewski, V. (1993). The effects of information and company reputation on intentions to buy a business service. *Journal of Business Research, 27*(3), 215-228.

Zboja, J. J., and Hartline, M. D. (2010). Using internal relationship marketing activities to enhance cross-selling performance in services. *Journal of Relationship Marketing, 9*(3), 117 - 131.

Zeithaml, V. A., Berry, L. L., and Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing, 60*(2), 31-46.

Zikmund, W. G., Ward, S., Lowe, B., Winzar, H., and Babin, B. J. (2011). *Marketing research* (2nd Asia-Pacific ed.). Melbourne: Cengage Learning.

Zineldin, M., and Jonsson, P. (2000). An examination of the main factors affecting trust/commitment in supplier/dealer relationships: An empirical study of th Swedish wood industry. *The TQM Magazine*, *12*(4), 245-265.

Appendix A

Relationship Manager Qualitative Survey

BANKING SURVEY 2010

1. What makes your bank different from other banks and why do you think customers go to your bank?

   ____

   ____

   ____

   ____

2. What do you think your customers expect from you as their financial advisor?

   ____

   ____

   ____

   ____

3. (a) How can you gain the trust of your customers as a financial advisor?

   ____

   ____

   ____

   ____

   (b) Would you behave differently for new and long-term customers?

   ____

   ____

   ____

   ____

4. How do you maintain your relationship with your existing customers?

   ____

   ____

   ____

   ____

5. What do you think are the differences in the buying behaviour of long-term customers versus a new customer to the bank?

____

____

____

____

6. How do you encourage and convince your customer for buying more products from your bank?

____

____

____

____

7. Can you think of a highly committed customer of yours and describe his/her purchase of the bank's products?

____

____

____

____

Scenario Questions

Scenario 1:

"David has been a long-time customer of Bank X. But lately he has experienced very poor service. His Relationship Manager does not contact him regularly, and he feels it is difficult to trust his Relationship Manager. After such deliberation, however, he still decides to stay with the bank."

What do you think influenced his decision?

____

____

____

____

Scenario 2:

"Amy and Cindy are two of your committed customers who have been with your bank for more than 5 years. Although they both are well informed about your products, Amy has her accounts spread over several banks, whereas Cindy has all her accounts with one bank. "

(a) Why do you think this could happen?

(b) What can you do for encouraging people like Amy to keep buying your products?

Appendix B

Customer Qualitative Survey

BANKING SURVEY 2010

1. What comes to your mind when we talk about a great bank to do our banking with?
   ____
   ____
   ____
   ____

2. If you are dealing with bank employees, what do you expect from them?
   ____
   ____
   ____
   ____

3. Please complete the following sentence: *I would trust my bank more if only they would/wouldn't*____
   ____
   ____
   ____

4. Have you experienced that you are not happy with your bank but still stayed with the bank? What influenced your decision?
   ____
   ____
   ____
   ____

5. (a) What would you look for in a Relationship/Customer Manager in a bank?
   ____
   ____
   ____

(b) How has your relationship with him/her changed over the years?

____

____

____

____

Scenario Questions

Scenario 1:

"You have been with your main bank for many years. Currently you only have a savings account and a credit card with the bank. It is time for you to replace your car with a new one, and you are looking for a car loan".

(a) Do you think you will be financing your new car with your existing bank?

____

____

____

____

____

(b) What would influence your decision?

____

____

____

____

____

Scenario 2:

"You are very disappointed with your bank because of their poor services such as unfriendly employees, long queues and complicated procedures. The poor service had made you think of switching to another bank".

(a) What would you consider before you make your decision to switch banks?

____

____

____

____

____

____

____

(b) If you have friendships with certain staff at the bank, would this influence your decision?

____

____

____

____

____

____

____

____

Appendix C

Customer Quantitative Survey

BANKING SURVEY 2010

Dear Respondent,

Curtin University has commenced a very important research study on banking in Australia. The purpose of the study is to assess consumers' attitude toward their main bank (the bank that used the most for transactions) . Since the validity of the results depend on obtaining a high response rate, your participation is crucial to the success of this study.

The enclosed questionnaire has been reviewed and approved by the Curtin University Ethics Committee to meet Curtin University of Technology's policy on research with low risk involving human participants (Approval No. SOM2010013).

The questionnaire should take about 10 minutes to complete. Only the research staff will have access to your responses, which will remain confidential and private. Names, addresses and other personal / organisational details will not be identified, or divulged to any third party.

Please try to answer all of the questions. If you require further assistance or information about the questionnaire or the research, please contact the researcher using the details below.

Your kind cooperation is highly appreciated.

Researcher: Patria Laksamana

Phone: 0433 291971

Email : patria.laksamana@postgrad.curtin.edu.au

Supervisor: Dr. David Wong

Phone: 9266 3289

Email : david.wong@cbs.curtin.edu.au

Curtin University of Technology

BANKING SURVEY 2010

1	Please rate the extent to which you think that YOUR MAIN BANK fits the following statements (Please circle one number for each statement).	*Strongly Disagree*						*Strongly Agree*
1.	My bank is highly regarded in the finance industry.	1	2	3	4	5	6	7
2.	My bank is known to be concerned about customers.	1	2	3	4	5	6	7
3.	My bank is one of the most capable firms in the finance industry.	1	2	3	4	5	6	7
4.	My bank has high integrity.	1	2	3	4	5	6	7
5.	My bank keeps promises it makes to me.	1	2	3	4	5	6	7
6.	My bank can be trusted at all times.	1	2	3	4	5	6	7
7.	My bank is trustworthy.	1	2	3	4	5	6	7
8.	My bank is genuinely concerned with my needs.	1	2	3	4	5	6	7

2	Do you have a main contact person or Relationship Manager that you mainly deal with in your bank?
	[ ] Yes (Please continue to section 3).
	[ ] No (Please continue to section 4).

