

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