THE UNIVERSITY OF HULL

WHAT DOES IT TAKE TO BE THE DOMINANT COMMERCIAL BANK IN THE BAHRAIN MARKET?

An Exploratory Study

Being a Dissertation in partial fulfillment of the requirements for the Degree of Master of Business Administration in the University of Hull

By

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Declaration

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To my colleague Sara Khonji whose valuable contributions were instrumental to my work.

Abstract

The world around us is changing very rapidly, globalization and the dismantling of trade barriers are giving customers far more power than they ever had. These changes are forcing service providers to re-examine their strategies and core competencies as the battle shifts towards customer's satisfaction and loyalty which western literature argues that it can be achieved through superior service quality.

The aim of the study was to explore concepts of service quality and customer loyalty that are researched and applied in the west, and determine whether customers in the Bahrain commercial banking sector are aware of them or are sensitive to them. The study also aimed at predicting which components can contribute to better financial performance and/or a sustainable competitive advantage for one or more of the key commercial banks in Bahrain.

The research identified three commercial banks that capture about 60% of the market and surveyed 223 individuals dealing with them through a questionnaire survey. A number of short unstructured interviews and a main interview were conducted to validate, clarify and expand the understanding of the data. The study used the approach of triangulation to enrich the findings.

Findings of the study clearly point to the sensitivity of the commercial banking customers in Bahrain to many components of service quality and loyalty as known in the west; it also demonstrated preference of customers to certain banks. This information was used to predict how one of the banks can improve their competitive advantage and achieve better financial performance from their peers.

As an exploratory study, this research can be used as a stepping stone for further research in the field of service quality and customer behavior in Bahrain or the neighboring countries. It also may be used as a valuable source of customer data for any of the three banks focused on in the research to achieve better financial performance or a competitive advantage.

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Chapter 1

Introduction

1.1 Background of the study

The political, economical and technological environment around us has been changing over the last 15 years at an accelerating pace. As a result of that, businesses around the world are scrambling to reposition themselves, either to capitalize on the opportunities created or to ward off threats.

Changes such as the establishment of the European Union and the introduction of a single currency for the EU, the opening up of the Eastern block, the evolvement of WTO, the rapid growth of the telecommunications and the internet and their applications in bridging the gaps between the suppliers and users of products and services, the economic role that China is playing in exporting deflation to the world and anxieties of high oil prices are generally well known and understood by the global masses.

The environment in the Arabian Gulf Region is also changing at quite a rapid pace in its efforts to emerge from the emerging market status. Stock market capitalization of the Saudi market has exploded from $50 BN to over $800 BN in the last few years. Monopolies in sectors such as telecommunications have become a story of the past in almost all of the GCC countries, doors for foreign ownership of industries and businesses are finally opened up and import taxes have been slashed in line with WTO regulations. Businesses including banks are

realizing that their local markets are too small and restrictive for their growth and therefore they are expanding regionally through mergers and acquisitions. Old and established family owned businesses are giving in to the pressures from their "to be" young owners and are trying to capitalize on the regional capital market explosion for floating pieces of their businesses at current high valuations.

But one of the most interesting changes that are catching up with the banking sector in the region is the awakening of banks to strategic issues like the realization that without a low cost base, pricing wars when they emerge, will be lethal; and, without a niche differentiator, customer acquisition and retention will be difficult and very costly. Although the banking wars have not broken out yet due to the prosperity of the current times, it is interesting to observe that the strategic positioning of some of the hopeful players is either towards geographical expansions or towards managing internal cost, but none seem to be truly focusing on service quality and customer needs.

1.2 Background to Bahrain and Banking

Bahrain is an archipelago situated in the Arabian Gulf with a total area of 665 km and a population of approximately 700,000 people with locals making up about 60% of the population and the rest are expatriates working in Bahrain. The country gained its independence from the UK in 15 August 1971 and by 16 December 1971 it achieved independence from British protection.

As oil was first discovered in Bahrain, before discoveries in the neighboring countries, a skilled workforce evolved and so did a modern trade and services sector. By the seventies Bahrain started playing a larger role in regional finance as a banking center to recycle the petrol dollars from the neighboring Gulf countries. In 1973 the Bahrain Monetary Agency (BMA) was established as the central bank as the banking regulator. As part of Bahrain's macroeconomic Strategy, the BMA has maintained a fixed exchange rate against the United States dollar since 1980 which has provided Bahrain with a high degree of economic and price stability, while encouraging the growth of the economy.

British banks such as Standard Chartered and HSBC established a presence in Bahrain in 1920 and 1944 respectively while the first local bank, the National bank of Bahrain, was established in 1957. The growth of banking accelerated with the oil boom of the 70's adding 15 new banks between 1969 and 1977. Many of the banks that were set up in that period were termed Offshore Banking Units (OBU) which were focused on borrowing money from the oil rich economies like Saudi, Kuwait and the UAE and placing them in the international markets primarily into Asian countries which were witnessing explosive economic growths. Since banking and investment acumen was not well developed in the region, these offshore banks borrowed the funds cheaply from the Gulf customers and lent them at higher rates to the capital hungry Asian banks. These healthy spreads when coupled with large sums of money, created huge profitability and short term prosperity for these banks.

The second wave of banking growth emerged in the 80's with investors establishing investment banks to facilitate investing the new found wealth into international markets, and

commercial banks in Bahrain and in the neighboring countries to facilitate the growth of the local population and economies. Many of these banks continue to operate profitably, however a number of them went under as a result of poor direction or management. Today the Bahrain Monetary Agency has licensed 377 financial institutions of which there are 26 banks with full commercial licenses operating in Bahrain through a network of 96 branches with six of these banks being Islamic banks. Additionally there are 37 investment banks operating out of Bahrain with ability to sell their products and services to high net worth individuals or qualified investors.

The BMA is actively working at establishing Bahrain as the worldwide Islamic banking center. In addition to having 26 Islamic Financial institutions licensed and regulated out of Bahrain, it has introduced the "Prudential Information and Regulatory Framework" , for Islamic banks in 2000 which covers areas such as capital adequacy, asset quality, the management of investment accounts corporate, governance and liquidity management.

