ISCTE ⊗ Business School
Instituto Universitário de Lisboa

PERSONALIZED SERVICES:
COMPETITIVE ADVANTAGE IN THE PORTUGUESE
RETAIL BANKING MARKET

Catarina da Silva e Gama Ataíde de Noronha Sêrro

Project submitted as partial requirement for the conferral of

Master in Marketing

Supervisor:

Prof.ª Doutora Sacramento Costa, Prof.ª Instituto Superior de Novas Profissões,
Departamento de Comunicação e Turismo, Prof.ª Instituto Superior de Gestão,
Departamento de Economia e Gestão

Co-Supervisor:

Prof.ª Doutora Margarida Cardoso, Prof.ª Associada ISCTE *Business School*,
Departamento de Métodos Quantitativos

April 2013

ACKNOWLEDGEMENTS

The completion of this thesis is a life achievement that depended on the support of several people that I consider fundamental in my life.

Firstly, I would like to thank my Supervisor, Prof.ª Doutora Sacramento Costa, who guided me in to making this investigation an interesting work, for all her stimulating suggestions and for all the support provided in the conclusion of this thesis. I would like to thank my Co-Supervisor, Prof.ª Doutora Margarida Cardoso, for all her support, patience and availability to help me during the most difficult parts.

Secondly, I would like to thank and show my appreciation to my parents and my brother, for believing in me, for their love and for supporting me. Their faith helped me overcome the difficulties found during the course of my thesis.

Thanks to Doutora Sandra Tomás, I had the motivation needed to finish this project. Her precious help and support had a very important role in this achievement.

I would also like to thank my great friends for all their support, especially Bárbara Silveira and Patrícia Palma, whose help was crucial for the completion of this study.

Finally, I would like to thank and to dedicate this thesis to my wonderful husband, whose love and support helped me focus and stay motivated until the end.

RESUMO

Durante as últimas duas décadas, o mundo empresarial sofreu mudanças significativas relativamente à tecnologia, pensamento de marketing, comportamento do consumidor, entre outras.

Na nova abordagem de marketing, também conhecida como marketing relacional, o consumidor é o foco da empresa. Fornecer a melhor experiência de um produto ou serviço, tornou-se no objectivo principal das empresas. Criar e desenvolver relações com o cliente é o centro do marketing relacional. De forma a criar e desenvolver estas relações, as empresas recorrem a estratégias de *Customer Relationship Management*.

A personalização é uma ferramenta de CRM que ajuda as empresas a criar relações de longo prazo com os seus clientes a um nível pessoal. As empresas recorrem a métodos de personalização para transformar um simples produto ou serviço numa solução personalizada, indo de encontro às expectativas do cliente, criando valor percebido, gerando satisfação e desenvolvendo uma atitude positiva em relação à empresa. Assim sendo, a personalização é considerada como um estímulo de fidelização e de vantagem competitiva.

No sector bancário português, caracterizado pela intensificação da recessão económica em que Portugal vive actualmente e pela emergência de diversos novos bancos que utilizam estratégias agressivas de angariação de clientes, pode a personalização dos serviços bancários gerar a satisfação dos clientes, fidelidade e, consequentemente, vantagem competitiva?

Após a análise dos dados recolhidos através de um questionário e da verificação das hipóteses, conclui-se que a personalização dos serviços bancários não é suficiente para ser considerada como um elemento de vantagem competitiva, quando a concorrência é agressiva.

Palavras-Chave: Personalização, Banca, Vantagem Competitiva, Serviços

JEL: M31, L89

ABSTRACT

For the past two decades, the business world has witnessed significant changes regarding technology, marketing thinking, consumer behavior, among others.

In the new marketing approach, also known as relational marketing, the customer is the focus of the company. Providing the best experience of a certain product or service has become the companies' main goal. Creating and developing relationships with the customers is the core of relational marketing. In order to create and develop these relationships, companies use Customer Relationship Management strategies.

Personalization is a CRM strategy tool that helps companies create long term relationships with their customers on an individual basis. Companies are using personalization processes to transform a simple product or service into a customized solution for customers, meeting their expectations, creating perceived product value, satisfaction and a positive attitude towards the company. On this note, personalization is considered to stimulate customer loyalty and generate competitive advantage.

In the Portuguese retail banking market, characterized by the intensification of economic recession that Portugal is living and by the emergence of several new banks that use aggressive strategies for customer acquisition, can the personalization of the bank's services develop customer satisfaction, loyalty and, consequently, competitive advantage?

After analyzing the data gathered through a questionnaire and the verification of the hypothesis, the investigation concluded that the personalization of the banking services is not enough to be considered as competitive advantage, when the competition is aggressive.

SUMÁRIO EXECUTIVO

Este projecto tem por base o tema de marketing relacional, mais especificamente, a personalização de serviços bancários. A investigação baseia-se no sector bancário português.

Devido a todas as mudanças que o mundo empresarial tem sofrido ao longo das últimas décadas, tais como a revolução tecnológica e, consequentemente, a globalização, os mercados tornaram-se saturados. Esta situação alterou o comportamento dos consumidores. Tendo os clientes mais opções de escolha a preços bastante competitivos, estes tornaram-se mais exigentes quanto à maneira como querem ser servidos pelas empresas. Deste modo, as empresas sentiram uma grande necessidade de alterar a sua abordagem de marketing, com o objectivo de aumentar a sua vantagem competitiva num mercado global já por si competitivo.

Na nova abordagem de marketing, também conhecida como marketing relacional, o consumidor é o foco da empresa. Fornecer a melhor experiência de um produto ou serviço, tornou-se no objectivo principal das empresas. Criar e desenvolver relações com o cliente é o centro do marketing relacional. De forma a criar e desenvolver estas relações, as empresas recorrem a estratégias de *Customer Relationship Management* (CRM).

CRM é uma estratégia empresarial que, através do uso de tecnologia, gere as relações entre empresa e consumidor, transformando a oferta numa experiência personalizada, fidelizando, assim, os seus clientes e, portanto, permitindo à empresa atingir vantagem competitiva no mercado.

A personalização é uma ferramenta de CRM que ajuda as empresas a criar relações de longo prazo com os seus clientes a um nível pessoal. As empresas recorrem a métodos de personalização para transformar um simples produto ou serviço numa solução personalizada, indo de encontro às expectativas do cliente, criando valor percebido, gerando satisfação e desenvolvendo uma atitude positiva em relação à empresa. Assim

sendo, a personalização é considerada como um estímulo de fidelização e de vantagem competitiva.

O principal objectivo da presente investigação consiste em verificar se, no contexto de CRM, a personalização dos serviços bancários portugueses gera vantagem competitiva no sector bancário que se encontra actualmente saturado. Com o estudo pretende-se analisar o que estimula o ciente a ser leal ao seu banco, qual é relação entre a qualidade percebida e a satisfação do cliente, e qual a influência que os serviços personalizados têm sobre a satisfação do cliente.

De forma a atingir os objectivos da investigação, foi adoptada uma abordagem quantitativa para analisar os dados recolhidos através do questionário que foi aplicado online e enviado via *e-mail* e *Facebook,* entre 13 e 31 de Março de 2013. O universo alvo é constituído por todos os indivíduos que possuem uma conta bancária ou que de certa forma beneficiam de serviços bancários, de ambos os sexos e que residem em Portugal. Neste estudo foi utilizada uma amostra por conveniência e *snowball.* A amostra final é constituída por 308 indivíduos.

Numa primeira fase, foi elaborada uma análise descritiva dos dados recolhidos. Estes dados foram analisados por banco e foi feita uma caracterização do perfil sociodemográfico e da percepção do cliente. Numa segunda fase, foi realizada uma análise das componentes principais para posterior teste às hipóteses.

As hipóteses 1 e 2 foram verificadas, confirmando a revisão de literatura de que a personalização dos serviços bancários têm uma influência positiva na satisfação do cliente, e que a relação entre a qualidade percebida e a satisfação do cliente funciona como um ciclo vicioso, um influência o outro. Contudo, não ficou esclarecido qual dos constructos é o *driver.*

Após o teste às hipóteses 1 e 2, sentiu-se a necessidade de analisar a relação entre a personalização, a qualidade percebida e a satisfação. Os resultados indicaram que existe uma relação triangular entre os constructos.

As hipóteses 3 e 4 não foram verificadas pelas análises estatísticas, indicando que a maioria dos clientes, quando se deparam com ofertas de melhores condições, podem envolver-se em comportamentos de mudança de bancos, ou seja, os clientes não são fieis ao seu banco.

Em conclusão, a personalização dos serviços bancários não é suficiente para ser considerada como um elemento de vantagem competitiva para o banco, quando a concorrência é agressiva no que respeita a melhores ofertas. Embora a personalização dos serviços aumente a satisfação do cliente, não é suficientemente forte para manter clientes num sector bancário competitivo.

INDEX

FIGURE INDEX

TABLE INDEX

CHART INDEX

INTRODUCTION

Due to all the changes that the business world has suffered for the last decades, such as the technology revolution and, consequently, globalization, the markets have become saturated. This situation changed the customers' behavior. Now that consumers have more choice at competitive prices, they have become more demanding when it comes to the way they are served by the companies. Thus, companies felt the urgent need to change their marketing approach in order to get competitive advantage in this globally competitive business world.

In the new marketing approach, also known as relational marketing, the customer is the focus of the company. Providing the best experience of a certain product or service has become the companies' main goal. Creating and developing relationships with the customers is the core of relational marketing. In order to create and develop these relationships, companies use Customer Relationship Management (CRM) strategies.

CRM is a business strategy that, with the use of technology, manages the relationship between the company and the customer, turning the offer into personalized experiences, thus, developing customer's loyalty and, therefore, allowing the company to achieve competitive advantage.

Personalization is a CRM strategy tool that helps companies create long term relationships with their customers on an individual basis. Through personalization processes, companies are converting a simple product or service into a customized solution for customers, meeting their expectations, thus generating satisfaction and a positive attitude towards the company. On this note, personalization is considered to stimulate customer loyalty and generate competitive advantage.

This investigation's main objective consist in verifying if, in a CRM context, personalizing the Portuguese retail bank services will create a competitive advantage in today's saturated retail banking market. The study aims to analyze what stimulates a customer to be loyal to his/hers bank, what is the relationship between the perceived

quality and the customer's satisfaction and what is the influence that personalized services have on customer's satisfaction.

In order to achieve the investigation's objectives, a quantitative methodology was used to analyze the data gathered from a questionnaire that was administered online and sent via email and Facebook between March 13 and March 31, 2013. The target universe consists of all individuals who have a bank account or who are in any way benefiting of bank services, both genders and living in Portugal. In this study it was used a non-probabilistic sample, through convenience and snowball techniques. The final sample consists of 308 individuals.

Firstly, a descriptive data analysis was formulated dividing the sample according to the bank's frequency, characterizing both the sample's socio-demographic profile and the customer's perception. On a second phase, a Principal Component Analysis (PCA) was conducted with the purpose of testing the hypothesis.

This thesis consists of the following chapters:

Chapter 1 – Literature Review: in this chapter, a summary of the fundamental topics is made according to the theme of the investigation and the most recognized authors regarding each topic.

Chapter 2 – Conceptual Framework and Hypothesis: in this chapter the study's main objectives are defined, as well as the investigation's conceptual framework and its hypothesis.

Chapter 3 – Methodology: this chapter describes how the data was gathered, the target universe, the sample, the questionnaire's constructs and how the data will be analyzed in the following chapter.

Chapter 4 – Statistical Data Analysis: in this final chapter, it is described the analysis made on the data gathered through the questionnaire, along with the verification of the hypothesis.

The thesis ends with a description of the study's findings, managerial implications, limitations and future research suggestions.

CHAPTER 1 - LITERATURE REVIEW

1.1 The New Marketing Approach

Kotler (1999) said that *Marketing is constantly changing and if you don't change, you die!* With this in mind, looking at the past 2 decades we witnessed a significant change in business, technology, marketing thinking, consumer behavior, among others. These changes were consequence of two major revolutions: technology and globalization (Kotler, 1999).

Before these revolutions, the traditional marketing approach focused on the product, increasing the profits and it was market share oriented (Johnson and Selnes, 2004; Peppers and Rogers, 2004). But with the technology revolution, new and pioneer companies had the opportunity of selling the same products as the other companies in the market but with a competitive price.

The digitalization was one of the revolutionary forces of technology, it changed completely the concept of space, time and size. Certain products took the format of "bits" and can now be sent via internet, to any place in the world in an incredible speed at a very low cost (Kotler, 1999). Amazon is the most famous of pioneer companies that took advantage of the digitalization revolution. By being an online company, Amazon didn't need a physical space to sell, hence, the costs for supporting physical stores do not exist, and the fact that is online also allows the company to reach customers despite of the distance. By selling books in a digitalized format, the company discards the physical issues of delivery, which means that the costs of storage, packaging and transportation are very low if non-existent, and more, the transfer of the product is made almost instantly.

Technology was the propulsion of globalization (Kotler, 1999). Because of technology, the distance became a fact of no importance, and companies now can sell to any place in the world, people can buy products made on the other side of the world and have it home delivered.

These revolutions had an intense impact on the market. The global competition and the saturated markets generated more demanding customers (Woodruff, 1997) and that created in the companies an urgent need to change their marketing approach in order to get competitive advantage (the concept will be developed in the topic "Relationship between Loyalty and Competitive Advantage").

The new marketing approach focus on the customer, it aims to create and develop relationships with the customers, the true value of the company now lies in the customer´s experience (Kotler, 1999; Peppers and Rogers, 2004).

The Relationship Marketing supports the idea that retaining a customer has an economic advantage when the markets are saturated, and creating relationships with the customers will intensify loyalty (Verhoef, 2003; Reichheld and Sasser, 1990). Thus, a new strategy thinking was developed: the Customer Relationship Management (CRM).

A review of literature suggests that the most significant loyalty driver is customer satisfaction. Customer satisfaction will provide the company with long lasting relationships with their customers (East, 1997; Jamal, 2004; Jamal and Adelowore, 2008). And how does a company create customer satisfaction with all these changes? Today's customers are more demanding, they want to be treated as individuals, they want the companies to look at them differently, they want the service to be personalized and unique to them (Gwinner et al, 2005; Peppers and Rogers, 2004; Sheng and Nah, 2008). Thus, personalizing products and services is the key to answer the customers' needs, keeping them satisfied.

1.2 The CRM Thinking

In the new way of making business, companies are realizing that the way for competitive advantage is retaining their customers by creating relationships with them, thus making them loyal. The Customer Relationship Management is the strategy that, with the usage of new technologies, will help companies develop those relationships.

The Customer Relationship Management aims to maintain and enhance competitive advantage by managing the relationships between the company and their customers (Chowdhary, 2001). The purpose is to increase the value of each customer (Peppers and Rogers, 2004).

