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THE SERVICE TRIANGLE MODEL AND CUSTOMER LOYALTY IN THE FINANCIAL SERVICES SECTOR: THE MEDIATION OF SERVICE QUALITY

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ABSTRACT

The elements of the service marketing triangle model are empirically found to influence customer loyalty, the mediation of service quality. In this paper, the service triangle model and customer loyalty in the financial services sector of Ghana, the mediation of service quality were examined. Probability sampling techniques were used to select 384 each of customers and employees from banks, non-bank financial institutions, microfinance institutions and insurance companies. Data analysis was done using Pearson's correlation test, partial correlation test and Stepwise Multiple Linear Regression analysis. Findings revealed that customer loyalty practice is significantly positively related to service quality ($r = .845$, $p < .05$) in the financial services sector of Ghana. Also, external market orientation ($r = .857$, $p < .05$) and internal market practice ($r = .843$. $p < .05$) highly positively relate to service quality. Moreover, interactive market, external marketing and internal marketing significantly predict service quality ($p = .000$) and account for 90.4% of variance on it. Therefore, each of the three sides of the service marketing triangle impacts customer loyalty in the financial services sector of Ghana. It is therefore recommended that financial service providers in Ghana deliver services that are structured based on principles of the services marketing triangle model.

KEYWORDS: Service Marketing, Service Triangle Model, Internal Marketing, External Marketing, Interactive Marketing, Practice

INTRODUCTION

The Social Exchange Theory (SET) is a theory whose root is traced to Thibaut & Kelley (1959) and, views social change and stability as a process of negotiated exchanges between parties. The SET postulates that human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. This idea can be related to the relationship between customers and financial service providers. Costumers would often want to prolong their relationship with service providers if services provided are worth the costs they incur in exchange for these services. If customers think they do make substantial benefits from their service experience, they may switch to other service providers.

The SET argues those cost and benefit decisions form the basis of relationships between parties. In the context of the SET, costs are the elements of relational life that have a negative value to a person (Gafar et al., 2014a). Cost can be in the form of money, effort, and time. Rewards or benefits, on the other hand, are the elements of a relationship that have positive value to parties. They include comfort, support, and acceptable service, to mention but a few. In service delivery, a reward to the customer is a service that meets the needs of the customer. The reward to the service provider is the price the customer paid for the service.

In this study, it is argued that whether or not services provided by the business is rewarding to the customer depends on how well service delivery strategy is formulated. Since services are intangible, every business is required to use the best strategies to provide them to the satisfaction of customers. More precisely, a rewarding service will be the one that has high customer rating in terms of the five domains of the SERVQUAL model. Researchers (Aslam et al., 2015; Alrubaiee & Al-Nazer, 2010) have argued that, this level of rating is better achieved by businesses which meet two criteria: (a) have the resources and capabilities; and (b) are able to relate well with customers to address their needs. The situation is however different in a competitive situation.

When competition is high, business tend to focus on customer loyalty because customers are more likely to switch services during this time. Moreover, service providers go beyond the delivery of quality service to ensure that services provided are better than those of competitors. Porter's (1954) competitive strategy theory views customer loyalty as the outcome of a firm's competitive advantage and capabilities. The theory also implies that competitive advantage and capability determine the ability to deliver high quality services leading to customer satisfaction and loyalty. This argument makes sense because services are delivered in a financial service firm using employees who must be trained, compensated, and motivated to work hard. Efforts of employees in service delivery are determined by how well organisational resources are deployed to train, compensate, and motivate them.

From the point of view of Porter (1954), a business operating in a competitive market needs a competitive strategy to harness competitive advantage, without which competitors can provide services to which its customers can switch to. If there are several alternatives in the market, which is the case in competitive situations, a business would need to provide one of the best if not the best quality services to retain its customers. Competitive strategy formulation and application is the basis of delivering the best quality service, but this foundation is powered by the availability of resources and capabilities from the perspective of the RBV and DCA.