1.3 The purpose of the study

Western companies such as GE, Motorola, Dell, Toyota and FedEx have established themselves as leaders in their respective industries by using concepts of service quality, customer value propositions and satisfaction to carve a competitive advantage which has translated to either better financial performance or better customer loyalty; or both.

The purpose of the study is to investigate whether concepts such as service quality, satisfaction and loyalty can play a role in differentiating commercial banks in Bahrain from each others, either in terms of developing and maintaining customer satisfaction and loyalty or in terms of improving their financial performance, similar to what the above western companies have done in their respective areas. However, prior to investigating that, it is critical to explore whether customers of commercial banks in Bahrain are sensitive to these western concepts, and if they are, determine which components are valued more by them. Based on the above, the following two research questions were formed to guide the investigation and analysis.

1. Do western concepts of service quality and customer loyalties apply to commercial banking in Bahrain?

2. Which components of service quality or customer loyalty can contribute substantially to: -

A) Better financial performance and

B) Sustainable competitive advantage; for commercial banks in Bahrain?

1.4 Significance of the study

Research carried out in Bahrain on consumer behavior and on service quality in the service industry is almost non existent or is privately done and therefore is not accessible. The study aims at focusing at a segment of the financial service sector in Bahrain, specifically

commercial banking and should provide insights to other researchers in the areas of service quality and loyalty in the financial service industry in Bahrain as well as the neighboring GGC countries who share a very similar culture, customer attitudes, values and behaviors with the Bahrain market.

In addition to this, the study will provide an unbiased comparison between the three largest commercial banks in Bahrain from the perspectives of their customers which may provide insights for developing competitive advantages. It may also be used as a stepping stone for further market research by any one of them or by other researchers.

1.5 The business problem

Return on Equity is probably regarded by the majority of CEO's in the world as the primary metric of achievement and success, mainly because shareholders and the boards of organization use it to determine the effectiveness of the existing management, its practices and strategies. Many seasoned practitioners and academics argue that it is a misleading indicator as it focuses on the past and does not reflect the health, viability and sustainability of the business for the years to come.

The above is further magnified when an industry or a company is operating in a rapidly expanding economic environment where growth in profitability may be from acquisitions or investments which are constantly being valued higher by the market, or from the impact of

the expanding economic environment on the customer behavior in terms of demand and tolerance of service standards.

It can be argued that if a firm is exploiting that demand at a profit then it is successful in its strategy and practices in line with the saying " All ships rise and sail in high waters", however, what happens when the high water recedes? Can these firms maintain their growth rates and profitability? Have they evolved internally through better efficiencies, better customer management and improved service or are they just successfully riding a wave?

Unfortunately financial metrics may provide the best indicator of the past health, but they are not adequate to determine the future health of that business. Determining which indicators or measurements a business should use may be easier in western economies as volumes of research and publications exist. However the applicability and the validity of these measurements and concepts have not been tested in the Bahrain commercial banking service sector or may have been tested but not publicly reported. Variances in applicability and interpretation may exist as a result of the differences in cultures, values and behaviors of customers, especially when considering that these measurements of service quality, satisfaction and loyalty need to examined from the perspective of these customers.

1.6 Definition of terms

Definition of Terms is presented in the Glossary.

1.7 Structure of the study

This dissertation consists of five chapters described below

1. Chapter 1 provides a background on the study and a background on Bahrain and the banking sector in Bahrain. It also addresses the purpose, the research questions, significance of the study and the business problem being explored. Finally, definition of terms and the structure of the dissertation.
2. Chapter 2 explores various theoretical concepts and frameworks that are either directly relevant to the study or act as influencers to the components of the study.
3. Chapter 3 explores the two main research paradigms, Positivist and Phenomenological, and the benefits of triangulation. It also outlines the method used in collecting quantitative and qualitative data.
4. Chapter 4 presents the quantitative data findings predominantly in the form of graphs along with the data from the qualitative component of the study. It is important to note that the number of every graph related to the survey and presented in this chapter and the following chapter corresponds to a table with the underlying and supporting data in Appendixes A and B.
5. Chapter 5 analyses the basic data and explores deeper connections and relations from the quantitative data and uses the qualitative data to validate or negate findings to reach a conclusion on the research questions. It also includes reflections and weaknesses of the study and recommendations for future research.

Chapter 2

Literature Review

2.1 Introduction

With all the business books written and the research conducted around the globe, it is still difficult to package a formula for business success and prosperity, However, there are three main pairs of relationships a business must manage and focus on in order to be successful over the long term, and these are : -

1. Senior management and the board of directors (Strategy, Profitability, Execution)
2. Senior management and the organization (Leadership, Culture, Execution)
3. Organization and the customers (Execution, Relationship Management, Service Quality, Value Proposition, Loyalty and Satisfaction)

It is naïve to believe that focus on any one of these relationship without the others will result in a long lasting leadership position in a market. Therefore, it is necessary to examine all of them.

2.2 The relationship between senior management and the board of directors - Strategy, Profitability and Execution

In a green field research, Nohria, Joyce, and Robertson (2003) examined over 200 accepted management practices employed by over 160 companies during a 10 year period and came out with outstanding findings. Their conclusion classified management practices into two groups, Primary and Secondary. The primary, were Strategy, Execution, Culture and Structure and the Secondary were Talent, Innovation, Leadership and Mergers and Partnerships. The companies that outperformed their peers excelled in the primary management practices and mastered at least two of the four secondary management practices. Although almost all business managers stress the importance of developing a blueprint for their activities in the form of a 3 – 5 year strategy, a successful company in South America has demonstrated that it is more valuable to develop a Culture of empowered employees who are focused on customer needs (Semler, 2000). Their unique approach of firing all staff every six month and rehiring the ones that add value to the business coupled with the aligning of the financial benefits to their staff with the company's ensures that the best Talent which is capable of Innovation is retained. It therefore can be argued that their unwritten strategy encourages Leadership to give up control to the managers and employees who then operate in a Culture focused on financial growth both for the firm and the employees. This alignment by default leads to better Execution as employees focus is on maximizing profitability and reducing inefficiencies.