There are many definitions of CRM, Chou et al (2002) define CRM as a software and methodologies concept used to support companies in managing their relationships with the customers; Chowdhary (2001) suggest that CRM is a strategy that consists of skills, processes and technologies that manages the company's customers as tangible assets developing and maintaining lifelong relationships with the company by providing customized and well differentiated experiences; according to Peppers and Rogers (2004), CRM is a business strategy that interpreters its goals in a customer-specific approach, thus taking customer-specific actions. For these authors, CRM is more than just a strategy, it is a business philosophy because it represents how all customers want to be served independently of their age, gender, location and industry; It consists of *treating different customers differently.*

For Wen et al (2003), a good CRM strategy consist of four features:

- *Relationship Management:* by providing the customers with customized services that draws and maintains customers, it will increase customer satisfaction;

- *Sales Force Automation:* with the use of technology that tracks customer's account history, it will automate sales promotions and provide information to assist predicting sales;

- *Technology:* the use of technology (including data mining and data warehouse) allows companies to offer customized services, providing competitive advantage;

- *Opportunity Management:* when using the features above, they will help manage unpredictable situations like an increase of demand

and, therefore, it will allow companies to optimize the supply, meeting the customer's needs.

CRM can be interpreted in many different ways. Many executives base their thinking of CRM in technology because this type of strategy relies on it to properly operate. However it is not the technology feature that actually defines CRM (Peppers and Rogers, 2004). Ultimately, it is the act of developing a relationship with the customers that allows the company to provide customized products and services, differentiating customers from each other, thus increasing customer satisfaction and, consequently, loyalty assuring a leading position among competitors.

According to the literature review, a short definition of CRM is the following:

CRM is a business strategy that, with the use of technology, manages the relationship between the company and the customer, turning the offer into personalized experiences, thus, developing customer's loyalty and, therefore, allowing the company to achieve competitive advantage.

1.3 Loyalty

Making your customer loyal is better than having to look for new customers to buy your product (Reichheld and Sasser, 1990).

In the literature there are two types of loyalty: one that is based on the attitude of repeated purchase, and another that takes in consideration the psychological factor and commitment to a specific brand resulting in brand consumption repetition (Beerli et al, 2004; Dick and Basu, 1994; Jacoby and kyner, 1973; Oliver, 1999).

Loyalty has many definitions based on the frequency of repeat purchase and few definitions that are based on the psychological meaning of it (Oliver, 1999). Zeithaml et al (1996) define loyalty as the customer's conscious intent to remain with the brand, engaging in repeat purchases, exploring more products from the same brand and recommending it. This type of loyalty demands a degree of commitment from the customer.

According to Oliver (1999), loyalty is a profoundly commitment to rebuy a preferred product or service in the future, engaging in a repetitive same-brand purchase, without the other companies' marketing strategies, or other situational influences, having any kind of potential to change this behavior.

For Beerli et al (2004), there are two types of loyalty concepts: loyalty based on inertia, when the repurchasing is made out of habit and the customer can easily be persuaded by the competition; and true brand loyalty, when the customer has a high level of commitment a consciously decides to repurchase with the intent to stay with the brand.

1.3.1 Loyalty Drivers

A literature review suggests seven variables that have an important influence on customer's loyalty:

- *Customer Satisfaction*: when customers feel satisfied after the use of a certain product or a service, they are likely to develop a preference for the brand, repeat the purchase and engage in trying new products/services from the same brand and recommend the brand (File and Prince, 1992; East, 1997; Jamal, 2004; Jamal and Adelowore, 2008; Lo, 2012; Taylor and Baker, 1994);

- *Price*: when pricing a product/service the company needs to bear in mind that the customer's perception of value of that certain product/service should be higher than the price in order to maintain the customer's satisfaction and, consequently, his/hers loyalty (Christensen, 2010; Nagle and Hogan, 2006; Rothenberger et al, 2008);

- *Perceived Quality*: when customer's perceived quality of a particular product/service is high, the customer's satisfaction tends to increase, thus developing brand preference, repeat purchase, new product consumption and recommendation (Jamal, 2004; Rothenberger et al, 2008);

- *Personalization*: companies personalize products and services in order to better respond to their customers' needs, defining their offer as valuable and useful. Consequently, this will increase the customer's perceived quality of the brand and satisfaction levels (Chellappa and Sin, 2005; Peppers and Rogers, 2004);

- *Complaint Resolution*: when a customer is not satisfied with the product or service used, correctly dealing with the complaint can turn the dissatisfaction feeling into a satisfied one, so when there is a complaint from the company's customers, there is actually an opportunity to turn something negative into something positive (Homburg and Fürts, 2005; Rothenberger et al, 2008);

- *Loyalty Programs*: companies develop loyalty programs in order to retain their most valuable customers by offering certain benefits when/if a certain purchase is made. These programs are made to stimulate repeat purchases, keeping their customers loyal to the company (Grewal and Levy, 2007);

- *Switching Costs*: when creating high switching costs for their customers, companies are developing risks in switching brands and decreasing the appeal of competitor's offers, assuring the customer's behavior of repeat purchase (Beerli et al, 2004; Klemperer, 1995; Selnes, 1993; Wernerfelt, 1991).

1.3.2 Switching Costs

Switching costs are technical, financial or psychological factors that represent a barrier to the customer when attempting to change brands (Selnes, 1993). These factors can be either customer's personal costs, regarding tradition and habit, effort in terms of time and commitment, economic benefits associated to loyalty, social and psychological risks; or costs related with the product/service itself, such as new process of

production/consumption costs, contractual costs and investment in new equipment costs (Beerli et al, 2004).

Switching costs is a loyalty driver from an attitude of repeat purchase perspective, still, it can also be a threat to the brand, due its facility to create dissatisfaction, hence decreasing the customer's perceived value of the product/service. Consequently, the customer will not be encouraged to recommend the brand, moreover he/she can engage in negative word-of-mouth (Beerli et al, 2004; Fornell, 1992).

According to Fornell (1992), there are two disadvantages when using switching costs to assure customer's loyalty:

- When possible costumers are aware of the existence of switching costs, the task of capturing them becomes more difficult;

- Despite the switching barriers the possibility that external forces can eliminate them, still exists.

1.3.3 Recommendation

One the most important benefits of customer loyalty is the recommendation. The vast offer of identical products from different brands with different price ranges, has given more power of influence to recommendation, the customers now rely on other people's opinion to make their decisions (Lo, 2012).

A well satisfied customer can be a valuable sales force by recommending the brand to others, thus capturing new customers to the company (East, 1997; Jamal, 2004; Lo, 2012). The word-of-mouth is considered to be one the most effective ways of communication and it can change the customer's perception of the brand's value (Lo, 2012). Therefore, loyal customers that engage in positive word-of-mouth/recommendation, have a very important role in the company's success (Zeithaml et al, 1996).

In the digitalization and virtual space generation, the social media networks, such as Blogs, YouTube, Facebook, among others, are important channels that have a very high impact on customers. With the online channels, the recommendation can reach beyond barriers of space (Lo, 2012).

1.3.4 Relationship between Loyalty and Competitive Advantage

Competitive advantage is defined as the company's value that creates a preference among customers to purchase the company's brand instead of its competitors (Christensen, 2010).

Porter (1989) defines competitive advantage as the value that the company can create to the customer, whether it is monetary value, when a product is a good value for money proposal in the industry, or it is a benefit value, when a product provides benefits that compensate a higher price. According to Porter (1989), there are two basic types of competitive advantage. The first is cost leadership, which is when a company seeks advantage by position itself in the market with a low cost product, and the second is differentiation, which is when the company seeks advantage by selecting certain products attributes that customers consider important and developing a unique product that satisfies does needs. This last competitive strategy fits perfectly in the CRM context.

Before the technology and globalization revolutions, companies focused on having the best quality products and brands to obtain competitive edge. Nowadays, companies are using CRM strategies in order to gain sustainable competitive advantage (Peppers and Rogers, 2004).

By gathering information on the customers, developing relationships with them and then creating personalized products and services that better meet their needs, companies are assuring that their customers are satisfied. Satisfied customers are likely to develop brand preference and true brand loyalty, acting as additional sales force by recommending the brand thus gathering new customers and helping the company to succeed (Chellappa and Sin, 2005; East, 1997; Jamal, 2004; Peppers and Rogers, 2004;

Zeithaml et al, 1996). Ultimately, in this new way of making business, companies are realizing that making customers loyal is the way for competitive advantage (Chowdhary, 2001).

1.4 Customer Satisfaction

Satisfaction is describe in the literature review as a response to an evaluation of a certain product or service after the usage experience and then measured by comparing it with the customer's expectations (Fornell, 1992; Oliver 1999). Therefore, customer satisfaction is achieved when there is a full meeting of the customer's expectations (Oliver, 1980).

Customer satisfaction is a very important concept because of the numerous ways it can help the company to succeed. A satisfied customer is more likely to repeat purchases (East, 1997; Taylor and Baker, 1994); a satisfied customer is more likely to engage in a positive word-of-mouth (File and Prince, 1992; East, 1997; Jamal, 2004; Lo, 2012); a satisfied customer is more likely to have a long term relationship with the company (East, 1997; Jamal 2004; Jamal and Adelowore, 2008); satisfaction stimulates brand preference (Jamal, 2004); and customer satisfaction can improve loyalty (Jamal and Adelowore, 2008).

The present business cycle is characterized by the global competition and saturated markets, satisfying customers has increasingly turned into a challenge. Customers desire to have all their needs satisfied and services tailored to their specific requirements. Faced with these demands, companies developed personalized products and services to better respond to their customer's wishes, thus creating a satisfaction response towards their brand (Chellappa and Sin, 2005; Gwinner et al, 2005; Peppers and Rogers, 2004; Sheng and Nah, 2008).

1.4.1 Relationship between Satisfaction and Perceived Quality

According to the literature review, on this subject, authors have different points of view. Some state that satisfaction is a transaction-specific evaluation and that perceived quality is an over-all evaluation, concluding that customer satisfaction is the perceived quality driver (Parasuraman et al, 1988; Carman, 1990). Others claim the opposite, suggesting that perceived quality is the transaction-specific evaluation and that satisfaction is the over-all evaluation, so, with this premise, perceived quality is the customer satisfaction driver (Cronin and Taylor, 1992; Fornell, 1992; Spreng and Mackay, 1996).

Meanwhile, Parasuraman et al (1994) consider that both concepts can be evaluated from both perspectives, transaction-specific and over-all.

Anderson et al (1994) defines that, unlike perceived quality, customers need to have a previous consumption experience in order to make a satisfaction evaluation. With this statement the authors distinguish two situations in which the two concepts can be each other's drivers: the first situation requires a consumption experience in which the satisfaction is the perceived quality driver; in the second situation there is no consumption experience, so now the perceived quality is the satisfaction driver.

1.5 Personalization

Personalization is a CRM strategy tool that helps companies create long term relationships with their customers on an individual basis. Throughout the relationship development, customers provide access to personal information and the CRM software gathers that information and customizes the company's products and services to better serve the customers (Peppers and Rogers, 2004).

According to Jackson (2007), personalized services originates customer information that supports companies in delivering a consistent, timely and relevant individualized relationship with their customers in every opportunity, increasing customer loyalty and lifetime value.

When a company provides services on a physical space, having a personalized offer requires interpersonal interaction. Consequently, the company relies on the performance of its frontline staff. Employees' behavior is considered to be an important key in the success of any service firm. The staff that has more contact with the customer is required to possess an attitude to serve with commitment, and the ability to adapt the services and their own approach to deliver a solution that suits the customer's needs and wishes (Bitran and Hoech, 1990; Gwinner et al, 2005).

In the digitalization era, the personalization of the e-commerce is based on filtering information and recommending products regarding customer's specific characteristics. So, on the customer's online account, companies create lists of product recommendations and possible interests that are continually being updated according to the customer's online history (Chellappa and Sin, 2005; Lee and Cranage, 2011; Jackson, 2007).

Companies are using personalization processes to transform a simple product or service into a customized solution for customers, meeting their expectations, creating perceived product value, satisfaction and a positive attitude towards the company (Schater et al, 2001; Ho and Kwok, 2003; Sheng and Nah, 2008). On this note, personalization is considered a customer satisfaction driver, thus it can produce the same benefits like induce the customers into repeat purchases, generate positive word-of-mouth/recommendation, increase long-term customer relationship, stimulate brand preference and improve loyalty, thus, competitive advantage.

1.6 The Reality of the Portuguese Retail Banking Market

The reality of the Portuguese retail banking market is characterized by the intensification of economic recession the Portugal is living nowadays. According to Banco de Portugal, this current situation has negative consequences to the Portuguese banking system, such as the increase of the credit risk, the decrease in loans and the resilience of household deposits.

The adverse macroeconomic and financial picture of this sovereign debt crises context has deteriorated the profitability of the banking system in 2012.

This reality has encouraged the creation of new banks and today the banking network in Portugal consists of over 25 banks (Annex 1), according to APB (Associação Portuguesa de Bancos – Portuguese Banking Association). These new banks have a small market share but they are increasing it through aggressive strategies for customer acquisition. The new banks' strategies are base in offering better conditions in terms of product price but not in terms of service quality.

This scenario explains the very competitive and aggressive Portuguese retail banking market.

CHAPTER 2 - CONCEPTUAL FRAMEWORK & HYPOTHESIS

This investigation's main objective consist in verifying if, in a CRM context, personalizing the Portuguese retail bank services will create a competitive advantage in today's saturated retail banking market.

The study aims to analyze:

- What stimulates a customer to be loyal to his/hers bank. Is it the satisfaction with the provided service or is it the switching costs that create a barrier, preventing them to switch banks?

- What is the relationship between the perceived quality and the customer's satisfaction? Is perceived quality a customer satisfaction driver in the retail banking?

- What is the influence that personalized services have on customer's satisfaction? Is personalization a customer satisfaction driver?
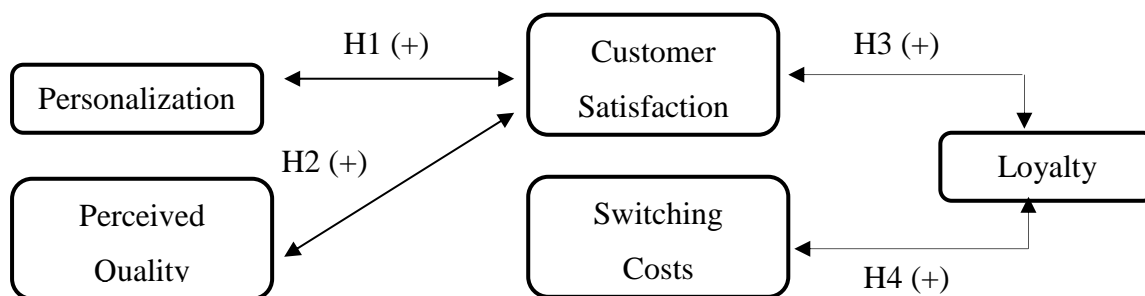
Figure 1 - Conceptual Framework

2.1 Hypothesis

Personalization

Personalization is a process that can transform a simple product or service into an individualized solution for customers, that meet their expectations (Schater et al, 2001;

Ho and Kwok, 2003; Sheng and Nah, 2008). Since customer satisfaction is achieved when there is a full meeting of the customer's expectations (Oliver, 1980), personalization can be studied as a customer satisfaction driver.