In short, resources and capabilities are required by a firm to provide services at the basis level. In a competitive situation such as what is experienced by financial firms in Ghana currently, a firm should provide services that are better than other competitors by developing and implementing competitive strategy. As a consequence, Porter's (1954) competitive strategy theory implies that the ability to develop and implement competitive strategy to provide the best quality services can lead to customer satisfaction and loyalty. In this vein, services provided are the most rewarding to customers. When this achievement is made, loyalty is a term that describes retention of customers owing to the ability of the firm to offer the best services. Undauntedly, the ability to provide superior quality services in a competitive situation forms the foundation of the nexus between service quality and loyalty.

There are many researchers who have defined service quality in different ways. For instance, Bitner, Booms and Mohr (1994) define service quality as 'the consumer's overall impression of the relative inferiority / superiority of the organisation and its services'. While other researchers (e.g. Cronin and Taylor, 1994; Taylor and Cronin, 1994) view service quality as a form of attitude representing a long-run overall evaluation, Zeithaml and Berry (1985) defined service quality as 'a function of the differences between expectation and performance along the quality dimensions'. This has appeared to be consistent with Roest and Pieters' (1997) definition that, service quality is a relativistic and cognitive discrepancy between experience-based norms and performances concerning service benefits.

Parasuraman et al. (1985) defined service quality as a function of the differences between expectation and performance along ten major dimensions. In later research, Parasuraman et al. (1988) revised and defined the service quality in terms of five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. Parasuraman et al. (1989) again define it as the differences between customers, expectation of services and their perceived service. If the expectation is greater than the service performance, perceived quality is less than satisfactory and hence, customer dissatisfaction occurs. For example, Min and Min (1997) presented the idea that hotel services have the attributes that are considered most important, particularly in forming the following impressions of service quality; tangibility (how well the hotel staff are dressed); reliability (ability to resolve problems encountered by guests); responsiveness (convenience of making the reservation, promptness of check-in/checkout process, hotel/tour guide information); assurance (security and safety of guests); and empathy (caring and individualized attention). Service quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1984). A number of experts define service quality differently. Lewis and Mitchell (1990), Dotchin and Oakland (1994), and Asubonteng et al. (1996) define service quality as the extent to which a service meets customers, need and expectation.

Objective of the Study

This paper sought to analyse the service triangle model and customer loyalty in the financial services sector: The mediation of service quality. It was to contribute to the scant body of researches available on the subject from the Ghanaian perspective. Therefore, it would improve on the knowledge of management of Ghanaian financial institutions on the mediation of service quality on the extent of practice of the services triangle model and customer loyalty.

LITERATURE REVIEW

Two basic approaches to service quality have been identified in the early nineties of the twentieth century. (Zemke and Schaff, 1989)

The first approach is "technical" and product oriented, while the second approach is customer related. These two approaches have been recognized as results of managerial efforts to consider the aspect of quality when providing services from two angles: on one hand, the manager tends to abide by the set standards, while on the other; he wishes to satisfy the customer. The first approach is production oriented and tends to the consistency management of service by impeding or minimizing the influence of the personnel directly involved in providing a service.

The service providing process is defined as a standard performance. The role of the staff providing services is reduced to the realization of the defined performance and the staff's discretion, i.e. its influence on the performance itself is minimized. In that way we can achieve maximum efficiency. Such a "product based" approach to the process of service provision is the result of the managerial view on this process as a series of elements that require a trained coordination and control, while the service itself is strictly standardized. The "product based" approach is contradictory to the aspirations of the consumers to be treated as individual people with marked personal tendencies and expectations. (Zemke and Schaff, 1989)

Besides, such an approach, "industrial" and cliché, is in contrast with the wish of the consumer to find warm and friendly manners when *consuming* the service.

The second approach is consumer oriented. Expectations are the basis for satisfaction. After consuming the service, they compare their earlier expectations with experience. Results can range from satisfaction to dissatisfaction. The consumer anticipates the service standards in his expectations. Wilkie (1996) claims: “The seed of the consumer’s dissatisfaction is sown in the pre-purchase stage, before reaching the decision to purchase.” According to this, the consumer creates his own, individual *benchmark*, and the rating of his satisfaction is the result of his after purchase state.