Collins and Porras (1997) argue that companies that hinge on a single leader are "Time Tellers" while companies that prosper and survive through multiple product cycles are "Clock Builders". Their research argues that single events such as a leader or a great idea may produce short lived success but companies that continue to be leaders in their industries for decades are the companies that build an organization culture focused on constant improvement as is the case with Wal-Mart, 3M and GE. Wal-Mart for example was a run down hardware store like many hardware stores across America in 1962, but what was different about it was the attitude of its founder Sam Walton, which revolved around testing, measuring and implementing new things without being afraid of change. Godin (2002) argues that values and attitudes of its founder became part of the culture of Wal-Mart of evolving the business into what works best.

The research done by Collins and Porras (1997) is very interesting as it focused on firms which have been in existence for many years, sometimes over 150 years. This fact gives it a lot of credibility as business cycle and product cycles are much smaller periods of time which range from 10 – 15 which implies that these firms were reinventing themselves on ongoing basis, some by creating their own crisis while others dealing with externally imposed.

It is also clear from "Semco's" approach that because their strategic goals are clear to the management and to the employees, the firm is able to operate more effectively in achieving these goals. Kaplan and Norton (2000) reinforce the importance of communicating strategy within a firm. They argue that "95% of a typical workforce does not understand its

organization's strategy" and "90% of organizations fail to execute their strategies successfully". Their approach to addressing this common gap was to introduce a "Strategy Map" which overlays a firms strategy on the four components of the balanced scorecard which they previously developed. The strategy map has four components, the financial perspective, the customer perspective, the internal processes perspective and the learning perspective and provides a visual perspective which can easily be understood. The most critical component which is often an overlooked aspects of a strategy is defining the customer value proposition, primarily because many firms are "Product Focused" or "internally focused" rather than being "Customer Focused" or externally focused".

Unfortunately many Strategies of firms are driven by the size of market share or profitability metrics such as return on equity or year on year profit growth which dramatically influences their strategies and not by customer metrics. This approach leads firms to focus on short term gains and causes them to ignore aspects such as customer satisfaction and loyalty. According to research conducted by Keiningham et al. (2005) that firms with higher customer loyalty perform better than their peers. Despite that fact, some analysts as well as many shareholders are short sighted in their views and are interested in near results and have little patience for long term results. Anderson et al. (1994) cited in Quo (2004) confirm the above from their findings and add that economic befits from strategic initiatives aimed at improving customer satisfaction are not immediately realized which often causes companies to abandon or down play the focus and importance of these initiatives and revert to the short term focused decisions.

Peters (2003:37) argues that strategies that are built on capturing or buying market share have not been so successful. He states that the merger between AOL and Time Warner destroyed $ 148 billion of shareholder value, while Vodafone and Mannesmann Destroyed $ 299 Billion. Chase and J.P. Morgan only destroyed $ 26 Billion, a small sum compared to the others. Although mergers and acquisitions look very attractive on a balance sheet and on an income statement, the turmoil created from clashing cultures or operational incompatibilities and inefficiencies may set firms further back from where you started. Observation in the Bahrain market from one of the banks in the study shows that the level of customer service initially drops and the turnaround time for service requests initially increases as merging organizations struggle with the clash of cultures and the deterioration in staff moral, in addition to technology systems that can not communicate well with each others.

Despite this, Mergers and Acquisitions are no longer regarded as an aggressive strategy but more of a defensive strategy and are becoming a common strategic choice for many firms aspiring to survive the next business cycle. This has been necessitated by the breaking down of barriers, the opening up of markets and the need for establishing economies of scale to ease off the pressure on profit margins. Additionally, organic growth rates for many firms can not exponentially grow nor can in-house Talent and Innovation keep its cutting edge. Cisco, the network solution provider acquires tens of small startup business every year because the smaller startups are hungrier for fame and are more innovative and daring in their approach, however as soon as they are integrated within a larger firm, complacency and the fear of failure recedes. It is always easier to integrate smaller acquisitions into an a firms culture and processes than having to integrate an equal sized firm into ones culture (Peters,

2003). However, these mega merger failures may be attributed to a number of factor including Leadership, Culture and Execution. During Welch's years, GE was a beacon for many organizations on how to effectively manage internal efficiencies in execution through the implementation of the Six Sigma methodology across the whole organization. The secret to the methodology is focusing the attention on managing the culture of an organization through the sharing of strategies, and empowering the lower ranks, quite similar to Semco's approach. Pande, Neuman and Cavanagh (2000) argue that internal efficiencies in execution help reduce costs and maintain a high level of customer satisfaction. The application of the Six Sigma methodology in a number of process improvement projects in 2 banks in the neighboring Saudi Market by Impact (2004), a regional consulting firm, have been very successful. Issues such as culture and local practices which were perceived to be possible causes of ineffectiveness of the methodology turned out to be success factors as staff took ownership and functioned as a team to improve their processes. This is inline with Nohria, Joyce, and Robertson (2003) research which recognizes improvement in execution as critical in building the framework of success.

Slywotzky and Wise (2003) confirm the views of Pande, Neuman and Cavanagh (2000), and argue that many competitive strategies have been built on product innovations and acquiring market share locally or in other geographies, however with time these moves will become the basic strategy of all other companies, effectively commoditizing them, or making them the threshold competencies. They argue that innovation in finding new demand channels and efficiencies in the margins of the base business are areas to look at. This has become very true in the banking sector as very little product innovation exists, but plenty of packaging of

old products. As banks in general compete on price and service, internal efficiencies are critical in keeping costs down and improving margins. Steering the habits of customers into lower cost delivery channels such as e-banking and ATM's and changing the attitudes of employees to protect existing customers from being lost by providing unique value are major challenges, but they represent big opportunities for success.

Porter (1985:11) also stresses the importance internal efficiencies. He argues that the most successful firm from a group of firms competing competitively in a marketplace, over the long run, must have a low cost leadership, differentiation or focus. Differentiation in the current competitive environment is no longer dependent on price or a lower cost base as service and quality are emerging as thresholds of competency demanded by today's customers, which is forcing firms to incorporate them within their strategies.

As important as strategies are to a business, firms developing strategies have two challenges. The first which Mintzberg (1993) addresses which many organization fall into, is the trap of developing strategies that are too narrow, more like operating plans. He makes a point that "strategies must be left as broad as visions, not precisely articulated, to adapt to the changing environment". The second which is also a very common trap, is the poor execution of strategies. It is no surprise that the hardest task to implement in many strategies is usually shedding of staff, specifically "dead wood". As ruthless as it might seem it, is sometimes critical for firms to become leaner and remove a layer which is feeding complacency into the culture. It is no wonder that research by Hallock (1998) and Palmon et al (1997) shows that a direct correlation exists between CEO compensations and workforce reductions whereby

CEO's of firms that have layoff announcements in a certain year receive higher raises than those without a single layoff.