H1: The more personalized the services are, the greater the customer satisfaction.

Perceived Quality vs. Customer Satisfaction

On the literature review there are different points of view regarding which one is which driver. In the conceptual framework, the study assumes that perceived quality is the customer's satisfaction driver. This way, considering that customer satisfaction is customer loyalty driver, the study can analyze the personalization's influence on customer loyalty.

H2: The greater the perceived quality, the greater the customer satisfaction.

Satisfaction

When companies can meet their customer's expectations through a product or service, than customer satisfaction is achieved (Oliver, 1980). According to the literature review, customer satisfaction benefits include brand preference, repeat purchase, recommendation and long term relationships between companies and their customers (File and Prince, 1992; East, 1997; Jamal, 2004 and 2008; Lo, 2012; Taylor and Baker, 1994). On this note, customer's satisfaction is considered to be a loyalty driver.

H3: The greater the satisfaction, the greater the customer loyalty.

Switching Costs

Switching costs are technical, financial or psychological factors that represent a barrier to the customer when attempting to change brands (Selnes, 1993). Therefore, switching costs is a loyalty driver from an attitude of repeat purchase perspective. The study aims to analyze if the switching costs designed by the banks are enough to maintain their customers loyal

.**H4: The greater the perceived switching costs, the greater the customer loyalty.**

CHAPTER 3 - METHODOLOGY

In order to examine the personalization of the retail banking services as an antecedent of loyalty, a quantitative methodology will be used to analyze the data gathered from an online questionnaire.

4.1 Universe of Study

The target universe consists of all individuals who have a bank account or who are in any way benefiting of bank services, both genders and living in Portugal.

According to APB (Associação Portuguesa de Bancos), the total active bank accounts in Portugal in 2011 was 13 314 366. Because CRM is an expensive tool, a selection of the major banks that have more resources to invest in this software, was made in order to define the universe to inquire. The selected banks have the highest market shares and represent 77,9% of the total market. The banks are CGD (Caixa Geral de Depósitos), Millennium BCP, Santander Totta, BPI (Banco Português de Investimento) and BES (Banco Espírito Santo).

Banks	Active Bank Accounts in 2011	MS %
CGD	4 410 695	33,1
Millennium BCP	2 136 611	16,0
Santander Totta	1 290 281	9,7
BPI	1 275 845	9,6
BES	1 261 940	9,5
Total Market	13 314 366	100

Table 1- Active Bank Accounts/Banks Market Share in 2011
Source - Associação Portuguesa de Bancos

The questionnaire respondents needed to be over the age of 25 according to INE's (Instituto Nacional de Estatística) statistic studies that show that the Portuguese active

population is more evident after the age of 25. This way, the sample will better represent the target universe.

Active and employed population in Portugal					
	1st T of 2011	2nd T of 2011		1st T of 2011	2nd T of 2011
	Millions of individuals			Millions of individuals	
Active Population	**5 554,8**	**5 568,0**	**Employed Population**	**4 866,00**	**4 893,00**
Men	2 945,6	2 943,5	Men	2 591,50	2 594,30
Women	2 609,2	2 624,5	Women	2 274,50	2 298,70
From 15 to 24 years	445,6	427,7	From 15 to 24 years	321,6	312,2
From 25 to 34 years	1 395,9	1 399,8	From 25 to 34 years	1 199,80	1 215,80
From 35 to 44 years	1 472,5	1 483,0	From 35 to 44 years	1 312,00	1 325,50
From 45 to 64 years	1 960,3	1 965,1	From 45 to 64 years	1 754,80	1 748,80
65 years and above	280,6	292,4	65 years and above	277,6	290,8

Table 2 – Active and Employed Population in Portugal 1st and 2nd trimester of 2011
Source: INE, Estatísticas do Emprego - 2º trimestre de 2011

3.2 The Sample

In this study it was used a non-probabilistic sample, through convenience and snowball techniques. A group of subjects were selected due to convenient accessibility (convenient sampling process) and then asked to share the questionnaire with their social network, to gather more individuals into the sample (snowball sampling process).

The final sample consists of 308 individuals.

3.3 The Questionnaire

First, a total of 10 pilot tests were conducted in order to perfect the final questionnaire. The individuals inquired in the pilot tests are part of the sample and they all answered the final questionnaire.

The final questionnaire consists of 7 groups. The first group is a multiple choice question that filters the respondents regarding which bank they are clients of; the second group analyses the personalization of the banking services, the third group explores the

perceived quality of the services and it is divided in two sub-groups: the branch service and the online service; the fourth group aims to study the customer's satisfaction, the fifth group analyses the switching costs, the sixth group regards the level of loyalty and finally the last group analyses the respondent profile through gender, age, education, income and residency.

The questionnaire has a total of 43 closed-ended questions and, with the exception of the first and last group, a seven-point Likert scale (1 – strongly disagree and 7 – strongly agree) was used based on the literature, where it was applied in several studies to measure the variables.

The questionnaire was administered online and sent via email and Facebook between March 13 and March 31, 2013.

3.4 The Constructs

3.4.1 Personalization

Gwinner et al (2005) study items of service-offering adaptive behavior construct, were used as a base to measure how personalized the service of the bank is, along with a check list of what should the customer service representatives do or say when attending a customer, made by professionals at CIBC (Canadian Imperial Bank of Commerce).

Gwinner et al (2005) used as items for their analysis on service-offering adaptive behavior the following: adapt the type of service to meet the unique needs of each customer; use a wide variety of strategies in attempting to satisfy the customer; suggest a wide variety of services to meet each customer's needs; customize the service for the customer; vary the actual service offering depending on the customer's needs; and each customer requires a unique approach.

The CIBC check list has several rules, the most important are: acknowledge the customer when entering the branch; make eye contact; attend to the customer in less

than 5 minutes; apologize for the time waiting in line; use the customer's name at least 2 times; and give information about new services that might be useful for the customer.

According to Lee and Cranage (2011), the personalization of an e-business consists mainly in tailoring and recommending certain products/services that match the customer's characteristics, therefor, the last item intends to verify if the bank recommends any products/services through the online banking page.

Personalization
Every time I got to my bank's branch I am recognize by my name.
My bank's employees greet me when I enter the branch.
My bank's employees apologize for the time I've been waiting in line (if I have waited in line to be attended).
When I go to my bank's branch, the employees are able to provide a personalized approach.
When I go to my bank's branch, the employees suggest services that meet my needs.
My online banking profile has a personalized list of recommended products/services that meet my needs.

Table 3 - Personalization Items

3.4.2 Perceived Quality

In order to measure the perceived quality it was followed the Cronin and Taylor's (1992) SERVPERF (Service Performance) scale used in the Beerli et al (2004) study of the retail banking market in Spain. This scale has 20 items and five components: *tangibles*; *reliability*; *responsiveness*; *assurance*; and *empathy*. After conducting the pilot tests and acknowledging that in the past decade, the banking industry has adventured into e-commerce and the online banking service has been reported to be one of the most frequently used applications (Bughin, 2004), it was clear that this scale, applied to the retail baking service, was now outdated. With this in mind a new scale needed to be created and the SERVPERF scale needed to be reformulated. The scale was divided in two, one that studies the perceived quality of the branch services and another that studies the perceived quality of the online banking services. Since

customers had change how they use banking services and online usage of banking services is now more common than going to the branch, the *tangible* items of the SERVPERF scale were removed and this reformulated scale that studies the perceived quality of the branch services has now four components, *reliability* (Question 1 to Q4), *empathy* (Q5, Q6 and Q9), *assurance* (Q7, Q8 ad Q10) and *responsiveness* (Q11 to Q13). Based on other studies regarding online banking services 6 components were defined: *accurate information* (Aladwani, 2001; Chou, Li, Chen and Wu, 2010; Yousafzai, Pallister and Foxall, 2003); *speed of service* (Aladwani, 2001; Yousafzai, Pallister and Foxall, 2003); *user-friendly* (Aladwani, 2001; Yousafzai, Pallister and Foxall, 2003); *trust* (Aladwani, 2001; Ho and Wu, 2009; Yousafzai, Pallister and Foxall, 2003); *convenience* (Bughin, 2004; Ho and Wu, 2009); and *reduced cost* (Bughin, 2004; Chou, Li, Chen and Wu, 2010; Ho and Wu, 2009).

Perceived Quality
Service Quality in the Branch
I am sure that my bank preforms services correctly.
My bank insists in error-free records.
When I have a problem my bank shows a sincere interest in solving it.
My bank provides its services at the time it promises to do so.
My bank has my best interests at heart.
My bank has operating hours convenient to its customers.
The behavior of my bank's employees instills confidence.
My bank's employees have the knowledge to answer my questions.
My bank's employees understand my specific needs.
My bank's employees are constantly courteous to me.
My bank's employees give me prompt service.
My bank's employees are never too busy to respond to my requests.
My bank's employees are always willing to help me.
Service Quality Online
My bank's online service has all the information I need.
My bank's online service is provided with high speed.

My bank's online service is user-friendly.
My bank's online service is very convenient.
I have confidence on transactions made online.
Transactions made through my bank's online service are cheaper.

Table 4 - Perceived Quality Items

3.4.3 Customer Satisfaction

Customer Satisfaction was measured based on Beerli et al (2004) study and the ECSI-Portugal (European Customer Satisfaction Index- Portugal) 2010 study. Both studies evaluate customer satisfaction based on 3 aspects: *general satisfaction*; *expectations*; and the *ideal brand*. When used in the pilot test, the *ideal brand* aspect was a little confusing and since the variety of services was the most appreciated bank characteristic by the respondents, this last aspect was dived in two items regarding the overall service and the variety of services of the bank. One last item was added to include the online banking service.

Customer Satisfaction
I am satisfied with my bank.
My bank lives up to my general expectations of it.
I am satisfied with the variety of additional services my bank provides.
According to my experience, I am satisfied with the service provided by my bank.
I am satisfied with my bank's online banking service.

Table 5 - Customer Satisfaction Items

3.4.4 Switching Costs

Regarding the switching costs, the items were based on the study made by Beerli et al (2004) to evaluate the three aspects involved in the decision of switching banks: *time*; *effor*t; and *risk*.

Switching Costs

To change to another bank involves investing time in searching for information about other banks.
To change to another bank involves much effort in deciding which other bank to change to.
To change to another bank involves a risk in choosing another bank which might turn out not to satisfy me.

Table 6 - Switching Costs Items

3.4.5 Loyalty

According to the literature, a customer is truly loyal to a brand when he makes a conscious decision to continue buying/using the same brand and this requires a high level of commitment towards the brand (Dick and Basu, 1994; Beerli et al, 2004). Therefore, Beerli et al (2004) study, along with ECSI-Portugal 2010 study, was used as orientation to define four variables: *resistance to switching banks*; *loyalty attitude*; *recommendation*; and *preference*. These variables intend to measure the commitment towards the bank and the intention to continue a relationship with the bank.

Loyalty
I do not intend to change to another bank because I value my bank.
I am a customer loyal to my bank.
I recommend my bank to someone who seeks my advice.
Faced with an offer of better conditions by a competitor bank, I will switch banks.

Table 7 - Loyalty Items

3.5 Methodologies and Data Analysis

Firstly, a descriptive data analysis will be formulated dividing the sample according to the bank's frequency, characterizing both the sample's socio-demographic profile and the customer's perception. On a second phase, a Principal Component Analysis (PCA) will be conducted with the purpose of testing the hypothesis.

Although the sampling technique used is not simple random, systematic or stratified, the hypothesis test results will be used as indicative of what is happening in the population.

In order to proceed with the data analysis, it was used the 19.0 version of the SPSS (*Statistical Package for Social Science*) program.

CHAPTER 4 - STATISTICAL DATA ANALYSIS

In this chapter, the main results of the quantitative study from the statistical analysis of the data gathered through the questionnaire will be presented. First, a descriptive statistical analysis will be made, dividing the sample according to the bank's frequency and characterizing the sample's socio-demographic profile. Afterwards, the study will proceed to a multivariate statistical analysis. For the data analysis, it was used the 19.0 version of the SPSS (*Statistical Package for Social Science*) program.

4.1 Descriptive Data Analysis

4.1.1 Sample by Bank

The final sample consists of 308 individuals. Chart 1 represents the sample divided by bank's frequency and percentage. The most popular bank among the inquired individuals is CGD with 31% (95 individuals), followed by Millennium BCP with 19% (58 individuals), Santander Totta with 12% (38 individuals), BPI with 12% (38 individuals) and finally BES with 10% (30 individuals). The remaining 16% of the sample (51 individuals) have their businesses with other banks. Associating chart 1 with table 1 (Banks' Market Share in 2011), although it is a non-probabilistic sample, in the end, it reflects the target universe.
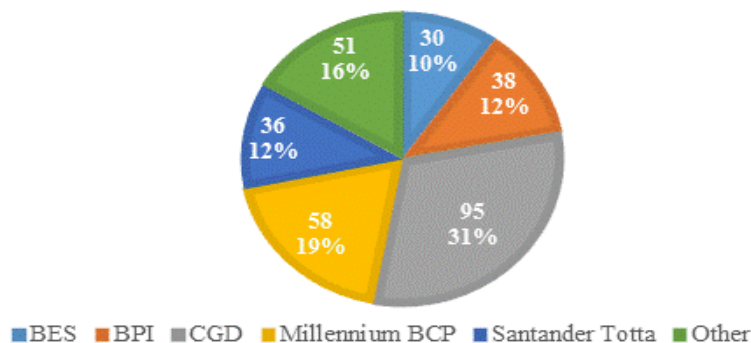
Chart 1 - Sample Divided by Bank Frequency and Percentage

4.1.2 Socio-demographic characteristics of the sample

Gender

Out of the 308 individuals that represent the sample, 274 answered the gender question, of which 53% of the sample is feminine and 47% is masculine. According to table 2 (Active and Employed Population in Portugal), 47% of the employed Portuguese population is feminine and 53% is masculine. Thus, these results are the opposite of the Population.
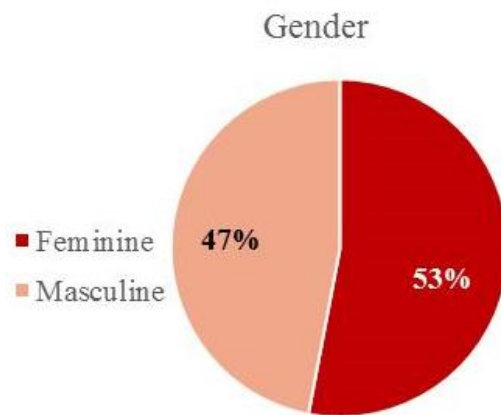
Chart 2 - Sample Divided by Gender

Age
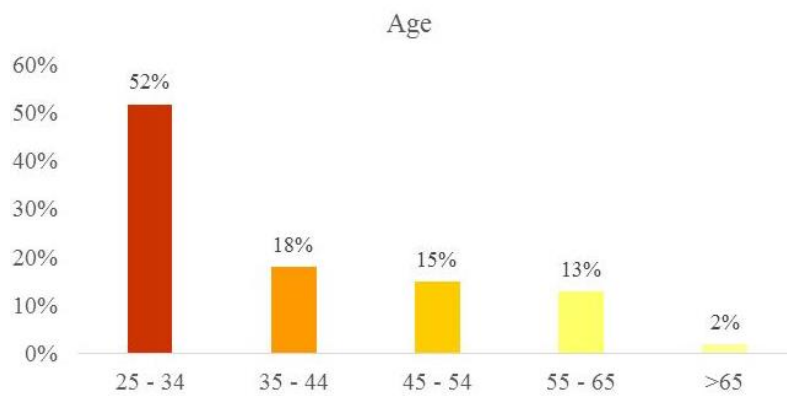
Chart 3 - Sample Divided by Age

In terms of age, the sample is highly concentrated between the ages of 25 to 34 years old with 52% of the individuals inquired, 18% of the sample represent individuals between the ages of 35 to 44 years old, 15% stand for individuals between 45 to 54 years old, 13% correspond to individuals between 55 to 65 years old, and only 2% of the sample correspond individuals over the age of 65 years old. Comparing the sample's age pattern with table 2 (Employed Population in Portugal) the sample is not representative of the target population. Table 2 states that employed population in

Portugal is more concentrated between the ages of 45 to 64, this means that the population with the strongest connection with banks is inserted in the age group of 45 to 64 years old. In the sample, the opposite occurs due to the sampling technique of convenience and snowball.