The creator of the concept “moment of truth” Normann, (1991), points out that the first generation of researchers in the field of service sector, had the task to determine the specificities of the services as opposed to other sectors, which paved the way for the second generation of researchers who focused on the relations in the service industry, the behaviour when providing service and service design, with the aim to optimize the “moment of truth” (Carlzon, 1987)

On the basis of the above exposed thesis, the understanding of service quality is based on the *paradigm of service*. In that sense, the service sector company manager looks for a “balance between the human factor and technology, between expenses and profit and, after all, between quality and productivity” (Gummesson, 1993).

The organization has to strive for success. When the set goals are achieved, we set other goals, striving for higher levels of product, processes and service efficiency. Accepting the concept of constant improvement means changing the management style. A total quality cannot be a program of changes with a set duration; it is a continuous, constant process. The questions set before the organization are the following: How do you keep up the constant striving for new improvement? What kind of measures and revisions of the business process do you have to use? How do you convince the employees that the business success and survival of the organizations can only occur if all employees accept constant actions to improve all their activities in the organizations?

A successful organization constantly identifies and tackles the causes of problems or potential problems that employees have in doing their jobs. For that reason every employee has to be trained to identify such problems. The management and the employees must work together on implementing suitable corrective and preventive measures.

Each business process is subject to variability. Process variability is considered a normal phenomenon that is usually counted on. Parameter variability in the field of transformation of incoming values into out coming values of the process affects the variability of the entire business process. For example, a lack of a specific product on the supplies market may require a substitution with another product of similar characteristics. Departure from the usual process (*variability*) can affect the quality of meals as results of a process, the timing of a process cycle, expenses of process quality, the level of satisfaction of the consumer/user with the process result Drljača (2007).

The Service Quality approach has been applied in service and retailing organizations Parasuraman et al., 1991). Service quality is a function of pre-purchase customers, expectation, perceived process quality, and perceived output quality. Parasuraman et al. (1988) define service quality as the gap between customers, expectation of service and their perception of the service experience Based on Parasuraman et al. (1988) conceptualization of service quality, the original Service Quality instrument included 22 items. The data on the 22 attributes were grouped into five dimensions: tangibles, reliability, responsiveness, assurance, and empathy. Numerous studies have attempted to apply the Service Quality. This is because it has a generic service application and is a practical approach to the area. This instrument has been made to measure service quality in a variety of services such as hospitals (Babakus & Glynn 1992), hotels (Saleh & Rylan 1991), travel and tourism (Fick & Ritchie 1991), a telephone company, two insurance companies and two banks (Parasuraman et al. 1991). In this study, the researcher uses service approach as an instrument to explore customers' expectations and perceptions levels of service quality towards the overall office staff at the banks.

METHODOLOGY

In this paper, the quantitative research technique was adopted owing to the need to test the hypotheses stated in an objectivist philosophical stance. The quantitative research technique also made room for determining the reliability of items in the instruments used in collecting data. It is coupled with randomisation techniques of selecting respondents to ensure that findings and conclusions of this study could be generalised over the entire financial service sector in Ghana.

The population of this study was employees and customers of firms in the financial service sector of Ghana. Sectors considered include banking, insurance, non-bank financial institutions and micro-finance institutions. The sampling frame of this study was customers and employees who had been affiliated to the head offices of the selected financial firms for at least two (2) years. Customers and employees affiliated to the head offices of the financial firms were used as sources of information because they practically had better access to market orientation programs and policies. As a result of the need to ensure that respondents provided accurate information in this study, members of the sampling frame were to be affiliated to the participating financial firms for at least 2 years as customers and employees.