Successful companies define their business in "Strikingly clear terms" according to Berry (1999:63) and consistently stay focused on the central strategy that defines the company's "reason for being" and know "how they want to create value for customers" he adds that a very strong relationship exists between Core values, Execution and Strategy.

Berry (1999:65) argues that a common reason why companies are forced to change their business is because part or all of their business definition was product focused. He sites the example of Schwab moving away from product focused "brokerage services" into customer focused offering of "financial services". He adds that successful companies focus on serving a market needs rather than marketing a product for a need.

Gronoroos (1990) explains that the basic assumption that customer satisfaction drives profitability revolves around establishing a strong relationship between the customer and the organization which leads to relationship longevity and the opportunity to harvest this relationship over time by generating a steady revenue stream for the organization. However, customer satisfaction can only be achieved if the quality of the service provided by the organization is constantly improved which will be further investigated below. Zeithaml, Berry, and Parasuraman (1996) further builds on the argument that the strengthening of the relationship between the organization and its customers should lead to the lowering of customer defection rates which can be profitable to organizations. They further argue that it

is a more profitable strategy than gaining market share or reducing costs mainly because when customers are lost, new ones must be attracted to replace them and replacement cost may be high as they involve advertising, promotion, sales cost as well as startup operating expenses.

Heskett, Sasser, and Schlesinger (1997) as well as Reichheld and Sasser (1990) argue that customer defections have a stronger impact on organizations profitability than other factors such as unit cost or market share and imply that customer defections should be used as a performance measurement of management and of the organization .

2.3 The relationship between senior management and the organization - Leadership, Culture and Execution

One of the biggest challenges that face the leadership of any firm is the ability to change an organization from a current state, which may no longer be suitable for the current businesses environment, into a new state. For example, many employees in firms find it difficult to move away from the old business concept of waiting for the customer to come in and ask for a service, to proactively managing the customer relationship and the experience. It is clear that change is more accepted in organization cultures that have a transcendent leadership style of trusting, empowering, sharing of ideas, active communication and feedback between management and the workforce. Sommerlatte, Bock, and Bohlin, (1997) argue that:

> "The CEO alone can not be the source of energy to keep the transformation moving. The strongest feature in management over the coming 10 years will be the evolution of the leader from the Person who changed the company to the person who enabled the company to change".

Sommerlatte, Bock, and Bohlin, (1997) stress the importance of forming and empowering a team to create and be part of the shared vision. This is done by involving the people of the organization in developing that vision which should clearly outline the needs and benefits of the new direction. This process ensures commitment as well as compliance since all levels have already bought in. They highlight that the leadership becomes the responsibility of the team rather than that of an individual. They argue that no one person should impose his/her vision on the organization.

Surprisingly, this concept of shared vision and leadership, becoming the responsibility of the team, has been present in nature for many years whereby a flock (team) of geese shares a vision and works together to achieve it. Studies of the geese migration found that the flock of geese flew in a "V" formation which creates 70% more efficiency in the energy excreted. The Leading goose, which encounters the highest air drag, creates uplift for the geese behind, however the goose in front, the leader, tires very easily and moves out of the pole position to be replaced by another goose. All of this happens with no set order (Knight, 2003).

The "Six Sigma" methodology which was born at Motorola and evolved to new heights in GE (2006) shares many concepts with those discussed by Sommerlatte, Bock, and Bohlin, (1997). It heavily hinges on involving people in the change, has a high component of

communication, focuses the team on the objective, and works towards creating a shared vision. It also encompasses many components of Kotter (2002) eight basic guidelines of effecting change such as Instilling a sense of urgency in the organization, picking a good team, creating an enterprise vision, communicating, removing obstacles, changing fast and making change stick. Many firms that have applied Six Sigma effectively such as Citibank, GE, and Motorola attest that one of its hidden components is creating a culture which is willing to accept change and is actually in the driver seat of that change. It is commonly accepted that mangers who contribute to the vision and direction, effectively self initiating the change that will impact them will believe strongly in the new direction enabling them to sell it passionately to their own people. These "Change Agents" as they are called, are perceived as non threatening by the culture (unlike senior management) and therefore are capable of working below the radar screen in shaping the culture towards the change. Nohria, Joyce, and Robertson (2003) make an observation that companies which pass down authority for decisions are more successful, and the jobs of employees are more interesting, exciting and rewarding, which creates a positive culture in a firm. Home Depot gives its employees ownership of the business by allowing store managers the freedom to choose store layout and merchandise to stock, contrary to Kmart style of "command and Control" which keeps the decisions for its 2200 stores layout and merchandising with Head office staff.

Employees in general and middle managers in specific will often struggle the most with the reasons for change as they believe they have the most to loose. John Roberts, the CEO of the UK Post Office was cited saying in Hooper and Potter (2000) "one of the most difficult aspects of leadership is getting people to consider the reason for change" This might be true

coming from bureaucratic company with a complaisant or change resisting culture but not from a culture such as GE or a technology organization where constant and radical change is part of every day life, and where the culture that the leaders have worked to develop, is based on seeing things from one common lens, just like the geese. Some might argue that GE's businesses are unique, but looking at the vast airline industry around the world, which provides a basic commodity of moving people and goods from A to B, it appears that many airlines have been going through a roller caster of performance, with many airlines on the brink of bankruptcies, but a few airlines stands out such as South West where their pioneering turnaround time of their planes at an airport of 30 minutes was and continues to be an industry benchmark (Friedberg and Friedberg 1996). Without the right culture at an organization, leaps like this in execution can not be done. Jeff Bezos, founder and CEO of Amazon is quoted saying that "Ideas are easy. It's the execution that's hard."

Assuming that a culture accepting of change exists, then the next challenge is then Execution. Nohria, Joyce, and Robertson (2003) research ranks execution as one of the top business practices that successful organizations must excel at and it is at execution where many firms begin to fail. Research conducted by Berry's (1999:83) explains that Good execution is usually not enough , but continuous improvements in performing the activities that compose the service is more valuable especially when coupled with efforts to become better than competitors .