Literary Qualification

Literary Qualification	Percentage
Basic Education	1%
Secondary Education	27%
Bachelor's degree	8%
Graduate's degree	45%
Master's degree	17%
PhD	2%
Total	100%

Table 8 - Sample Divided by Literary Qualification

Regarding the sample's literary qualifications, the majority of the inquired individuals have a graduate's degree (45%). The second most common literary qualification among the individuals inquired is secondary education with 27%. In third place is Master's degree with 17%, followed by Bachelor's degree with 8% and PhD with 2%. Finally, representing only 1% of the sample is the basic education.

Income

The sample's income is concentrated mainly between 501€ and 2500€ with over 75% of the individuals inquired. The remainder of the sample is divided in individuals that have an income up to 500€ (5,9%) and individuals that have an income over 2500€ (18%). According to Banco de Portugal, de average Portuguese salary in 2012 was 1014€, which means that the sample has some proximity to the target universe in terms of income

Chart 4 - Sample Divided by Income

<u>Residency</u>

The study's sample residency concentrates mainly in the district of Lisboa with 75% of the respondents. The second most common district of the sample is Setubal with 10%. The remaining 15% of the sample is dispersed among the districts of Viana do Castelo (2%), Braga (1%), Porto (3%), Viseu (1%), Coimbra (1%), Leiria (2%), Santarém (2%), Faro (1%), Região Autónoma dos Açores (1%) and Região Autónoma da Madeira (1%). The sample does not represent the population.

4.1.3 Customer Perception Characterization

Table 9 and 10 features the percentage of the inquired individuals and the customer's perceptions regarding the constructs. This table represents the questionnaire's answers in a seven-point Likert scale (1 – strongly disagree and 7 – strongly agree), as described in chapter 4.

<u>Personalization</u>

According to table 9, the perception of the personalization construct is scattered. Nevertheless, with the exception of the variables of name recognition and apologizing after waiting in line, that concentrate in scale's value 1 (strongly disagree), the majority of respondents tend to agree with the personalization's items. This indicates that regarding personalization, customer's perception is positive. However, there is a significant amount of disagreeable answers which means that the bank's services are not

being provided with the focus on personalization needed to consider this variable a competitive advantage.

Perceived Quality

Regarding the customer's perception on the perceived quality construct in table 9, the majority of the customers have an agreeable opinion of the bank's service quality, more specifically regarding the convenience of the banks online service (45% answered "strongly agree"). However, when faced with the operating hours of the bank, a significant amount of answers was negative (39% had a disagreeable opinion).

Satisfaction

The majority of answers (around 73%) regarding customer satisfaction, in table 10, vary between scale's values 5 (agree somewhat) and 7 (strongly agree) indicating a very positive judgment from the customer's point of view. The item regarding the satisfaction towards online banking service is especially positive with 84% of agreeable answers.

Switching Costs

Regarding the switching costs, table 10 indicates that customers consider the three aspects, *time*, *effor*t and *risk*, to be very important when deciding to switch banks (around 76% of answers are agreeable), particularly the item regarding the aspect of time with 40% of "strongly agree" answers.

Loyalty

The answers to customer loyalty construct, demonstrated in table 10, are mainly positive, oscillating between scale's values 4 and 7. Nonetheless, there are a few disagreeable opinions, which indicate that the customer's loyalty towards the bank, although positive, is not strong enough to be considered true loyalty (Beerli et al, 2004). Thus, customers can easily be persuaded by the competition and banks have the opportunity to capture competitor's customers.

Construct	Items	1 Strongly Disagree	2	3	4	5	6	7 Strongly Agree	Total Answers
Personalisation	Every time I got to my bank's branch I am recognize by my name.	25%	10%	11%	10%	16%	11%	16%	275
	My bank's employees greet me when I enter the branch.	7%	6%	14%	14%	18%	19%	23%	273
	My bank's employees apologise for the time I've been waiting in line (if I have waited in line to be attended).	29%	13%	13%	11%	12%	13%	9%	272
	When I go to my bank's branch, the employees are able to provide a personalised approach.	6%	7%	14%	21%	22%	15%	14%	270
	When I go to my bank's branch, the employees suggest services that meet my needs.	8%	8%	10%	18%	23%	19%	13%	273
	My online banking profile has a personalised list of recommended products/services that meet my needs.	8%	7%	10%	12%	18%	25%	20%	261
Perceived Quality	**Service Quality in the Branch** — I am sure that my bank preforms services correctly.	1%	4%	7%	20%	24%	27%	16%	273
	My bank insists in error-free records.	1%	2%	6%	15%	24%	26%	25%	272
	When I have a problem my bank shows a sincere interest in solving it.	2%	5%	8%	17%	21%	25%	22%	269
	My bank provides its services at the time it promises to do so.	1%	5%	7%	16%	21%	30%	19%	271
	My bank has my best interests at heart.	5%	10%	16%	19%	24%	16%	10%	269
	My bank has operating hours convenient to its customers.	15%	9%	15%	16%	18%	17%	9%	272
	The behaviour of my bank's employees instils confidence.	1%	3%	8%	16%	22%	36%	15%	269
	My bank's employees have the knowledge to answer my questions.	0%	3%	7%	16%	21%	37%	17%	268
	My bank's employees understand my specific needs.	2%	5%	10%	20%	22%	29%	12%	268
	My bank's employees are constantly courteous to me.	1%	1%	7%	13%	19%	34%	24%	268
	My bank's employees give me prompt service.	3%	6%	12%	17%	23%	25%	13%	265
	My bank's employees are never too busy to respond to my requests.	3%	8%	12%	17%	23%	23%	13%	269
	My bank's employees are always willing to help me.	1%	3%	7%	20%	21%	29%	19%	270
	Service Quality Online — My bank's online service has all the information I need.	2%	1%	2%	11%	21%	37%	27%	258
	My bank's online service is provided with high speed.	1%	0%	2%	9%	18%	34%	35%	261
	My bank's online service is user-friendly.	2%	2%	2%	7%	17%	36%	33%	258
	My bank's online service is very convenient.	1%	1%	2%	5%	16%	30%	45%	253
	I have confidence on transactions made online.	3%	3%	4%	10%	14%	33%	32%	259
	Transactions made through my bank's online service is cheaper.	3%	4%	3%	22%	19%	18%	32%	259

Table 9 - Customer Perception on Personalization and Perceived Quality

Construct	Items	1 Strongly Disagree	2	3	4	5	6	7 Strongly Agree	Total Answers
Customer Satisfaction	I am satisfied with my bank.	1%	3%	6%	15%	27%	33%	15%	262
	My bank lives up to my general expectations of it.	1%	2%	7%	17%	29%	31%	14%	272
	I am satisfied with the variety of additional services my bank provides.	1%	2%	9%	27%	26%	27%	9%	270
	According to my experience, I am satisfied with the service provided by my bank.	1%	3%	6%	19%	24%	33%	13%	270
	I am satisfied with my bank's online banking service.	2%	1%	2%	11%	16%	39%	29%	263
Switching Costs	To change to another bank involves investing time in searching for information about other banks.	1%	1%	4%	9%	15%	29%	40%	268
	To change to another bank involves much effort in deciding which other bank to change to.	4%	2%	8%	15%	19%	25%	27%	267
	To change to another bank involves a risk in choosing another bank which might turn out not to satisfy me.	3%	3%	7%	11%	20%	21%	34%	270
Loyalty	I do not intend to change to another bank because I value my bank.	5%	4%	10%	20%	17%	23%	21%	271
	I am a customer loyal to my bank.	6%	7%	16%	13%	21%	20%	17%	272
	I recommend my bank to someone who seeks my advice.	5%	9%	10%	15%	22%	23%	15%	271
	Faced with an offer of better conditions by a competitor bank, I will switch banks.	6%	11%	7%	18%	17%	18%	23%	271

Table 10 - Customer Perception on Customer Satisfaction, Switching Costs and Loyalty

4.2 Validity and Reliability

4.2.1 Validity

The questionnaire has adequate content validity since all the constructs and items were based according to the literature review and their specific studies, and personal experience in CIBC bank in Canada, as described in chapter 4.

4.2.2 Reliability

The construct's reliability was tested by means of the Cronbach's alpha (α). This test is used to measure the internal consistency of a group of variables/items. The Cronbach's alpha was calculated with the use of the SPSS program and it demonstrates the following results:

	Cronbach's alpha (α)	Items
Personalization	0,886	6
Quality in the Branch	0,967	13
Quality Online	0,957	6
Satisfaction	0,953	5
Switching Costs	0,914	3
Loyalty	0,771	4

Table 11 - Cronbach's alpha (α) results

According to the results obtained in table 11, all the constructs possess an alpha coefficient that oscillate between 0,771 and 0,967, indicating good reliability values. The quality in the branch and online, the satisfaction and the switching costs have an excellent measuring reliability value, with results above 0,9.

4.3. Principal Component Analysis (PCA)

Principal component analysis is a multivariate analysis technique that is used to reduce a set of correlated variables into a set of principal components that represent a reasonable proportion of the initial total variation.

The PCA is only applicable if certain assumptions are verified:

- The variables must be metric;

- The variables must be correlated;

4.3.1. Metric Scale

The inquired individual's opinions about the bank's services are represented in a seven-point Likert type scale, where only the maximum and minimum categories are labeled. It is, therefore, assumed that the respondents considered equal intervals between the categories and considered these variables as metric (interval scale). The next step is to verify if the items within each construct variables are inter-correlated.

4.3.2 Correlation between Items

According to the charts on annex 3, the Pearson correlation coefficients of the items of each construct have the following values:

- Personalization items: values vary between 0,386 and 0,703. The personalization items are considered to have a moderate to strong correlation;

- Quality in the branch items: values vary between 0,443 and 0,832. The quality in the branch items are considered to have a moderate to strong correlation;

- Quality online items: values vary between 0,665 and 0,915. The quality online items are considered to have a strong correlation;

- Satisfaction items: values vary between 0,701 and 0,957. The satisfaction items are considered to have a strong correlation;

- Switching costs items: values vary between 0,754 and 0,824. The switching costs items are considered to have a strong correlation;

- Loyalty items: values vary between 0,060 and 0,883. When calculating the loyalty items' Pearson correlation coefficient, the items are considered to have a strong correlation with the exception of the last item (Faced with an offer of better conditions by a competitor bank, I will switch banks) which was found to have a poor correlation with the rest of the variables (Annex 3).

The KMO measures the sampling adequacy. Its value must be over 0,5, in order to proceed with the PCA.

According to table 12 the constructs' KMO varies between 0,751 and 0,973, indicating that the PCA is adequate.

	KMO
Personalization	0,887
Quality in the Branch	0,973
Quality Online	0,929
Satisfaction	0,889
Switching Costs	0,751
Loyalty	0,760

Table 12 - KMO results

All conditions to proceed with the PCA are now gathered. The next step is to determine which variables to retain through the Kaiser criterion, identifying the principal components.

4.3.3 Personalization PCA

The Kaiser criterion will drop all components with eigenvalues under 1.0, thus extracting a unique principal component (eigenvalue is 3,871)

Regarding the solution quality, this can be analyzed through the proportion of the total variance explained and through the communalities chart (Annex 4).

The proportion of the total variance explained by the principal component is 64,516%, indicating good solution quality (being over 60% is considered to be a reasonable value in Social Sciences).

The analysis on the communalities chart in Annex 4, determines that the variables are adequate since their values are higher than 0.5, with the exception of the variable "My online banking profile has a personalized list of recommended products/services that meet my needs" that has a communality of 0,444 (near 0,5) meaning that the extracted component only explains 44% of this variation. The item "When I go to my bank's branch, the employees are able to provide a personalized approach" (0,855) is the variable with the strongest correlation with the component, and the item "My online banking profile has a personalized list of recommended products/services that meet my needs" (0,667) is the one with the weakest correlation.

Variables	Component 1
When I go to my bank's branch, the employees are able to provide a personalized approach.	,855
When I go to my bank's branch, the employees suggest services that meet my needs.	,843
My bank's employees greet me when I enter the branch.	,838
Every time I got to my bank's branch I am recognize by my name.	,807
My bank's employees apologize for the time I've been waiting in line (if I have waited in line to be attended).	,795
My online banking profile has a personalized list of recommended products/services that meet my needs.	,667
Eigenvalue	**3,9**
Variance Explained	**65%**

Table 13 - Personalization's Principal Component Values

4.3.4 Quality Service in the Branch PCA

The quality in the branch principal component extracted by the Kaiser criterion has an eigenvalue of 9,423.

Regarding the solution quality, this can be analyzed through the proportion of the total variance explained and the communalities chart (Annex 5).

The proportion of the total variance explained by the principal component is 72,483%, indicating good solution quality (being over 65% is considered to be a reasonable value in Social Sciences).

The analysis on the communalities chart in Annex 5, determines that the variables are adequate since their values are higher than 0.5, with the exception of the variable "My bank has operating hours convenient to its customers" that has a communality of 0,470 (near 0,5) meaning that the extracted component only explains 47% of this variation. The items "The behavior of my bank's employees instills confidence" and "I am sure that my bank preforms services correctly" (0,895) are the variables with the strongest

correlation with the component, and the item "My bank has operating hours convenient to its customers" (0,686) is the one with the weakest correlation.