Probability sampling procedures were used in this study to select participating firms and respondents. Cluster sampling was used to select five firms from each of the sectors considered. Therefore, 20 financial firms were selected. The number of members in the sampling frame of customers was above 100,000. Considering the credibility and appropriateness of the sampling principle of Krejcie & Morgan (1970), the simple random sampling technique was used to select 384 customers. On the other hand, the sampling frame of employees consisted of 1,234 employees. By applying the same sampling principle, a sample size of approximately 291 was applicable. But, due to the need to ensure that equal numbers of employees and customers were used to ensure that unbiased comparisons were made in this study, this sample size was adjusted upward to 384. This upward adjustment is acceptable according to Krejcie & Morgan (1970).

RESULTS

Service Triangle Model and Customer Loyalty: The Mediation of Service Quality

In this section, results are presented on how the construct works. In this respect, we want to examine the mediation of service quality in the effect of each construct of the service triangle model on customer loyalty. Table 1 shows the correlation matrix of ITRMO, EMO, IMO, SQ and CL.

Table 1: Correlation Matrix of ITRMO, EMO, IMO, SQ & CL

		ITRMO	EMO	IMO	Service Quality	Customer Loyalty
ITRMO	Pearson Correlation	1	.631**	.725**	.831**	.698**
	P-value (2-tailed)		.000	.000	.000	.000
	N	371	371	371	371	371
EMO	Pearson Correlation	.631**	1	.777**	.805**	.695**
	P-value (2-tailed)	.000		.000	.000	.000
	N	371	371	371	371	371
IMO	Pearson Correlation	.725**	.777**	1	.859**	.678**
	P-value (2-tailed)	.000	.000		.000	.000
	N	371	371	371	371	371
Service quality	Pearson Correlation	.831**	.805**	.859**	1	.811**
	P-value (2-tailed)	.000	.000	.000		.000
	N	371	371	371	371	371
Customer loyalty	Pearson Correlation	.698**	.695**	.678**	.811**	1
	P-value (2-tailed)	.000	.000	.000	.000	
	N	371	371	371	371	371

**. Correlation is significant at the 0.05 level (2-tailed).

Table 1 shows the correlation matrix of ITRMO, EMO, IMO, SQ and CL. From this table, the correlations among the variables are shown. The role of this table is to bring all correlations of the variables under one umbrella for easy comparison and analysis. It can be seen that each construct of the service triangle model is highly correlated to SQ and customer loyalty as seen earlier. In this table, service quality is highly related to customer loyalty at 5% significance level, r (371) = 0.811, p =.000. There is uncertainty about how the relationship between CL and ITRMO, IMO and EMO would be assuming there is no service quality. In Table 4.39, the mediation of SQ is examined.

Table 2: Partial Correlation between CL and IMO, EMO & ITRMO: Mediation of SQ

Control Variables			CL	IMO	EMO	ITRMO
SQ	CL	Correlation	1.000	-.059	.123	.077
		Significance (2-tailed)	.	.255	.018	.142
		Df	0	368	368	368
	IMO	Correlation	-.059	1.000	.280	.040
		Significance (2-tailed)	.255	.	.000	.439
		Df	368	0	368	368
	EMO	Correlation	.123	.280	1.000	-.115
		Significance (2-tailed)	.018	.000	.	.027
		Df	368	368	0	368
	ITRMO	Correlation	.077	.040	-.115	1.000
		Significance (2-tailed)	.142	.439	.027	.
		Df	368	368	368	0

Source: Researcher's SPSS Computation

Table 2 shows, the correlation between each of IMO, EMO and ITRMO with customer loyalty, assuming that service quality does not exist at all. From the table, the effect of IMO on CL becomes negatively insignificant without the mediation of service quality, r (368) = -.059, p = 255. Also, the effect of EMO on CL is significant at 5% significance level but become very weak without service quality, r (368) =.123, p =.018. The influence of ITRMO on CL also becomes positively insignificant without the mediation of SQ, r (368) =.077, p =.142. This means that IMO and ITRMO cannot impact customer loyalty when service quality is not achieved. Also, the effect of EMO on CL is very weak or negligible when SQ is not achieved. So though IMO, EMO and ITRM are seen to be very relevant to customer loyalty, they cannot impact customer loyalty without the achievement of service quality.