2.4. The relationship between the organization and the customers – Execution, Relationship Management, Service Quality, Value Proposition, Loyalty and Satisfaction

The relationship between any firm and its customers appears quite simple on the outside whereby the customer is willing to give up his money in return for a product or service that is being offered by the firm. However experience and research has demonstrated that this relationship is far more complex than it appears because it is not only bound by the quality and reliability of the product or the service but by many other soft variables such as the perception and interpretation of quality by the firm and by the customer, the difference between the perceived value that the customers seeks and what is offered, the personal bonds and relationships that are developed as a result of the interaction between the firm and the customer as well as many other aspects.

Definition of Service

Schneider (2004) argues that services are not tangible like products and are more experience based like attending a concert or a Disney theme park, they frequently involve the customer as a co-producer such as using an ATM or self serving oneself in a McDonald's, but most importantly, they are more likely to be produced, delivered and consumed simultaneously such as going to a restaurant or a concert or depositing money in a bank.

Quality of the service

Gronroos (2001) argues that defining the quality of services is usually very complex, while defining the quality of goods is easier as it is traditionally related to the technical specifications of the goods. The customer's interpretation of quality is usually very broad and

the non technical aspects of the product or service dominate the quality experience. Quality in the service industry is experienced in what is termed "service encounters", where the customer interacts with the seller or representative of the seller of the service. According to Gronroos (2001), the customer will experience two main components of quality, the "What" is being offered (technical dimension of the products) and the "How" it is being offered (process-related dimension). Rust and Oliver sited in Gronroos (2001:65) have added a new dimension of "Where" the service is being offered which impacts the customer value of the quality, however broadly speaking, the "How" does encompass the "Where" dimension.

GE who adapted the Six Sigma way and evolved it further believes that service quality has three main elements, Customer, Processes and Employee (GE, 2006). They argue that customers expect reliability through clear and correct processing, competitive prices and performance from service providers. They also believe that this can be delivered through employees who are involved, motivated and knowledgeable about the motives behind quality. As for processes, they believe that they have to be improved based on the customer perspective and needs and not the internal perspective. One of the strengths of the six sigma approach for GE has been the embedding of these concepts of service quality into their culture making them core competencies which are hard to imitate.

Zeithaml, Berry, and Parasuraman (1996) identified the following 10 determinants of service quality.

1.	Reliability	Consistency of performance and dependability
2.	Responsiveness	The willingness or readiness to provide service
3.	Competence	Having the required skills and knowledge to perform the service
4.	Access	Approachability and ease of contact
5.	Courtesy	Politeness, respect, consideration and friendliness of contact personnel
6.	Communication	Keeping the customers informed in language they can understand and listening to them
7.	Credibility	Trustworthiness, behaviourability, honesty
8.	Security	Freedom from danger, risk, or doubt
9.	Understanding and Knowing customer	Making the effort to understand the customers need
10.	Tangibles	The physical evidence of the service

Most of these determinants of quality are "experience Properties" that can be known only as the customer is purchasing or consuming (experiencing) the service, which causes many to doubt the ability of always providing exceptional service quality since they are not tangible features. Gronroos (2001:97) argues that many managers believe that developing and offering services with 100 per cent quality is impossible. As a result of this perception by management, organizations tend to accept that mistakes happen and failures are allowed. He argues that "Psychologically the battle for excellent performance is over before it has begun".

Kordupleski, Rust, and Zahorik (1993) argue that many quality programs have become too focused on improving processes within companies (internally focused) and have given up the their fundamental objectives of looking at quality from the customer's perspectives (externally focused) . A common situation is turf wars where quality oriented organizations attempt to drive the process by carrying out customer surveys and tabulating the results, however they fail in interpreting and using the data as there is usually no structure that ties customer satisfaction to internal processes. They argue that quality programs must develop a link with the customers and in order to do that, a step back must be taken into basic marketing functions such as identifying and measuring customer's needs in addition to linking customer satisfaction measures to internal process measures. In order to identify customer needs, a non structured exploratory approach must be used through focus groups, interviews, customer and employee surveys and suggestions. This captured data which must be in the customers words where applicable, is then used to determine what the customer needs are and what are their perception of the expected quality. Unfortunately, many firms fall in the trap where management ends up deciding on what the customer expected quality needs are or should be, as Zeithaml and Bitner (2003:533) points out in their work on the Service Gap Model.

Schneider (2004) adds that numerous literatures on the measurement of service quality have emerged over the last 20 years whereby the bottom line of it is 1. It is useful to have data on customer expectations if you want to know what to do to meet them. 2. The most important feature of service quality is reliability being consistent and doing what was promised when it was promised. 3. There are strong service processes and interpersonal issues associated with

customer service quality (responsiveness, empathy, and assurances experienced by customers as part of the service production and delivery.

The first point that Schneider (2004) addresses is one of the most common mistakes that businesses make and continue to make, which is their belief that they understand what customers want. Strategies are developed and products and services are designed in total detachment from the customers. Honda grew their motorcycle business from $ 500,000 in 1960 to $ 77 million in 1965 in the United States. By 1966 Honda, Suzuki and Yamaha had captured 85% of the US market share. Their explosive growth was attributed to keeping their ears to the market and hearing the voice of the customer. The core of the Boston Consulting Group report on this phenomenon was that "products are updated or redesigned whenever a market threat or opportunity is perceived". This clearly demonstrates the wisdom of being close to the customers and the targeted segments in order to develop products or services to effectively match their needs and expectations (Pascale and Christiansen 1983).