Variables	Component 1
The behavior of my bank's employees instills confidence.	,895
I am sure that my bank preforms services correctly.	,895
My bank's employees are always willing to help me.	,894
My bank provides its services at the time it promises to do so.	,891
My bank insists in error-free records.	,882
When I have a problem my bank shows a sincere interest in solving it.	,881
My bank has my best interests at heart.	,864
My bank's employees understand my specific needs.	,859
My bank's employees are constantly courteous to me.	,858
My bank's employees have the knowledge to answer my questions.	,847
My bank's employees give me prompt service.	,830
My bank's employees are never too busy to respond to my requests.	,758
My bank has operating hours convenient to its customers.	,686
Eigenvalue	**9,4**
Variance Explained	**72%**

Table 14 - Quality in the Branch's Principal Component Values

4.3.5 Quality Service Online PCA

The quality online principal component identified by the Kaiser criterion has an eigenvalue of 4,968.

Regarding the solution quality, this can be analyzed through the proportion of the total variance explained and the communalities chart (Annex 6).

The proportion of the total variance explained by the principal component is 82,798%, indicating good solution quality (being over 65% is considered to be a reasonable value in Social Sciences).

The analysis on the communalities chart in Annex 6, determines that the variables are adequate since their values are higher than 0.5 (between 0,679 and 0,930). The items "My bank's online service has all the information I need; My bank's online service is provided with high speed; My bank's online service is user-friendly; My bank's online service is very convenient" are the variables with the strongest correlation with the component with values over 0,9.

Variables	Component 1
My bank's online service has all the information I need.	,940
My bank's online service is provided with high speed.	,965
My bank's online service is user-friendly.	,927
My bank's online service is very convenient.	,907
I have confidence on transactions made online.	,890
Transactions made through my bank's online service are cheaper.	,824
Eigenvalue	**4,9**
Variance Explained	**83%**

Table 15 - Quality Online's Principal Component Values

4.3.6 Customer Satisfaction PCA

The customer satisfaction principal component extracted by the Kaiser criterion has an eigenvalue of 4,259.

Regarding the solution quality, this can be analyzed through the proportion of the total variance explained and the communalities chart (Annex 7).

The proportion of the total variance explained by the principal component is 85,183%, indicating good solution quality (being over 65% is considered to be a reasonable value in Social Sciences).

The analysis on the communalities chart in Annex 7, defines that the variables are adequate since their values are higher than 0.5 (between 0,677 and 0,929). The items "My bank lives up to my general expectations of it; I am satisfied with my bank;

According to my experience, I am satisfied with the service provided by my bank; I am satisfied with the variety of additional services my bank provides" are the variables with the strongest correlation with the component with values over 0,9.

Variables	Component 1
My bank lives up to my general expectations of it.	,964
I am satisfied with my bank.	,958
According to my experience, I am satisfied with the service provided by my bank.	,946
I am satisfied with the variety of additional services my bank provides.	,917
I am satisfied with my bank's online banking service.	,823
Eigenvalue	**4,2**
Variance Explained	**85%**

Table 16 - Customer Satisfaction's Principal Component Values

4.3.7 Switching Costs PCA

The switching costs principal component extracted by the Kaiser criterion has an eigenvalue of 2,560.

Regarding the solution quality, this can be analyzed through the proportion of the total variance explained and the communalities chart (Annex 8).

The proportion of the total variance explained by the principal component is 85,344%, indicating good solution quality (being over 65% is considered to be a reasonable value in Social Sciences).

The analysis on the communalities chart in Annex 8, defines that the variables are adequate because their values are higher than 0.5 (between 0,906 and 0,934). All items have values over 0,9 indicating a very strong correlation between the variables and the component.

Variables	Component 1
To change to another bank involves investing time in searching for information about other banks.	,906
To change to another bank involves much effort in deciding which other bank to change to.	,931
To change to another bank involves a risk in choosing another bank which might turn out not to satisfy me.	,934
Eigenvalue	**2,5**
Variance Explained	**85%**

Table 17 - Switching Costs' Principal Component Values

4.3.8 Loyalty PCA

On a first analysis, according to the Kaiser criterion, loyalty's last item (Faced with an offer of better conditions by a competitor bank, I will switch banks) had a communality value (0,018) unacceptable to proceed with the PCA (Annex 9). Hence, the construct was reanalyzed extracting two components.

The Loyalty's component 1 has an eigenvalue of 2,711 and component 2 has an eigenvalue of 0,990.

The proportion of the cumulative variance explained by the two components is 92,526%, indicating good solution quality (being over 65% is considered to be a reasonable value in Social Sciences).

The analysis on the communalities chart in Annex 10, defines that the variables are adequate because their values are higher than 0.5 (between 0,877 and 1,). The items "I am a customer loyal to my bank; I recommend my bank to someone who seeks my advice; I do not intend to change to another bank because I value my bank" are the variables with the strongest correlation with component 1 (over 0,9), and the item "Faced with an offer of better conditions by a competitor bank, I will switch banks" (0,991) is the one with the strongest correlation with the component 2.

Variables	Component 1	Component 2
I am a customer loyal to my bank.	,950	,014
I recommend my bank to someone who seeks my advice.	,933	,080
I do not intend to change to another bank because I value my bank.	,960	,030
Faced with an offer of better conditions by a competitor bank, I will switch banks.	,043	,999
Eigenvalue	**2,6**	**0,99**
Variance Explained	**93%**	

Table 18 - Loyalty's Principal Component Values

The extracted components will represent the constructs when verifying the hypothesis.

4.4. Verifying the Hypothesis

Although in this study it was used a non-probabilistic sample, the resulted p-values are also reported as indicative (a significance level $\alpha = 0,05$ is considered). Results obtained are summarized in table 19

Hipothesis	Constructs	Sample	
		r	Association
H1	Personalisation vs Customer Satisfaction	0,759	Strong Positive
H2 Branch	Perceived Quality vs Customer Satisfacton	0,912	Strong Positive
H2 Online		0,796	Strong Positive
H3 C1	Customer Satisfaction vs Customer Loyalty	0,837	Strong Positive
H3 C2		0,252	Weak Positive
H4 C1	Switching Costs vs Customer Loyalty	0,547	Moderated Positive
H4 C2		0,346	Weak Positive

Table 19 - Hypothesis Evaluation

H1: The more personalized the services are, the greater the customer satisfaction.

In the sample, the correlation coefficient between personalization and customer satisfaction (r = 0,759) indicates a strong positive association among both constructs. The hypothesis 1 is accepted in the sample.

H2: The greater the perceived quality, the greater the customer satisfaction.

In the sample, the correlation coefficient between perceived quality service in the branch and customer satisfaction (r = 0,912) indicates a strong positive, almost perfect positive association among both constructs. The correlation coefficient between perceived quality service online and customer satisfaction (r = 0,796) also indicates a strong positive association among these constructs. The hypothesis 2 is accepted in the sample.

After the verification of hypothesis 1 and 2, it made sense to calculate the correlation between the two satisfaction's drivers, personalization and perceived quality. Personalization versus perceived quality in the branch has a correlation coefficient of 0,814, considered to be a strong positive association among the constructs. Personalization versus perceived quality online has a correlation coefficient of 0,628 which is not as strong as the correlation with perceived quality in the branch but it is considered a moderated correlation. Figure 2 shows the model's new version according to this correlation.
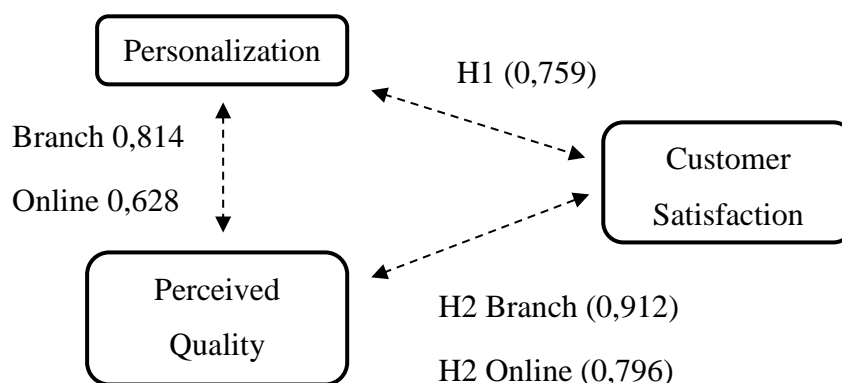
Figure 2 - Correlations between Personalization, Perceived Quality and Customer Satisfaction

H3: The greater the satisfaction, the greater the customer loyalty.

In the sample, the correlation coefficient between customer satisfaction and customer loyalty component 1 (r = 0,837) indicates a strong positive association among variables. The correlation coefficient between customer satisfaction and customer loyalty component 2 (r = 0,252) indicates a weak positive association among the constructs. In this situation, hypothesis 3 is partially accepted because, although component 1 has a good correlation with loyalty construct, component 2 does not. The item "Faced with an offer of better conditions by a competitor bank, I will switch banks" is responsible for these results.

H4: The greater the perceived switching costs, the greater the customer loyalty.

In the sample, the correlation coefficient between switching costs and customer loyalty component 1 (r = 0,547) indicates a moderated positive association among constructs. The correlation coefficient between switching costs and customer loyalty component 2 (r = 0,346) indicates a weak positive association among the constructs. Once again the components have very different values. Component 1 has a moderate positive correlation with loyalty construct but component 2 has a weak correlation, due to the item "Faced with an offer of better conditions by a competitor bank, I will switch banks". Hypothesis 4 is, as well, partially accepted.

According to the obtained results, p-values are indicating a significant association (α = 0,05 is considered). Influence results are merely indicative since the sample is non-probabilistic. Nevertheless, all the results are true to the sample.

H3 C1 (0,837)

H3 C2 (0,252)

Personalization

H1 (0,759)

Customer
Satisfaction

Loyalty

2 Components

Branch 0,814

Online 0,628

H2 Branch (0,912)

H2 Online (0,796)

Perceived
Quality

Switching
Costs

H4 C1 (0,547)

H4 C2 (0,346)
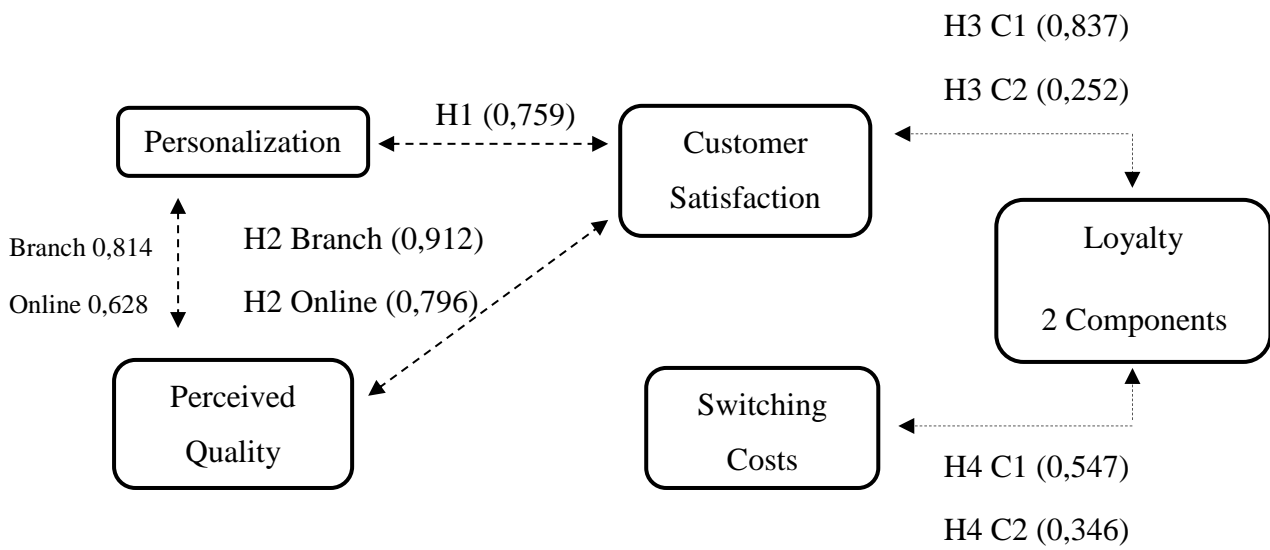
Figure 3 - Correlations between the model's constructs

Figure 3 shows the correlations between the model's constructs, according to the results of the Hypothesis verification, summarized in table 19.

FINDINGS, MANAGERIAL IMPLICATIONS & FUTURE RESEARCH

<u>Findings</u>

The aim of this study, which is based on the Portuguese retail banking market, was to verify if, in a CRM context, personalizing the banking services would create a competitive advantage in today's saturated retail banking market. The study analyzed the correlation of customer loyalty versus customer satisfaction and customer loyalty versus switching costs in order to determine which one has the strongest influence on customer loyalty. It also analyzed the correlation of customer satisfaction versus personalization and customer loyalty versus perceived quality with the purpose of defining the degree of influence that personalized services have on customer satisfaction and to describe the relationship between perceived quality a customer satisfaction.

The study's statistical analysis accepted Hypothesis 1, *The more personalized the services are, the greater the customer satisfaction*, which means that the personalization of the banking services have a positive influence on customer satisfaction and, according to the literature review, this would also mean that personalization has an impact on customer loyalty, confirming the theory that personalization is a CRM strategy tool that helps companies achieve competitive advantage.

Hypothesis 2, *The greater the perceived quality, the greater the customer satisfaction*, was also accepted, indicating a very strong correlation between the two constructs. When a customer has a certain perceived quality concerning a banking service, the customer's satisfaction tends to correspond, whether the perceived quality is high or low. The same thing happens when the customer is satisfied, or not, with a certain banking service, the perceived quality regarding that service follows the satisfaction direction. The two constructs relationship operates like a vicious circle. However, there is no enlightenment regarding which construct is which driver.

Meanwhile, the results between personalization and perceived quality imply that there is, to a certain degree, a triangular relationship among personalization, perceived quality and customer satisfaction.

Hypothesis 3, *The greater the satisfaction, the greater the customer loyalty,* and Hypothesis 4*, The greater the perceived switching costs, the greater the customer loyalty,* were not accepted by the study's statistical analysis. These results are due to the last item of the loyalty construct, "Faced with an offer of better conditions by a competitor bank, I will switch banks". This means that the majority of customers, when faced with better offerings, even if they claim to be loyal, even if they recommend their bank and even if they claim to value their bank, they will switch banks.

In conclusion, the personalization of the banking services is not enough to act as a competitive advantage for the banks when the competition is aggressive in terms of better offerings. Although it serves the purpose of increasing customer satisfaction, personalized services are not strong enough to retain customers in a competitive retail banking market.

Managerial Implications

The study's findings have a few managerial implications. The strong relationship between personalization, customer satisfaction and perceived quality implies that personalized services contribute to high levels of customer satisfaction and perceived quality of the bank. Knowing this, banks can develop personalized services to guarantee customer satisfaction and customer's positive perception of quality concerning the bank's services.