Now, what could the relationship between service quality and customer loyalty be assuming the service firm does not implement IMO, EMO and ITRMO? Table 5.40 shows the strength of this relationship.

Table 3: Partial Correlation between CL and SQ – Controlling for IMO, EMO & ITRMO

Control Variables			Customer Loyalty	Service Quality
IMO & EMO & ITRMO	Customer loyalty	Correlation	1.000	.415
		Significance (2-tailed)	.	.000
		df	0	366
	Service quality	Correlation	.415	1.000
		Significance (2-tailed)	.000	.
		df	366	0

Source: Researcher's SPSS Computation

Table 3 shows, the correlation between service quality and customer loyalty, with IMO, EMO and ITRMO controlled for. From the table, the effect of SQ on CL becomes weak, though still significant when IMO, EMO and ITRMO are controlled for, r (366) =.415, p = 000. Thus the strength of the relationship between SQ and CL reduces from.811 to.415 (i.e. nearly 50% reduction) when IMO, EMO and ITRMO are controlled for. This implies that about half of the influence made by SQ on CS comes from the service triangle. The remaining influence comes from other sources apart from the service triangle.

Having reached the above results, there is the need to visualize them in a path diagram. To be able to do this, there is the need to obtain the R-Square values of all outcome variables. The following tables provide access to these values.

Table 4: First Layer of Regression – CL as Outcome Variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.878[a]	.872	.665	.46261
a. Predictors: (Constant), Service quality, EMO, ITRMO, IMO				

In Table 4, the variation contributed by IMO, EMO, ITRMO and SQ on CL is shown. This variation is 87.2%. The standard error of the estimate (0.46) is very low, and this reflects the precision of the R-Square estimate. In the next table, the variation accounted by IMO, EMO and ITRMO on SQ are seen.

Table 5: Second Layer of Regression – SQ as Outcome Variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927[a]	.859	.858	.2696
a. Predictors: (Constant), EMO, ITRMO, IMO				

In Table 5, the variation contributed by IMO, EMO and ITRMO on service quality is shown. This variation is 85.9%. In this regard, the standard error of the estimate (0.27) is very low, and this reflects the precision of the R-Square estimate. In the next table, the variation accounted by IMO and EMO on ITRMO is also shown.

Table 6: Third Layer of Regression – ITRMO as Outcome Variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834[a]	.695	.693	.43752
a. Predictors: (Constant), IMO, EMO				

In Table 6, the variation contributed by IMO and EMO in ITRMO is shown. The variation in this respect is 69.5%. In this regard, the standard error of the estimate (0.44) is very low, and this reflects the precision of the R-Square estimate. In the next table, the variation accounted by IMO on EMO is seen.

Table 7: Fourth Layer of Regression – EMO as Outcome Variable

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777[a]	.603	.602	.49824
a. Predictors: (Constant), IMO				

In Table 7, the variation contributed by IMO on EMO is shown. This variation in this respect is 60.3%. In this regard, the standard error of the estimate (0.50) is quite low, and this reflects the precision of the R-Square estimate. In Figure 4.1 is the conceptualization of results reached in this analysis.