In service quality literature it is noted that the quality of a particular product or service is "whatever the customer perceives it to be". Gronroos (2001:63) enforces that by stating that "what counts is quality as it is perceived by customers". These arguments are the core of Zeithaml and Bitner (2003:533) service gap model, which argues that the cause of the gap between customer expectation, and what the company believes are the customer expectations, are attributed to 4 possible causes: -

- Inadequate marketing research (insufficient marketing research, research not focused on service quality, inadequate use of market research)

- Lack of upward communication between the management and the customers
- Insufficient relationship focus due to lack of marketing segmentation, focus on transactions rather than relationships
- Inadequate service recovery

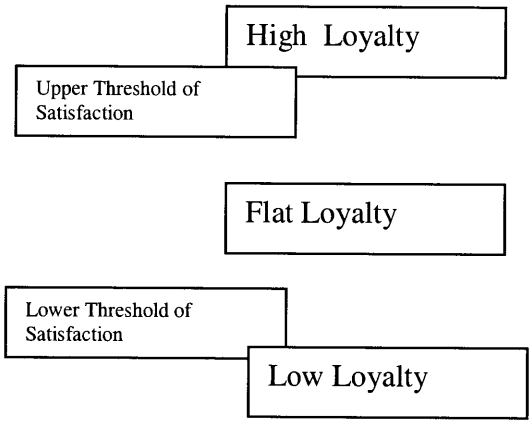
Kordupleski, Rust, and Zahorik (1993) argue that any service or product marketing initiatives should be built around the understanding of customer needs and expectations, but how much service quality is necessary to retain customers? A study conducted by Gale (1992) with AT & T customers to asses the level of the quality of the service and their re-purchase patterns show that the possibility of repurchase is only high when the perceived quality is excellent, while the possibility of re-purchase is only 60% when the perceived quality is good, as shown below.

Perceived Quality	Possibility of re-purchase
Excellent	90%
Good	60%
Fair	17%
Poor	0%

It is possible to deduct two things, the first is that even when the perceived quality of service is excellent, 10% of customers did not have the intentions to re-purchase, and the second is that when the perceived quality was good or as expected, almost half of the customers were

not committed to re-purchase, which means that the quality of service offered must always be above the customers expectations and that product reliability alone may not be sufficient to ensure re-purchase.

It is not surprising that the above results for a service company differ significantly from the results of the behavior of customers with physical product. Coyne (1998, p.73) argues that loyalty levels climbed and declined rapidly above and below the thresholds of satisfaction tolerance, however loyalty remained flat within the upper and lower band of satisfaction tolerance



The rational for this is that Physical products such as computers or cars or washing machines are usually long term purchases (durable items) and therefore dissatisfaction may be tolerated a bit longer that that of a bad travel experience or a meal out in a restaurant. Berry and Zeithaml (Berry, 1999:132) confirm the above that service quality expectations exist at two levels, desired and adequate. Adequate reflects the minimum the customer finds acceptable. Service above the zone is superior, within satisfactory, below unacceptable.

Value and perceived value by the customer

According to Johnson and Sholes (2002:147) One of the pillars of strategic capabilities "is about providing products or services to customers that are valued – or might be valued in the future". Value is defined by Kotler (2003:11) "a combination of quality, service and price". Service and quality has become a new differentiator in many industries today. Price continues to be a differentiator but is no longer the main driver as it was in the industrial age. Value is recognized as a personal appreciation of what is offered and varies from one individual to another. Zeithaml and Bitner (2003:491) groups value into four categories:-

1. Low price especially when the service offered is a commodity product offered by many others such as a basic fast food meal.
2. Reliability or expected reliability such as the case of appliances or automobiles which deliver what is expected without frequent interruption or breakdown where the customer is willing to pay extra for that.
3. Quality for the price paid such as two equally priced hotel rooms but one is recently refurbished.
4. Trade off or what is being sacrificed such as time, money, effort in comparison to what is being received , for example long queues at banks that charge a relatively higher fee for service would not count as a fair trade off.

It is interesting to note that various authors including Zeithaml and Bitner (2003) places Reliability as both, a determinant of service quality and as a major component of value to a customer, stressing its significance.

Reliability and trust

Studies that were conducted by Berry and Zeithaml concluded that customers always rated reliability of service as the most single feature in judging service quality. The importance of the reliability of a product or service for a firm is that it develops and strengthens customer trust of the firm (Berry, 1999:125). Berry (1999:124) further argues that trust based relationships characterize the success of companies, and that trust is important because companies can not build true relationships with it partners, employees and customers without it.

Satisfaction

Kotler (1991) believes that "Satisfaction can be broadly characterized as a post purchase evaluation of product quality based on pre purchase expectations". It is possible to breakdown this satisfaction argument into two parts, one related to the pre purchase expectation of reliability of the product or service, and another part related to the pre purchase expectation of the skills and the attitudes of the contact staff delivering the service. It is commonly accepted that a deterioration in any of the two parts impacts customer satisfaction levels, however what is interesting is the correlation identified by Heket , Sasser and Slasinger (1997) ,and Kamakura et al. (2002) and cited by Guo, Kumar, and Jiraporn, (2004), showing that customer satisfaction is positively correlated to employee satisfaction which implies that an unhappy can not deliver customer satisfaction.

Eugene and Sullivan (1993) findings from research conducted in Sweden between 1989-1990 related to the consequences of customer satisfaction on firms reveals that satisfaction

was found to have a positive impact on repurchase intentions. They further found that quality which falls short of expectations had a greater impact on satisfaction and retention of customers than quality which exceeds expectations. In essence, a measured drop in quality from the customer's expectations created a larger emotional impact than an equivalent measured increase in quality from their expectations. Although some might argue that the findings from Eugene and Sullivan (1993) research which used a database with 22,300 customers in Sweden may not be relevant for other markets or cultures, research in the area of cognitive sciences conducted by Kahneman and Tversky (1979) and termed "The Prospect Theory" demonstrated through imperial data that the emotional impact on humans, is usually non linear. Camerer (1998) investigated and documented findings on the non linearity of emotional impact in various areas of human behavior ranging from horse racing to buying insurance which further confirmed these observations.

It is interesting to note that most empirical studies suggest that the buyer complaints or dissatisfaction are seldom caused by product malfunction or by fraudulent business conduct but by buyer ignorance, misunderstanding. Inflated expectations or disagreements (Steele, 1997) and complaining customers showed stronger brand loyalty than customers who did not complain. It is further argued that loyalty could be strengthened further by the firm's complaint handling citing a survey of business complaint handling commissioned by the U.S. office of consumer affairs.