Meanwhile, if component 2 of the loyalty construct is ignored, the customer satisfaction impact on customer loyalty is much stronger than the switching costs' impact on loyalty, which indicates that banks should focus their attention and resources into achieving high levels of satisfaction among their customers in order to retain them as opposed to focus on creating switching costs. A theory for this situation is that

switching costs represent a barrier to the customer, they consider it to be a negative feature of the bank.

However, component 2 of the loyalty constructs implies that customer's satisfaction is not as strong as it should be to retain the bank's customers, when there are aggressive competitors in the retail banking market. Banks must develop aggressive strategies, pay attention to the competition's tactics to capture clients and be prepared with preferred customer programs in order to have competitive advantage in the market.

According to the questionnaire results, regarding the personalization construct, although the majority of respondents tend to have a positive perception, there is a significant amount of disagreeable answers which means that the banks' services are not being provided with the focus on personalization needed to consider this concept a competitive advantage.

Limitations and Future Research

The study's results are limited to and conditioned by the context in which the empirical work was carried out. Hence, future research is recommended.

Because the sample is non-probabilistic, it may not be representative of the population. The respondents' age, along with the residency indicator (75% of the inquired individuals reside in Lisboa), shows that the sample does not correspond to the target universe. The study's sample is unquestionably a limitation of this research.

An investigation of the relationship between the constructs and the socio-demographic profile of the target universe, is suggest, in order to understand if demographic factors have influence on customer satisfaction and customer loyalty and how can these factor be used for the bank's benefit. For example, Jamal (2004) states that more educated and older individuals have raised expectations regarding service quality offered by retail banks, meaning that their satisfaction levels are more difficult the increase.

It is recommended future studies concerning the relationship between customer satisfaction and perceived quality, in this and other industries, to try to identify how this

relationship operates in other markets and if there is a specific situation where one of the two constructs is considered the driver.

In the same way, an interesting line of enquiry would be to analyze other possible loyalty drivers. The examination of other loyalty drivers is of extreme importance to increase value to the service offerings.

Similarly, it is recommended an individual study of each bank, thus understanding which bank has more satisfied and more loyal customers and, consequently, analyzing the bank's strategy to capture and maintain customers, what is that specific bank's competitive advantage in the retail banking market.

Another proposition is to explore the association between retail banking customer satisfaction and loyalty and trust. What is the degree of influence that trust has on retail bank customers' satisfaction and loyalty and how can the potential of this association be studied with the intention of creating competitive advantage.

Finally, further research is suggested to analyze the online banking system. What is the future for the retail banking market, what are the strategies for capturing new clients with the online service and how can the bank control the service quality and the customer satisfaction when customers are changing the way they do banking and there is less direct contact between bank's employees and customers.

BIBLIOGRAPHIC REFERENCES

Aladwani, A., M. 2001. Online banking: A field study of drivers, Development challenges and expectations. *International Journal of Information Management*, 21 (4): 213-225.

Anderson, E., W., Fornell, C., & Lehmann, D., R. 1994, Customer satisfaction, market share and profitability: Findings from Sweden. *Journal of Marketing*, 58 (July): 53-66.

Associação Portuguesa de Bancos; http://www.apb.pt/; Março 2013.

Banco de Portugal; Sistema bancário: Actividade, rentabilidade e adequação de fundos próprios; Relatório de estabilidade financeira; http://www.bportugal.pt/pt-PT/EstudosEconomicos/Publicacoes/RelatorioEstabilidadeFinanceira/Publicacoes/cap3_12_p.pdf; Novembro 2012.

Beerli, A., Martín, J., D., & Quintana, A. 2004. A model of customer loyalty in the retail banking market. *European Journal of Marketing*, 38 (½): 253-275.

Bitran, G., R., & Hoech, J. 1990. The humanization of services: Respect at the moment of truth. *Sloan Management Review*, Winter: 89-96.

Bughin, J. 2004. Attack or convert? Early evidence from European on-line banking. *The International Journal of Management Science*, 32: 1-7.

Carman, J., M. 1990. Consumer perceptions on service quality: An assessment of the SERVQUAL dimensions. *Journal of Retailing*, 66 (1): 33-35.

Chellappa, R., K., & Sin, R., G. 2005. Personalization versus privacy: An empirical examination of the online consumer's dilemma. *Information Technology and Management*, 6 (2/3): 181-202.

Chou, P., H., Li, P., H., Chen, K., K., & Wu, M., J. 2010. Integrating web mining and neural network for personalized e-commerce automatic service. *Expert Systems with Applications*, 37: 2898-2910.

Chou, D., C., Lin, B., Xu, Y., & Yen, D., C. 2002. Adopting customer relationship management technology. *The TQM Magazine*, 16 (5): 314-324.

Chowdhary, S. 2001. Return on relationships. *Computers Today*, 31 (August): 16-31.

Christensen, H., K. 2010. Defining customer value as the driver of competitive advantage. *Strategy & Leadership*, 38 (5): 20-25.

Cronin, J., J., Jr., & Taylor, S., A. 1992. Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56 (3): 55-68.

Dick, A., S. & Basu, K. 1994. Customer loyalty toward an integrated conceptual framework. *Journal of the Academy of Marketing Science*, 22 (2): 99-103.

East, R. 1997. *Consumer behavior: Advances and applications in marketing*. London: Prentice Hall.

European Customer Satisfaction Index – Portugal; Divulgação de Resultados – ECSI 2010; Índice nacional de satisfação do cliente; http://www.ecsiportugal.pt/files/ResultadosNacionais_ECSI_2010.pdf ; Julho 2011.

File, K., M., & Prince, R., A. 1992. Positive word-of-mouth: Customer satisfaction and buyer behaviour. *International Journal of Bank Marketing*, 10 (1): 25-29.

Fornell, C. 1992. A national customer satisfaction barometer: The Swedish experience. *Journal of Marketing*, 56 (1): 6-21.

Grewal, D., & Levy, M. 1997. Retailing research: Past, present and future. *Journal of Retailing*, 7 (4): 359-376.

Gwinner, K., P., Bitner, M., J., Brown, S., W., & Kumar, A. 2005. A service customization through employee adaptiveness. *Journal of Service Research*, 8 (2): 131-148.

Ho, C., B., & Wu, D., D. 2009. Online banking performance evaluation using data envelopment analysis and principal component analysis. *Computers & Operations Research*, 36: 1835-1842.

Ho, S., & Kwok, S. 2003. The attraction of personalized service for users in mobile commerce: An empirical study. *ACM Sigecom Exchanges*, 3 (4): 10-18.

Homburg, C., & Fürts, A. 2005. How organizational complaint handling drives customer loyalty: An analysis of the mechanistic and organic approach. *Journal of Marketing*, 69 (July): 95-114.

Instituto Nacional de Estatística; População residente e components da população; http://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_indicadores&userLoadSave=Load&userTableOrder=45&tipoSeleccao=1&contexto=pq&selTab=tab1&submitLoad=true; 26 de Março de 2013.

Jackson, T., W. 2007. Personalisation and CRM. *Journal of Data Base Marketing & Customer Strategy Management*, 15 (1): 24-36.

Jacoby, J., & Kyner, D., B. 1973. Brand loyalty vs. repeat purchasing behaviour. *Journal of Marketing Research*, 10 (February): 1-19.

Jamal, A. 2004. Retail banking and customer behaviour: A study of self-concept, satisfaction and technology usage. *The International Review of Retail, Distribution and Consumer Research*, 14 (3): 357-379.

Jamal, A., & Adelowore, A. 2008, Customer-employee relationship: The role of self-employee congruence. *European Journal of Marketing*, 4 (11/12): 1316-1345.

Johnson, M., D., & Selnes, F. 2004. Customer portfolio management: Toward a dynamic theory of exchange relationships. *Journal of Marketing*, 68 (April): 1-17.

Klemperer, P. 1995. Competition when consumers have switching costs: An overview with applications to industrial organization macroeconomics and international trade. *Review of Economic Studies*, 62 (October): 515-539.

Kotler, P. 1999. *Kotler on marketing: How to create, win and dominate markets* (3rd ed). Lisbon: Editorial Presença.

Lee, C., H., & Cranage, D., A. 2011. Personalisation – Privacy paradox: The effects of personalisation and privacy assurance on customer responses to travel web sites. *Tourism Management*, 32: 987-994.

Lo, S., C. 2012. Consumer decisions: The effect of word-of-mouth. *International Journal of Organizational Innovation*. 4 (3): 188-196.

Nagle, T., T., & Hogan, J., E. 2006. *The strategy and tactics of pricing: A guide to growing more profitability* (4th ed). New Jersey: Prentice Hall.

Oliver, R., L. 1980. Cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17 (November): 460-469.

Oliver, R., L. 1999. Whence consumer loyalty? *Journal of Marketing*, 63 (October): 33-44.

Parasuraman, A., Zeithaml, V., A., & Berry, L., L. 1988. SERVQUAL: A multiple-item scale for measuring consumer perception of service quality. *Journal of Retailing*, 64 (1): 12-40.

Parasuraman, A., Zeithaml, V., A., & Berry, L., L. 1994. Reassessment of expectations as a comparison standard in measuring service quality: Implications for further research. *Journal of Marketing*, 58 (January): 111.124.

Peppers, D., & Rogers, M. 2004. *Managing customer relationships: A strategic framework*. Hoboken, New Jersey: John Wiley & Sons, Inc.

Porter, M. 1985. *Vantagem competitiva: Criando e sustentando um desempenho superior*. Rio de Janeiro, Brasil: Editora Campus Ltda.

Reichheld, F., & Sasser, E. 1990. Zero defections: Quality comes to services. *Harvard Business Review*, September-October: 105-111.

Rothenberger, S., Grewal, D., & Iyer, G., R. 2008. Understanding the role of complaint handling on consumer loyalty in service relationships. *Journal of Relationship Marketing*, 7 (4): 359-376.

Schater, J., B., Konstan, J., & Riedl, J. 2001. E-commerce recommendation application. *Journal of Data Mining and Knowledge Discovery*, 5 (1-2):115-153

Selnes, F. 1993. An examination of the effect of product performance on brand reputation, satisfaction and loyalty. *Journal of Marketing*, 27 (9): 19-35.

Sheng, H., & Nah, F. 2008. An experimental study on u-commerce adoption: Impact of personalisation and privacy concerns. *Journal of the Association for Information Systems*, 9 (6): 344-376.

Spreng, R., A., & Mackay, R., D. 1996. An empirical examination of a model of perceived services quality and satisfaction. *Journal of Retailing*, 72 (2): 201-214.

Taylor, S., A., & Baker, T., L. 1994. An assessment of the relationship between service quality and customer satisfaction in the formation of consumer's purchase intentions. *Journal of Retailing*, 70 (2): 163-178.

Verhoef, P. 2003. Understanding the effect of customer relationship: Management efforts on customer retention and customer share development. *Journal of Marketing*, 67: 30-45.

Wen, H.m J., Yen, D., C., & Zeng, Y., E. 2003. Customer relationship management (CRM) in business-to-business (B2B) e-commerce. *Information Management & Computer Security*, 11 (1): 39-44.

Wernerfelt, B. 1991. Brand loyalty and market equilibrium. *Marketing Science*, 10 (3): 229-245.

Woodruff, R., B. 1997. Customer value: The next source for competitive advantage. *Journal of the Academy of Marketing Science*, 25 (2): 139-153.

Yousafzai, S., Y., Pallister, J., G., & Foxall, G., R. 2003. A proposed model of e-trust for electronic banking. *Technovation*, 23: 847-860.

Zeithaml, V., A., Berry, L., L., & Parasuraman, A. 1996. The behavioral consequences of Service quality. *Journal of Marketing*, 60 (April): 31-46.

ANNEXES

Annex 1 – Banking Network in Portugal

Bank	Year of Foundation/ Entrance in Portugal	Capital (Thousands €)	Active Bank Accounts	MS %
Banco BIC	2008	30.000	2.485	0,0
Banco Bilbao Vizcaya Argentaria (BBVA)	1991	430.000	-	-
Banco Português de Investimento (BPI)	1985	990.000	1.275.845	9,6
Banco Comercial Português Millennium (BCP)	1985	6.065.000	2.136.611	16,0
ActivoBank	1994	41.000	20.675	0,2
Banco de Investimento Global (BIG)	1998	104.000	-	-
Banco do Brasil	1972	14.355	12.369	0,1
Banco Efisa	1994	25.500	-	
Banco Espirito Santo (BES)	1869	4.030.232	1.261.940	9,5
Banco Electrónico de Serviço Total (BEST)	2001	63.000	43.010	0,3
Banco Finantia	1992	150.000	-	-
Banco Invest	1997	59.500	1.239	0,1
Banco Itaú	2003	535.624	-	-
Banco Popular	2003	451.000	95.111	0,7
Banco Santander Totta	1991	656.723	1.290.281	9,7
Banco Santander Consumer Portugal, S.A.	2007	66.593	30	0,0
Banco Internacional do Funchal (BANIF)	1988	794.500	509.960	3,8
Barclays Bank	1985	39.904	-	-
Banco Nacional de Paris (BNP) Paribas	2000	-	488	0,0
Banco Português de Negócios (BPN)	1993	-	-	-
Caixa Central de Crédito Agrícola Mútulo	1911	867.605	1.345.692	10,1
Caixa Geral de Depósitos (CGD)	1876	5.150.000	4.410.695	33,1
Caixa Galicia	2000	-	-	-
Deutsch Bank (Portugal)	1978	125.000	43.227	0,3
Finibanco	1993	180.000	-	-
Montepio Geral	1840	1.245.000	802.516	6,0

Table 20 - Banking Network in Portugal Information (2011)
Source: Associação Portuguesa de Bancos

Annex 2 – Online Questionnaire

Este questionário é parte integrante de um estudo sobre a qualidade dos serviços bancários em Portugal, tema da minha Tese de Mestrado em Marketing do ISCTE.

Para fazer parte deste estudo é necessário que a sua idade seja igual ou superior a 25 anos.

Gostaria, desde já, de agradecer-lhe a disponibilidade e colaboração no preenchimento deste questionário que demorará entre 5 a 10 minutos para concluir.

Toda a informação fornecida será tratada confidencialmente.

O seu contributo é de extrema importância para o sucesso desta investigação.

Catarina Sêrro

A. Indique, por favor, a instituição bancária com a qual lida com maior frequência (que será, no questionário que se segue, referida como o seu banco).

- ○ CGD (Caixa Geral de Depósitos)

- ○ BES (Banco Espírito Santo)

- ○ Millennium BCP (Banco Comercial Português)

- ○ BPI (Banco Português de Investimento)

- ○ Santander Totta

- ○ Outro

B. As questões que se seguem referem-se ao seu banco.

Numa escala de 1 a 7 (1- Discordo totalmente a 7- Concordo totalmente), qual a sua opinião em relação às seguintes afirmações?