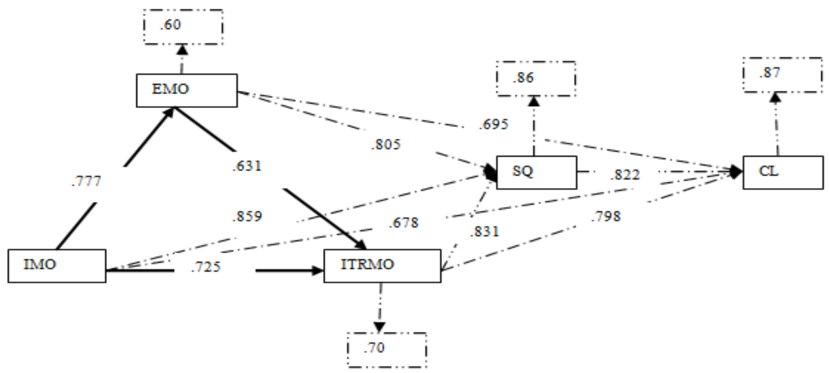

Figure 1: Resulting Conceptual Model – Extension of Service Triangle to CL

In Figure 1, the service triangle is shown by the **bold** unbroken arrows. Its extension to service quality and customer loyalty is shown in the broken arrows. Outcome variables have arrows leading to them from their predictor(s). Each outcome variable also displays the amount of variation contributed on it by its predictor(s) in a broken rectangle.

From the figure, the overall outcome variable is customer loyalty, which is predicted by IMO, EMO and ITRMO in the light of the mediation of service quality. With respect to the service triangle, ITRMO and EMO serve as outcome variables to IMO. The total variation on customer loyalty in the model is about 87%. Service quality is also influenced by IMO, EMO and ITRMO, with the variation accounted being about 86%. The construct ITRMO also serves as an outcome variable to IMO and EMO, with a variation of about 70% contributed on it. Finally, EMO is dependent on IMO, with a variation of about 60%.

In essence, the influence on customer loyalty originates from internal marketing orientation. Yet, IMO cannot influence customer loyalty without first contributing to service quality. Logically, service quality underlies customer loyalty among financial service providers. Service quality is in turn sourced to IMO, EMO and ITRMO, especially IMO.

DISCUSSIONS

Findings point to a substantial level of application of sides of the service triangle, namely internal marketing (IMO), interactive marketing (ITRMO) and external marketing (EMO). In terms of their mean scores, EMO has the highest level of application in the firms. There is therefore a higher tendency that financial firms in the services sector give priority to EMO relative to IMO and ITRMO. In this respect, Lings & Greenley (2009) posit that, firms tend to give priority to external marketing relative to IMO and ITRMO since it provides avenues for convincing customers and potential customers to patronise services. Guzoni (2005), also acknowledges that, EMO is more highly observed among service firms than IMO and ITRMO, owing to the customer-centric nature of the marketing strategy of services firms. In a Ghanaian context, Bempong (2014) also stated that, EMO is more practiced by financial service firms. These stances are supported by many researchers and writers (e.g. Lings, 1999; Lings, 2002; Lings, 2004; Furseth & Cuthbertson, 2013), from both developed and developing country contexts. This result is justifiable from the researcher’s viewpoint because, financial service providers in Ghana are very customer-focused.

Moreover, the extent to which each of these marketing functions are practiced in the firms is significantly above average, and this suggests that, financial firms sampled implement each side of the service triangle model. Thus banks and other financial service providers in Ghana make significant use of each side of the services marketing model/triangle. The result that each side of the triangle is sufficiently practiced is corroborated by the argument that each side of the service triangle is sufficiently implemented in service firms owing to its superior effect on market performance and organisational growth (Guzoni, 2005; Furseth & Cuthbertson, 2013). Some writers (Guzoni, 2005; Lin & Wang, 2011; Lings &Greenley, 2009; etc.) are also of the view that, implementation of the three sides of the service triangle makes up a greater part of the marketing functions of service firms.

Findings in the previous chapter also confirm the proverbial service triangle model. In this respect, there is a strong positive correlation among IMO, ITRMO and EMO in terms of correlation coefficients. With ITRMO serving as the dependent variable to IMO and EMO, this evidence suggests that the effectiveness of interactive marketing orientation dependents on how well IMO and EMO are implemented. As the effectiveness of IMO and EMO is enhanced, ITRMO makes a better impact on marketing performance and firm growth. This evidence is also supported by the literature. This is based on the argument that the service triangle is an embodiment of the relationship among EMO, IMO and ITRMO (Lings, 1999; Yadav & Dabhade, 2013). The motivation for its implementation among service firms is that, each of EMO, IMO and ITRMO influences market performance in terms of trough service quality, customer satisfaction and customer loyalty (Lin & Wang, 2011; Zaman et al., 2012; Yadav &Dabhade, 2013). Yet, the most desired effect of the model is the collective influence of EMO, IMO and ITRMO on market performance and its measures (Lings, 1999; Yadav &Dabhade, 2013).