Other aspects to relationship strengths

Storbacka, Strandvik and Gronroos (1994), argues that there are many other aspects of relationship strength other than customer satisfaction; one of them is the existence of bonds between the customer and the providers of the service. These bonds often act as switching barriers in addition to their role as customer satisfaction enhancers. They cite Liljander and Standvik (1995) which argues the existence of 10 types of bonds in the consumer market which are legal, economic, technological, geographical, time, knowledge, social, cultural, ideological, and psychological. They add that the first 5 bonds are conceptual while the last 5 which comprise of knowledge, social, cultural, ideological, and psychological are more subjective which makes them difficult to measure accurately. The situation where a customer is convinced of the superiority of a bank is often based on the customer values and preferences which are part of the cultural, social and ideological bonds.

Zeithaml and Bitner (2003) argues that certain behaviors can give out signals that customers are forging these bonds with a firm and are called favorable behavior intentions. Examples of such are when customers praise a firm, express preference for the firm over others, increase the volume of their purchases. According to Zeithaml and Bitner (2003) research has shown that customer satisfaction and or perceptions of service quality affect intentions to behave this way. Additionally a positive and strong relationship exists between customer perceptions of service quality and their willingness to recommend the company, effectively enhancing brand awareness and image. On the other hand, examples of un favorable behavior intentions are often recognized by complaining and by the signaling of leaving the company or spending less with it.

Another area of possible relationship strength is that of brand name or image. It is widely accepted that a poor quality product can not have a strong brand; however it is possible to start with a good quality product or service with a strong brand, but with time the quality of the product or service starts deteriorating. Gronroos (2001:64) argues that service providers can not hide behind brand names for ever. Usually if a firm has a favorable image, minor mistakes will be forgiven. If mistakes often occur, the image will be damaged. If the image is negative, the impact of any mistake will often be considerably greater than it otherwise would be. As far as quality perception is concerned, image can be viewed as a filter.

Interestingly enough Fornell and Wernerfelt (1987) argues that complaining customers showed stronger brand loyalty than customers who did not complain and that loyalty could be strengthened further by the firm's complaint handling citing a survey of business complaint handling commissioned by the U.S. office of consumer affairs. Interpretation of this enforces Storbacka, Strandvik and Gronroos (1994) argument that customers build bonds with an organization and that even though they may become dissatisfied with the service; the decision to move away to a competitor is a difficult emotional one.

Completing the circle: Linking relationships with customers to profitability

Fornell and Wernerfelt (1987) argue that competition centers on or around the (more or less) dissatisfied customers in non growing markets. They add that firms that are applying offensive marketing strategies tend to strive to attract dissatisfied customers of competitors, while firms applying defensive marketing tend to focus on managing the dissatisfaction

among their customers to protect them from being lost. It is therefore argued that customer satisfaction is an important component of profitability of an organization, market share and the return on the on investment. They add that spending on improving service quality is dependent on what strategy a firm follows, defensive or offensive. Zeithaml, Berry, and Parasuraman (1996) makes a very powerful observation that spending on service does not guarantee results because strategy and execution must both be considered. However, findings from studies by Buzzell and Gale (1987) and Philips Chang and Buzzell, (1983) cited in Zeithaml, Berry, and Parasuraman (1996) using the Profit Impact of Market Strategy (PIMS) show that companies that offer superior service achieve higher than normal market share growth. This is often achieved through the ability to gain more market share (word of mouth and reputation) and the ability to demand premium prices.

Chapter 3

Methodology and Method

3.1 Methodology

3.1.1 Introduction to the paradigms

The term paradigm according to Collis and Hussey (2003:46) refers to "the progress of scientific practice based on peoples philosophies and assumptions about the world and the nature of knowledge". Paradigms offer us a framework comprising of an accepted set of theories, methods and ways of dealing with data.

There are two main research paradigms, Positivist (commonly referred to as Quantitative) and Phenomenological or interpretive (commonly referred to as Qualitative) which are at two extreme ends of a spectrum in their views of the world and reality. Because the positivists roots lie in natural sciences such as biology and physics, they believe that the study of human behavior (social sciences) should be conducted in the same way as in natural sciences, whereby explanations should be developed based on establishing causal relationships between variables in an attempt to explain a phenomenon. The Phenomenologicalists or interpretivists are concerned with the understanding of human behavior from the participant's frame of reference. Their approach is to use different research methods to obtain different perceptions of the phenomena being studied and from there develop an understanding of

what is happening through the identification of patterns that may be repeated. Collis and Hussey (2003)

3.1.2 Rational for working within the Phenomenological paradigm

Smith (1983:10) cited in Collis and Hussey (2003: 48) eloquently summarizes the polar extremes that the Positivist and phenomenologist approaches occupy: - "quantitative research facts act to constrain our belief; while in interpretive research beliefs determines what should count as facts". However, it is widely accepted that these paradigms are at both ends of a continuum and various approaches reside in between. According to Morgan and Shmrich (1980) cited in Collis and Hussey (2003) Positivists view reality as a concrete structure, while Phenomenologist view it as a projection of human imagination. Research into concepts such as service quality and customer loyalty may not comfortably rest at the extreme of phenomenological polarity but quite close to it, in the area where reality is a social construction.

Although concepts of service quality and customer loyalty have been researched and defined by many authors, they continue to be fluid as no standard has been globally accepted for various reasons. Some of these reasons are the diversity of global cultures which interpret components of theses concepts quite differently. For example, observation of a Toyota advertisement vs. a Cadillac advertisement reveals that Quality in Japanese products is regarded as a threshold of competency while in the US it is regarded as an added value. Another reason is the complexity of the issue. According to Gronroos (2001:63) it is much

harder defining the quality of a service than the quality of a product which is traditionally related to the technical specifications of the goods.

As culture and values are imbedded within the social sciences, a more qualitative and interpretive approach should be used because a highly structured research design which is common in Positivist methodologies, may impose some constraints that may cause the overlooking of other relevant findings. Additionally, the researchers experience in the field being researched and his ongoing interactions with the topics of the research questions influences the lens of designing and interpreting the data, which is fundamentally in contradiction with positivist methodologies.

3.1.3 Methodologies and the use of Triangulation

Even though reality is regarded as a social construction, it is important to build a working framework by injecting a dose of positivistic methodologies in the form of a cross sectional survey. Although surveys have their origins in the Positivistic paradigm, May (1997:83) argues that describing surveys nowadays as positivistic is an oversimplification, nevertheless, they do have logical similarities to what is used in natural and physical sciences. Surveys are designed to obtain information only once from different groups of people and organizations at relatively the same time.