3	Please rate the extent to which you agree with the following statements regarding your RELATIONSHIP MANAGER (Please circle one number for each statement).	*Strongly Disagree*						*Strongly Agree*
1.	My Relationship Manager has good financial expertise.	1	2	3	4	5	6	7
2.	My Relationship Manager knows his/her products and services very well.	1	2	3	4	5	6	7
3.	I often interact with my Relationship Manager on a social basis outside of work.	1	2	3	4	5	6	7
4.	My Relationship Manager and I are able to talk openly as friends.	1	2	3	4	5	6	7
5.	I consider my Relationship Manager as being almost as close to me as family.	1	2	3	4	5	6	7
6.	If I were to change my bank, I would lose a good friend who happened to work as a Relationship Manager.	1	2	3	4	5	6	7
7.	I would consider whether my Relationship Manager's feelings would hurt before switching to another bank.	1	2	3	4	5	6	7
8.	I obtain timely information from my Relationship Manager.	1	2	3	4	5	6	7
9.	I obtain accurate information from my Relationship Manager.	1	2	3	4	5	6	7
10.	I obtain useful information from my Relationship Manager.	1	2	3	4	5	6	7
11.	I obtain credible information from my Relationship Manager.	1	2	3	4	5	6	7
12.	I obtain information from my Relationship Manager frequently.	1	2	3	4	5	6	7

4	Please rate the extent to which you agree with the following statements regarding SWITCHING TO ANOTHER BANK (Please circle one number for each statement).	*Strongly Disagree*						*Strongly Agree*
1.	Too much bother in terms of time and effort.	1	2	3	4	5	6	7
2.	I am concerned about financial loss.	1	2	3	4	5	6	7
3.	I feel locked in because of the products I have with my current bank.	1	2	3	4	5	6	7
4.	If I needed to change my bank, there are other good banks to choose from.	1	2	3	4	5	6	7
5.	I would probably be happy with the products and services of another bank.	1	2	3	4	5	6	7
6.	Compared to my bank, there are other banks with which I would probably be equally or more satisfied.	1	2	3	4	5	6	7

5 Please rate the extent to which you agree with the following statements regarding YOUR RELATIONSHIP TO YOUR BANK (Please circle one number for each statement).	*Strongly Disagree*						*Strongly Agree*
1. I will stay with my bank for the next six months.	1	2	3	4	5	6	7
2. I will stay with my bank for the next year.	1	2	3	4	5	6	7
3. I will stay with my bank for the next two years.	1	2	3	4	5	6	7
4. I am not looking for another bank to replace my current bank.	1	2	3	4	5	6	7
5. The relationship is important to me.	1	2	3	4	5	6	7
6. I wish to retain my relationship with my current bank.	1	2	3	4	5	6	7

6 Please tell us the total number of accounts or products used at your MAIN BANK (Please circle one number for each statement).	Number of Accounts/ Products Used			
1. Everyday accounts.	[none]	[1]	[2]	[more than 2]
2. Credit cards.	[none]	[1]	[2]	[more than 2]
3. Loans (home loans, car loans, student loans, etc.).	[none]	[1]	[2]	[more than 2]
4. Insurance policies.	[none]	[1]	[2]	[more than 2]
5. Investments (term deposits, saving plan, etc.).	[none]	[1]	[2]	[more than 2]
6. International (bought travellers cheques, foreign exchange).	[none]	[1]	[2]	[more than 2]

7 To analyse the information we get from this survey, we need to be able to classify information. This information about yourself will not be used for identification, but used only for establishing broad categories. The University will not link your personal details to your responses in this questionnaire.

A What is your Gender?

[1] Male [2] Female

B What is your Age? (years).

[1] Under 20 [3] 30 – 39 [5] 50 – 59
[2] 20 – 29 [4] 40 - 49 [6] 60 +

C What is your Highest Formal Qualification?

[1] Completed Secondary School
[2] Trade Qualification/Diploma
[3] Bachelor Degree
[4] Post Graduate Qualification
[5] Other: ___________

D What is your Occupational Classification? (please select one).

[1] Managers
[2] Professionals
[3] Technicians & Trade Workers
[4] Community & Personal Service Workers
[5] Clerical & Administrative Workers
[6] Sales Workers
[7] Machinery Operators & Drivers
[8] Labourers
[9] Self employed/ Business Owner
[10] Other: ___________

E What is your Household Annual Income Before Tax? (Dollars/Year Before Tax)

[1] Less than $35,000
[2] $35,001 - $80,000
[3] $80,001 – $130,000
[4] $130,001 - $180,000
[5] $180,001 and over

This is the end of the questionnaire, thank you for your participation