The strong positive correlation among the three sides of the service triangle/ model provided a basis for using regression analysis to better relate EMO and IMO to ITRMO. Findings revealed that ITRMO is significantly predicted by IMO and EMO. Similarly, ITRMO can be expressed as a linear combination of IMO and EMO, where the effects or coefficients contributed by IMO and EMO on ITRMO are positive. In essence, the relationship among IMO, EMO and ITRMO exists at a more robust level. Equations 3, 4 and 5 reflect a confirmation of the link between each construct of the services triangle model and service quality. These equations indicate that the effectiveness of implementing external marketing, internal marketing and interactive marketing grows with service quality. This implies that service firms can maximise service quality by maximising the effect of IMO, EMO and ITRMO on it. Benea (2008) is one of the writers to identify the relationship between service quality and the services triangle as a basis of organisational performance. Based on some empirical evidence, Benea (2008) found that, IMO serves as the primary driver of EMO and ITRMO, with the IMO*EMO*ITRMO relationship extended to service quality. Result of Dushyenthan, (2012) and ELSamen & Alshurideh (2012) shares features with findings of Benea (2008) in this respect, in a foreign country context.

This study's contribution to academic debate and knowledge is captured, in terms of the extension of the service triangle model, to service quality and customer loyalty. Findings revealed that, each side of the service triangle (i.e. ITRMO, IMO, and EMO) positively correlates to service quality and customer loyalty. In terms of regression, each side of the model also positively influences service quality and service loyalty. This implies that service quality is a mediator of the relationship between the service triangle and customer loyalty. Though, this evidence has a bearing with the marketing literature (Nitin et al., 2005; Rahmati et al., 2013; Danquah, 2014; etc.), there is no exact evidence that relates the mediation role of service quality to the service triangle model in a Ghanaian context. Though, Danquah (2014) seems to generalise the mediation of service quality in this context in her study, it could be argued that, the situation could be different for different pairs of variables such as the service triangle model and customer loyalty.

CONCLUSIONS AND RECOMMENDATIONS

Service quality is highly positively related to customer loyalty. This means that, customer loyalty is enhanced as service quality increases. Moreover, each construct of the service triangle also significantly relate to customer loyalty. Yet, the effect of internal marketing on customer becomes negatively insignificant, without the mediation of service quality, $r(368) = -.059$, $p = 257$. Also, the effect of external marketing on customer loyalty is significant but becomes very weak without service quality, $r(368) = .123$, $p = .018$. The influence of interactive marketing on customer loyalty also becomes positively insignificant without the mediation of service quality, $r(368) = .077$, $p = .142$. This means that internal marketing and interactive marketing cannot impact customer loyalty when service quality is not achieved. Also, the effect of external on customer loyalty is very weak or negligible, when service quality is not achieved. As a result though the three sides of the service triangle model are seen to be very relevant to achieving customer loyalty, they cannot impact customer loyalty when financial service firms do not achieve desired service quality. Thus service quality mediates the relationship between the service triangle model and customer loyalty.

Based on the study's findings, financial service providers or firms would need to enhance the effectiveness of their internal, external and interactive marketing to leapfrog their service quality from the perspective of customers' needs and expectations. Since customer satisfaction is an outcome of how well service delivery meets or exceeds the expectations of customers (Angelova & Zekiri, 2011), financial service firms must consequently orient their internal, external, and interactive marketing processes to customers' service delivery expectations. According to Bitner et al. (1994), being able to do this would enable financial service firms to achieve customer retention. This argument by Bitner et al. (1994) is also supported by the study's findings, which point to a positive effect of each dimension of the service triangle model on customer retention.

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