1. Personalização dos Serviços

Sempre que vou ao meu banco sou reconhecido/a pelo meu nome.	1	2	3	4	5	6	7
Os funcionários do meu banco cumprimentam-me quando entro na agência.	1	2	3	4	5	6	7
Os funcionários do meu banco pedem desculpa pelo tempo que estive à espera na fila (caso tenha esperado na fila para ser atendido/a).	1	2	3	4	5	6	7
Quando visito uma agência, os funcionários do meu banco são capazes de fazer um acompanhamento personalizado.	1	2	3	4	5	6	7
Quando visito uma agência, os funcionários do meu banco informam-me sobre serviços que me podem ser úteis.	1	2	3	4	5	6	7
A minha página pessoal do serviço *online banking* tem uma lista personalizada de sugestões de serviços/produtos que me podem ser úteis.	1	2	3	4	5	6	7

2. Qualidade

2.1. Qualidade dos Serviços na Agência

Estou seguro/a que o meu banco realiza os serviços correctamente.	1	2	3	4	5	6	7
O meu banco faz questão de ter registos actualizados.	1	2	3	4	5	6	7
Quando tenho um problema, o meu banco mostra interesse em resolvê-lo.	1	2	3	4	5	6	7
O meu banco fornece os seus serviços na altura que prometeu fazê-lo.	1	2	3	4	5	6	7
O meu banco tem os meus interesses em consideração.	1	2	3	4	5	6	7
O meu banco tem um horário de funcionamento conveniente para os clientes.	1	2	3	4	5	6	7
O comportamento dos funcionários do meu banco inspira confiança.	1	2	3	4	5	6	7
Os funcionários do meu banco têm os conhecimentos necessários para responder às minhas questões.	1	2	3	4	5	6	7
Os funcionários do meu banco compreendem as minhas necessidades específicas.	1	2	3	4	5	6	7
Os funcionários do meu banco são sempre atenciosos comigo	1	2	3	4	5	6	7
Os funcionários do meu banco atendem-me com rapidez.	1	2	3	4	5	6	7
Os funcionários do meu banco nunca estão demasiado ocupados para responder às minhas dúvidas.	1	2	3	4	5	6	7
Os funcionários do meu banco estão sempre dispostos a ajudar-me.	1	2	3	4	5	6	7

2.2 Qualidade dos Serviços Online

O serviço online do meu banco tem toda a informação que necessito	1	2	3	4	5	6	7
O serviço online do meu banco é rápido.	1	2	3	4	5	6	7
O serviço online do meu banco é fácil de utilizar	1	2	3	4	5	6	7
O serviço online do meu banco é muito conveniente.	1	2	3	4	5	6	7
Tenho confiança nas transacções feitas online.	1	2	3	4	5	6	7
As transacções feitas através do serviço online são mais baratas.	1	2	3	4	5	6	7

3. Satisfação

Estou satisfeito/a com o meu banco.	1	2	3	4	5	6	7
O meu banco corresponde positivamente às minhas expectativas.	1	2	3	4	5	6	7
Estou satisfeito/a com a variedade de serviços adicionais do meu banco.	1	2	3	4	5	6	7
De acordo com a minha experiência, estou satisfeito/a com o serviço prestado pelo meu banco.	1	2	3	4	5	6	7
Estou satisfeito/a com o sistema de online banking do meu banco	1	2	3	4	5	6	7

4. Custos de Mudança

Mudar para um outro banco implica investir tempo na pesquisa de informações sobre outros bancos.	1	2	3	4	5	6	7
Mudar para outro banco implica muito esforço na tomada de decisão sobre o banco para o qual mudar.	1	2	3	4	5	6	7
Mudar para outro banco implica correr um risco na escolha de outro banco que poderá não ser tão satisfatório como o actual.	1	2	3	4	5	6	7

5. Fidelidade

Não tenciono mudar de banco porque valorizo o meu banco.	1	2	3	4	5	6	7
Sou um cliente leal ao meu banco.	1	2	3	4	5	6	7
Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	1	2	3	4	5	6	7
Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.	1	2	3	4	5	6	7

C. Por fim, agradecia algumas informações a seu respeito.

1. Sexo:

Masculino	
Feminino	

2. Idade:

25 – 34	
35 – 44	
45 – 54	
55 – 65	
> 65	

3. Habilitações Literárias

Ensino Básico	
Ensino Secundário	
Bacharelato	
Licenciatura	
Mestrado	
Doutoramento	

4. Rendimento

Até 500€	
De 501€ a 1500€	
De 1501€ a 2500€	
Mais de 2500€	

5. Residência (Distrito)

Muito obrigada pelo tempo despendido e pela valiosa ajuda que deu a este projecto!

Annex 3 - Pearson Correlation Coefficient

Personalization

Correlations

		Sempre que vou ao meu banco sou reconhecido/a pelo meu nome.	Os funcionários do meu banco cumprimentam-me quando entro na agência.	Os funcionários do meu banco pedem desculpa pelo tempo que estive à espera na fila (caso tenha esperado na fila para ser atendido/a).	Quando visito uma agência, os funcionários do meu banco são capazes de fazer um acompanhamento personalizado.	Quando visito uma agência, os funcionários do meu banco informam-me sobre serviços que me podem ser úteis.	A minha página pessoal do serviço online banking tem uma lista personalizada de sugestões de serviços/produtos que me podem ser úteis.
Sempre que vou ao meu banco sou reconhecido/a pelo meu nome.	Pearson Correlation	1	,668**	,612**	,613**	,547**	,425**
	Sig. (2-tailed)		,000	,000	,000	,000	,000
	N	295	295	295	295	295	295
Os funcionários do meu banco cumprimentam-me quando entro na agência.	Pearson Correlation	,668**	1	,570**	,646**	,643**	,478**
	Sig. (2-tailed)	,000		,000	,000	,000	,000
	N	295	295	295	295	295	295
Os funcionários do meu banco pedem desculpa pelo tempo que estive à espera na fila (caso tenha esperado na fila para ser atendido/a).	Pearson Correlation	,612**	,570**	1	,620**	,623**	,386**
	Sig. (2-tailed)	,000	,000		,000	,000	,000
	N	295	295	295	295	295	295
Quando visito uma agência, os funcionários do meu banco são capazes de fazer um acompanhamento personalizado.	Pearson Correlation	,613**	,646**	,620**	1	,703**	,502**
	Sig. (2-tailed)	,000	,000	,000		,000	,000
	N	295	295	295	295	295	295
Quando visito uma agência, os funcionários do meu banco informam-me sobre serviços que me podem ser úteis.	Pearson Correlation	,547**	,643**	,623**	,703**	1	,515**
	Sig. (2-tailed)	,000	,000	,000	,000		,000
	N	295	295	295	295	295	295
A minha página pessoal do serviço online banking tem uma lista personalizada de sugestões de serviços/produtos que me podem ser úteis.	Pearson Correlation	,425**	,478**	,386**	,502**	,515**	1
	Sig. (2-tailed)	,000	,000	,000	,000	,000	
	N	295	295	295	295	295	295

Perceived Quality in the Branch Part 1

Correlations

		Estou seguro/a que o meu banco realiza os serviços correctamente.	O meu banco faz questão de ter registos actualizados.	Quando tenho um problema, o meu banco mostra interesse em resolvê-lo.	O meu banco fornece os seus serviços na altura que prometeu fazê-lo.	O meu banco tem os meus interesses em consideração.	O meu banco tem um horário de funcionamento conveniente para os clientes.	O comportamento dos funcionários do meu banco inspira confiança.	Os funcionários do meu banco têm os conhecimentos necessários para responder às minhas questões.	Os funcionários do meu banco compreendem as minhas necessidades específicas.	Os funcionários do meu banco são sempre antenciosos comigo.	Os funcionários do meu banco atendem-me com rapidez.	Os funcionários do meu banco nunca estão demasiado ocupados para responder às minhas dúvidas.	Os funcionários do meu banco estão sempre dispostos a ajudar-me.
Estou seguro/a que o meu banco realiza os serviços correctamente.	Pearson Correlation	1	,832**	,785**	,797**	,747**	,576**	,792**	,758**	,741**	,731**	,694**	,628**	,774**
	Sig. (2-tailed)		,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
O meu banco faz questão de ter registos actualizados.	Pearson Correlation	,832**	1	,788**	,802**	,727**	,596**	,769**	,708**	,714**	,728**	,681**	,642**	,744**
	Sig. (2-tailed)	,000		,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
Quando tenho um problema, o meu banco mostra interesse em resolvê-lo.	Pearson Correlation	,785**	,788**	1	,820**	,748**	,559**	,744**	,713**	,765**	,717**	,712**	,598**	,753**
	Sig. (2-tailed)	,000	,000		,000	,000	,000	,000	,000	,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
O meu banco fornece os seus serviços na altura que prometeu fazê-lo.	Pearson Correlation	,797**	,802**	,820**	1	,759**	,568**	,758**	,731**	,741**	,729**	,679**	,650**	,782**
	Sig. (2-tailed)	,000	,000	,000		,000	,000	,000	,000	,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
O meu banco tem os meus interesses em consideração.	Pearson Correlation	,747**	,727**	,748**	,759**	1	,602**	,761**	,679**	,729**	,707**	,704**	,619**	,755**
	Sig. (2-tailed)	,000	,000	,000	,000		,000	,000	,000	,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
O meu banco tem um horário de funcionamento conveniente para os clientes.	Pearson Correlation	,576**	,596**	,559**	,568**	,602**	1	,614**	,504**	,502**	,596**	,529**	,443**	,583**
	Sig. (2-tailed)	,000	,000	,000	,000	,000		,000	,000	,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
O comportamento dos funcionários do meu banco inspira confiança.	Pearson Correlation	,792**	,769**	,744**	,758**	,761**	,614**	1	,781**	,737**	,755**	,735**	,657**	,774**
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000		,000	,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
Os funcionários do meu banco têm os conhecimentos necessários para responder às minhas questões.	Pearson Correlation	,758**	,708**	,713**	,731**	,679**	,504**	,781**	1	,757**	,697**	,647**	,629**	,738**
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000		,000	,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
Os funcionários do meu banco compreendem as minhas necessidades específicas.	Pearson Correlation	,741**	,714**	,765**	,741**	,729**	,502**	,737**	,757**	1	,724**	,701**	,600**	,754**
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000		,000	,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295

Perceived Quality in the Branch Part 2

Correlations

		Estou seguro/a que o meu banco realiza os serviços correctamente.	O meu banco faz questão de ter registos actualizados.	Quando tenho um problema, o meu banco mostra interesse em resolvê-lo.	O meu banco fornece os seus serviços na altura que prometeu fazê-lo.	O meu banco tem os meus interesses em consideração.	O meu banco tem um horário de funcionamento conveniente para os clientes.	O comportamento dos funcionários do meu banco inspira confiança.	Os funcionários do meu banco têm os conhecimentos necessários para responder às minhas questões.	Os funcionários do meu banco compreendem as minhas necessidades específicas.	Os funcionários do meu banco são sempre antenciosos comigo.	Os funcionários do meu banco atendem-me com rapidez.	Os funcionários do meu banco nunca estão demasiado ocupados para responder às minhas dúvidas.	Os funcionários do meu banco estão sempre dispostos a ajudar-me.
Os funcionários do meu banco são sempre antenciosos comigo.	Pearson Correlation	,731**	,728**	,717**	,729**	,707**	,596**	,755**	,697**	,724**	1	,710**	,631**	,757**
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000		,000	,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
Os funcionários do meu banco atendem-me com rapidez.	Pearson Correlation	,694**	,681**	,712**	,679**	,704**	,529**	,735**	,647**	,701**	,710**	1	,626**	,759**
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000		,000	,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
Os funcionários do meu banco nunca estão demasiado ocupados para responder às minhas dúvidas.	Pearson Correlation	,628**	,642**	,598**	,650**	,619**	,443**	,657**	,629**	,600**	,631**	,626**	1	,690**
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000		,000
	N	295	295	295	295	295	295	295	295	295	295	295	295	295
Os funcionários do meu banco estão sempre dispostos a ajudar-me.	Pearson Correlation	,774**	,744**	,753**	,782**	,755**	,583**	,774**	,738**	,754**	,757**	,759**	,690**	1
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	,000	
	N	295	295	295	295	295	295	295	295	295	295	295	295	295

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

Perceived Quality Online

Correlations

		O serviço online do meu banco tem toda a informação que necessito.	O serviço online do meu banco é rápido.	O serviço online do meu banco é fácil de utilizar.	O serviço online do meu banco é muito conveniente.	Tenho confiança nas transacções feitas online.	As transacções feitas através do serviço online são mais baratas.
O serviço online do meu banco tem toda a informação que necessito.	Pearson Correlation	1	,915**	,863**	,836**	,776**	,722**
	Sig. (2-tailed)		,000	,000	,000	,000	,000
	N	295	295	295	295	295	295
O serviço online do meu banco é rápido.	Pearson Correlation	,915**	1	,900**	,854**	,828**	,752**
	Sig. (2-tailed)	,000		,000	,000	,000	,000
	N	295	295	295	295	295	295
O serviço online do meu banco é fácil de utilizar.	Pearson Correlation	,863**	,900**	1	,810**	,780**	,693**
	Sig. (2-tailed)	,000	,000		,000	,000	,000
	N	295	295	295	295	295	295
O serviço online do meu banco é muito conveniente.	Pearson Correlation	,836**	,854**	,810**	1	,777**	,665**
	Sig. (2-tailed)	,000	,000	,000		,000	,000
	N	295	295	295	295	295	295
Tenho confiança nas transacções feitas online.	Pearson Correlation	,776**	,828**	,780**	,777**	1	,697**
	Sig. (2-tailed)	,000	,000	,000	,000		,000
	N	295	295	295	295	295	295
As transacções feitas através do serviço online são mais baratas.	Pearson Correlation	,722**	,752**	,693**	,665**	,697**	1
	Sig. (2-tailed)	,000	,000	,000	,000	,000	
	N	295	295	295	295	295	295

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

Satisfaction

Correlations

		Estou satisfeito/a com o meu banco.	O meu banco corresponde positivamente às minhas expectativas.	Estou satisfeito/a com a variedade de serviços adicionais do meu banco.	De acordo com a minha experiência, estou satisfeito/a com o serviço prestado pelo meu banco.	Estou satisfeito/a com o sistema de online banking do meu banco.
Estou satisfeito/a com o meu banco.	Pearson Correlation	1	,957**	,830**	,907**	,706**
	Sig. (2-tailed)		,000	,000	,000	,000
	N	295	295	295	295	295
O meu banco corresponde positivamente às minhas expectativas.	Pearson Correlation	,957**	1	,849**	,913**	,709**
	Sig. (2-tailed)	,000		,000	,000	,000
	N	295	295	295	295	295
Estou satisfeito/a com a variedade de serviços adicionais do meu banco.	Pearson Correlation	,830**	,849**	1	,825**	,720**
	Sig. (2-tailed)	,000	,000		,000	,000
	N	295	295	295	295	295
De acordo com a minha experiência, estou satisfeito/a com o serviço prestado pelo meu banco.	Pearson Correlation	,907**	,913**	,825**	1	,701**
	Sig. (2-tailed)	,000	,000	,000		,000
	N	295	295	295	295	295
Estou satisfeito/a com o sistema de online banking do meu banco.	Pearson Correlation	,706**	,709**	,720**	,701**	1
	Sig. (2-tailed)	,000	,000	,000	,000	
	N	295	295	295	295	295

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

Switching Costs

Correlations

		Mudar para um outro banco implica investir tempo na pesquisa de informações sobre outros bancos.	Mudar para outro banco implica muito esforço na tomada de decisão sobre o banco para o qual mudar.	Mudar para outro banco implica correr um risco na escolha de outro banco que poderá não ser tão satisfatório como o actual.
Mudar para um outro banco implica investir tempo na pesquisa de informações sobre outros bancos.	Pearson Correlation	1	,754**	,762**
	Sig. (2-tailed)		,000	,000
	N	295	295	295
Mudar para outro banco implica muito esforço na tomada de decisão sobre o banco para o qual mudar.	Pearson Correlation	,754**	1	,824**
	Sig. (2-tailed)	,000		,000
	N	295	295	295
Mudar para outro banco implica correr um risco na escolha de outro banco que poderá não ser tão satisfatório como o actual.	Pearson Correlation	,762**	,824**	1
	Sig. (2-tailed)	,000	,000	
	N	295	295	295

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

Loyalty

Correlations

		Não tenciono mudar de banco porque valorizo o meu banco.	Sou um cliente leal ao meu banco.	Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.
Não tenciono mudar de banco porque valorizo o meu banco.	Pearson Correlation	1	,883**	,848**	,073
	Sig. (2-tailed)		,000	,000	,210
	N	295	295	295	295
Sou um cliente leal ao meu banco.	Pearson Correlation	,883**	1	,817**	,060
	Sig. (2-tailed)	,000		,000	,306
	N	295	295	295	295
Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	Pearson Correlation	,848**	,817**	1	,112
	Sig. (2-tailed)	,000	,000		,054
	N	295	295	295	295
Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.	Pearson Correlation	,073	,060	,112	1
	Sig. (2-tailed)	,210	,306	,054	
	N	295	295	295	295

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

Annex 4 – Personalization PCA

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,887
Bartlett's Test of Sphericity	Approx. Chi-Square	922,496
	df	15
	Sig.	,000

Communalities

	Initial	Extraction
Sempre que vou ao meu banco sou reconhecido/a pelo meu nome.	1,000	,651
Os funcionários do meu banco cumprimentam-me quando entro na agência.	1,000	,702
Os funcionários do meu banco pedem desculpa pelo tempo que estive à espera na fila (caso tenha esperado na fila para ser atendido/a).	1,000	,632
Quando visito uma agência, os funcionários do meu banco são capazes de fazer um acompanhamento personalizado.	1,000	,732
Quando visito uma agência, os funcionários do meu banco informam-me sobre serviços que me podem ser úteis.	1,000	,710
A minha página pessoal do serviço online banking tem uma lista personalizada de sugestões de serviços/produtos que me podem ser úteis.	1,000	,444

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3,871	64,516	64,516	3,871	64,516	64,516
2	,662	11,039	75,555			
3	,474	7,907	83,462			
4	,407	6,784	90,246			
5	,318	5,300	95,546			
6	,267	4,454	100,000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
Quando visito uma agência, os funcionários do meu banco são capazes de fazer um acompanhamento personalizado.	,855
Quando visito uma agência, os funcionários do meu banco informam-me sobre serviços que me podem ser úteis.	,843
Os funcionários do meu banco cumprimentam-me quando entro na agência.	,838
Sempre que vou ao meu banco sou reconhecido/a pelo meu nome.	,807
Os funcionários do meu banco pedem desculpa pelo tempo que estive à espera na fila (caso tenha esperado na fila para ser atendido/a).	,795
A minha página pessoal do serviço online banking tem uma lista personalizada de sugestões de serviços/produtos que me podem ser úteis.	,667

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Annex 5 – Perceived Quality Service in the Branch PCA

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,973
Bartlett's Test of Sphericity	Approx. Chi-Square	3864,682
	df	78
	Sig.	,000

Communalities

	Initial	Extraction
Estou seguro/a que o meu banco realiza os serviços correctamente.	1,000	,801
O meu banco faz questão de ter registos actualizados.	1,000	,779
Quando tenho um problema, o meu banco mostra interesse em resolvê-lo.	1,000	,776
O meu banco fornece os seus serviços na altura que prometeu fazê-lo.	1,000	,794
O meu banco tem os meus interesses em consideração.	1,000	,746
O meu banco tem um horário de funcionamento conveniente para os clientes.	1,000	,470
O comportamento dos funcionários do meu banco inspira confiança.	1,000	,802
Os funcionários do meu banco têm os conhecimentos necessários para responder às minhas questões.	1,000	,718
Os funcionários do meu banco compreendem as minhas necessidades específicas.	1,000	,737
Os funcionários do meu banco são sempre antenciosos comigo.	1,000	,737
Os funcionários do meu banco atendem-me com rapidez.	1,000	,690
Os funcionários do meu banco nunca estão demasiado ocupados para responder às minhas dúvidas.	1,000	,575
Os funcionários do meu banco estão sempre dispostos a ajudar-me.	1,000	,799

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9,423	72,483	72,483	9,423	72,483	72,483
2	,608	4,674	77,157			
3	,480	3,692	80,849			
4	,394	3,033	83,882			
5	,357	2,748	86,630			
6	,293	2,253	88,883			
7	,278	2,138	91,021			
8	,253	1,943	92,964			
9	,222	1,704	94,668			
10	,208	1,599	96,267			
11	,172	1,321	97,588			
12	,162	1,245	98,833			
13	,152	1,167	100,000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
O comportamento dos funcionários do meu banco inspira confiança.	,895
Estou seguro/a que o meu banco realiza os serviços correctamente.	,895
Os funcionários do meu banco estão sempre dispostos a ajudar-me.	,894
O meu banco fornece os seus serviços na altura que prometeu fazê-lo.	,891
O meu banco faz questão de ter registos actualizados.	,882
Quando tenho um problema, o meu banco mostra interesse em resolvê-lo.	,881
O meu banco tem os meus interesses em consideração.	,864
Os funcionários do meu banco compreendem as minhas necessidades específicas.	,859
Os funcionários do meu banco são sempre antenciosos comigo.	,858
Os funcionários do meu banco têm os conhecimentos necessários para responder às minhas questões.	,847
Os funcionários do meu banco atendem-me com rapidez.	,830
Os funcionários do meu banco nunca estão demasiado ocupados para responder às minhas dúvidas.	,758
O meu banco tem um horário de funcionamento conveniente para os clientes.	,686

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Annex 6 – Perceived Quality Service Online PCA

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,929
Bartlett's Test of Sphericity	Approx. Chi-Square	2051,224
	df	15
	Sig.	,000

Communalities

	Initial	Extraction
O serviço online do meu banco tem toda a informação que necessito.	1,000	,883
O serviço online do meu banco é rápido.	1,000	,930
O serviço online do meu banco é fácil de utilizar.	1,000	,860
O serviço online do meu banco é muito conveniente.	1,000	,823
Tenho confiança nas transacções feitas online.	1,000	,792
As transacções feitas através do serviço online são mais baratas.	1,000	,679

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4,968	82,798	82,798	4,968	82,798	82,798
2	,381	6,353	89,151			
3	,253	4,224	93,375			
4	,195	3,257	96,632			
5	,131	2,188	98,820			
6	,071	1,180	100,000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
O serviço online do meu banco tem toda a informação que necessito.	,940
O serviço online do meu banco é rápido.	,965
O serviço online do meu banco é fácil de utilizar.	,927
O serviço online do meu banco é muito conveniente.	,907
Tenho confiança nas transacções feitas online.	,890
As transacções feitas através do serviço online são mais baratas.	,824

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Personalized Services: Competitive Advantage in the Portuguese Retail Banking Market

Annex 7 – Customer Satisfaction PCA

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,889
Bartlett's Test of Sphericity	Approx. Chi-Square	1896,489
	df	10
	Sig.	,000

Communalities

	Initial	Extraction
Estou satisfeito/a com o meu banco.	1,000	,918
O meu banco corresponde positivamente às minhas expectativas.	1,000	,929
Estou satisfeito/a com a variedade de serviços adicionais do meu banco.	1,000	,840
De acordo com a minha experiência, estou satisfeito/a com o serviço prestado pelo meu banco.	1,000	,895
Estou satisfeito/a com o sistema de online banking do meu banco.	1,000	,677

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4,259	85,183	85,183	4,259	85,183	85,183
2	,393	7,861	93,044			
3	,200	3,999	97,044			
4	,106	2,110	99,154			
5	,042	,846	100,000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
O meu banco corresponde positivamente às minhas expectativas.	,964
Estou satisfeito/a com o meu banco.	,958
De acordo com a minha experiência, estou satisfeito/a com o serviço prestado pelo meu banco.	,946
Estou satisfeito/a com a variedade de serviços adicionais do meu banco.	,917
Estou satisfeito/a com o sistema de online banking do meu banco.	,823

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

84

Annex 8 – Switching Costs PCA

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,751
Bartlett's Test of Sphericity	Approx. Chi-Square	622,650
	df	3
	Sig.	,000

Communalities

	Initial	Extraction
Mudar para um outro banco implica investir tempo na pesquisa de informações sobre outros bancos.	1,000	,821
Mudar para outro banco implica muito esforço na tomada de decisão sobre o banco para o qual mudar.	1,000	,867
Mudar para outro banco implica correr um risco na escolha de outro banco que poderá não ser tão satisfatório como o actual.	1,000	,873

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,560	85,344	85,344	2,560	85,344	85,344
2	,264	8,806	94,150			
3	,175	5,850	100,000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
Mudar para um outro banco implica investir tempo na pesquisa de informações sobre outros bancos.	,906
Mudar para outro banco implica muito esforço na tomada de decisão sobre o banco para o qual mudar.	,931
Mudar para outro banco implica correr um risco na escolha de outro banco que poderá não ser tão satisfatório como o actual.	,934

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Annex 9 – Loyalty According to the Kaiser Criterion

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,760
Bartlett's Test of Sphericity	Approx. Chi-Square	839,564
	df	6
	Sig.	,000

Communalities

	Initial	Extraction
Não tenciono mudar de banco porque valorizo o meu banco.	1,000	,919
Sou um cliente leal ao meu banco.	1,000	,896
Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	1,000	,877
Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.	1,000	,018

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,711	67,769	67,769	2,711	67,769	67,769
2	,990	24,757	92,526			
3	,186	4,662	97,187			
4	,113	2,813	100,000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
Não tenciono mudar de banco porque valorizo o meu banco.	,959
Sou um cliente leal ao meu banco.	,947
Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	,936
Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.	,136

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Annex 10 – Loyalty 2 Component PCA

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,760
Bartlett's Test of Sphericity	Approx. Chi-Square	839,564
	df	6
	Sig.	,000

Communalities

	Initial	Extraction
Não tenciono mudar de banco porque valorizo o meu banco.	1,000	,923
Sou um cliente leal ao meu banco.	1,000	,902
Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	1,000	,877
Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.	1,000	1,000

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,711	67,769	67,769	2,711	67,769	67,769	2,696	67,398	67,398
2	,990	24,757	92,526	,990	24,757	92,526	1,005	25,128	92,526
3	,186	4,662	97,187						
4	,113	2,813	100,000						

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component	
	1	2
Não tenciono mudar de banco porque valorizo o meu banco.	,959	-,059
Sou um cliente leal ao meu banco.	,947	-,074
Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	,936	-,007
Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.	,136	,991

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Rotated Component Matrix[a]

	Component	
	1	2
Não tenciono mudar de banco porque valorizo o meu banco.	,960	,030
Sou um cliente leal ao meu banco.	,950	,014
Eu recomendo o meu banco a quem me pede conselhos sobre bancos.	,933	,080
Perante uma oferta de melhores condições por parte de um banco concorrente, eu mudo de banco.	,043	,999

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Component Transformation Matrix

Component	1	2
1	,996	,093
2	-,093	,996

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Annex 11 – Correlation between the Constructs

Personalization vs. Customer Satisfaction

Correlations

		Factor de Satisfação	Factor de Personalização
Factor de Satisfação	Pearson Correlation	1	,759[**]
	Sig. (2-tailed)		,000
	N	295	295
Factor de Personalização	Pearson Correlation	,759[**]	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Perceived Quality in the Branch vs. Customer Satisfaction

Correlations

		Factor Qualidade na agencia	Factor de satisfação
Factor Qualidade na agencia	Pearson Correlation	1	,912[**]
	Sig. (2-tailed)		,000
	N	295	295
Factor de satisfação	Pearson Correlation	,912[**]	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Perceived Quality Online vs. Customer Satisfaction

Correlations

		Factor de satisfação	Factor Qualidade Online
Factor de satisfação	Pearson Correlation	1	,796[**]
	Sig. (2-tailed)		,000
	N	295	295
Factor Qualidade Online	Pearson Correlation	,796[**]	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Personalization vs. Perceived Quality in the Branch

Correlations

		Factor de Personalização	Factor de Qualidade na agencia
Factor de Personalização	Pearson Correlation	1	,814**
	Sig. (2-tailed)		,000
	N	295	295
Factor de Qualidade na agencia	Pearson Correlation	,814**	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Personalization vs. Perceived Quality Online

Correlations

		Factor de Personalização	Factor de Qualidade Online
Factor de Personalização	Pearson Correlation	1	,628**
	Sig. (2-tailed)		,000
	N	295	295
Factor de Qualidade Online	Pearson Correlation	,628**	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Customer Satisfaction vs. Loyalty Component 1

Correlations

		Factor de Satisfação	Factor Lealdade C1
Factor de Satisfação	Pearson Correlation	1	,837**
	Sig. (2-tailed)		,000
	N	295	295
Factor Lealdade C1	Pearson Correlation	,837**	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Customer Satisfaction vs. Loyalty Component 2

Correlations

		Factor Lealdade C2	Factor de Satisfação
Factor Lealdade C2	Pearson Correlation	1	,252**
	Sig. (2-tailed)		,000
	N	295	295
Factor de Satisfação	Pearson Correlation	,252**	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Switching Costs vs. Loyalty Component 1

Correlations

		Factor Lealdade C1	Factor de Custos de Mudança
Factor Lealdade C1	Pearson Correlation	1	,547**
	Sig. (2-tailed)		,000
	N	295	295
Factor de Custos de Mudança	Pearson Correlation	,547**	1
	Sig. (2-tailed)	,000	
	N	295	295

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

Switching Costs vs. Loyalty Component 2

Correlations

		Factor de Custos de Mudança	Factor Lealdade C2
Factor de Custos de Mudança	Pearson Correlation	1	,346**
	Sig. (2-tailed)		,000
	N	295	295
Factor Lealdade C2	Pearson Correlation	,346**	1
	Sig. (2-tailed)	,000	
	N	295	295

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