Observations and interviews are the other methodologies used in the study which are embedded in the Qualitative Paradigm. Observations may be conducted where the researcher

mergers his identity with those he is studying "complete", or observe from a distance "uninvolved". Layder (1993:115-116) argues that various forms of observations may supplement other methods such as semi structured or in-formal interviews. He Adds that they "are efficient means of obtaining qualitative information on the fabric and dynamics of situated activity"

By using a combination of methodologies, quantitative and qualitative, along with different techniques for the data collections, the research is applying methodological triangulation which Collis and Hussey (2003) argue that such an approach may overcome the risk of becoming biased through a single method approach.

In conclusion, the study can be broadly characterized as Exploratory and Predictive, with some degree of interpretation which enforces its position as a qualitative research.

3.1.4 Criticism of the approach

It can be argued that based on the defined research questions, a pure positivist methodology could have been used with the cross sectional survey as the foundation for it whereby the outcome of the survey can be validated against the a model or a theory such as the service gap model or the 10 determinants of service quality (Zeithaml, Berry, and Parasuraman, 1996) to determine statistical correlation, causal relationships and cultural validity. However

as mentioned earlier, such an approach will imply that human behavior and values are too simplistic and controlled.

3.2 Method

3.2.1 The customer surveys

3.2.1.1 Introduction

A survey questionnaire is used to collect data from a cross section of the Bahraini resident population which includes indigenous Bahrainis, other Arab national and expatriates, both male and female, employed in the private and the public sector as well as students in universities. The survey was carried out in English to cater for a wider nationality mix keeping in mind that the Bahraini population in general reads and understand the English language reasonably well.

The aim of the survey was to identify values, emotions and behavior associated with two main western concepts, Service Quality and Customer loyalty among customers of the 3 specific banks in Bahrain which are recognized to be the largest. Data of all the other banks was combined together to create a 4^{th} entity.

The survey was developed and circulated to colleagues for completion and validation which resulted in the additions of new questions and rewording of others. This

process was conducted 3 times before sending it on a mass scale. The data of the initial participants was included in the results and answers to questions which were not included in their surveys were captured in person or over the phone.

3.2.1.2 The sample

No preconceived sample size was determined. The objective was to collect at least 100 surveys to achieve cross sectional validity. The surveys were collected over an approximate period of 3 weeks.

To ensure a high level of completion and a cross sectional representation, a number of colleagues distributed copies of the survey among their acquaintances and colleagues in their respective areas of work. Guidelines expressing the need for diversity were communicated in addition to a walk through the questions explaining the order, rational and objectives.

A total of Two hundred and Twenty three surveys were completed by the end of the period.

3.2.2 The interviews

Two types of interviews were conducted with different goals and objectives.

3.2.2.1 Short unstructured interviews

A series of short unstructured interviews were used to interpret patterns in the data collected which shed light on their causes or meaning. These interviews were with individuals who are involved in the banking industry as employees or as customers in addition to individuals in the academic field. Reference to these interviews in the later chapters is identified by (SUI, 2006) implying Short Unstructured Interview in 2006.

3.2.2.2 Main interview

A single extended unstructured interview with the managing partner of a consulting firm focused on the financial sector in the region for insights on service quality and customer loyalty concepts and initiatives in regional banks. This approach provides depth as well as breadth of the subject being researched from a practitioner view who is engaged by the boards of directors and the senior management of banks. This approach is a substitute to directly interviewing the senior management of the three targeted banks who may choose not to disclose information on the trends that they are seeing for competitive reasons.

3.2.3 Observations

Observations were used to validate, support, interpret or question findings from the other data sources.

3.2.4 Reliability and Validity

The demographic data of the survey was validated against publicly available demographic data of the Bahraini Population and found that the sample is in line with the male and female breakdown of the Bahraini population according to the last published census in 2001; however the overall population in Bahrain is skewed towards male as foreign workers tend to be predominately male. The sample of the survey showed that 52% of respondents were between the age of 21 and 30 while 49% of the Bahrain population between the age of 20 and 40 (Table 57 & 58).

The SPSS tool was used to reach a valid percent of all the questions asked and to establish relationships between various variables. The short unstructured interviews and the observations were used to validate and establish credibility to the outcome.

The consulting firm, Impact, W.L.L. was chosen for the extended unstructured interview because of their work with 9 commercial and investment banks in the region in the areas of sales advisory, process improvement and strategy formulation.

3.2.5 Criticism of the approach

- The larger the population of a survey the better the representation. Although two hundred and twenty three participants took part, a larger number would have minimized sampling error.

- The approach used for distributing the surveys can not be considered as absolute random sampling. The individuals chosen to participate in the survey may have been deliberately chosen by the colleagues and friends for a variety of reasons; however, the distribution among numerous individuals reduces that possibility.

- Although the English language is well understood among the resident Arabic population in Bahrain, some questions may have not been understood as intended, which would have left room for misinterpretation which might have led to incorrect answering.

- Some questions which are based on making a judgment call on a human attitude or a response may have not been answered objectively as culture in the Middle East is usually non confrontational where individuals prefer a courteous or falsified response instead of a harsh and blunt response. This is magnified even further when the collector of a survey is of a different sex than the individual being surveyed.

- Observations are interpretive by nature and are subject to the observer frame of reference and view of the world. Although this is accepted in the phenomenological paradigm, it is worth mentioning.

- The Extended unstructured interview is focused on one individual's view of the world and experience. Although he might represent many aspects of reality, he may not have the entire picture; however the approach of triangulation through the capture of data from different methods minimizes some of this risk.

- The dependence on qualitative data to support the quantities findings has some challenges. Robson (1993:370) argues that "the main challenge to qualitative data analysis is that there is no clear and accepted set of conventions for analysis"

Chapter 4

Findings and Analysis

4.1 The survey

4.1.1 Introduction to the survey

As surveys are considered positivistic, the data will be presented in this chapter. Discussions and analysis of it will take place in the following chapter. The survey aim was to answer the first research question "***Do western concepts of service quality and customer loyalty apply to commercial banking in Bahrain?***" through an exploratory approach.

The unit of analysis is an individual. The data in the "Y" axis as well as slices of a pie chart represents the "% of respondents" for each question unless explicitly mentioned otherwise.

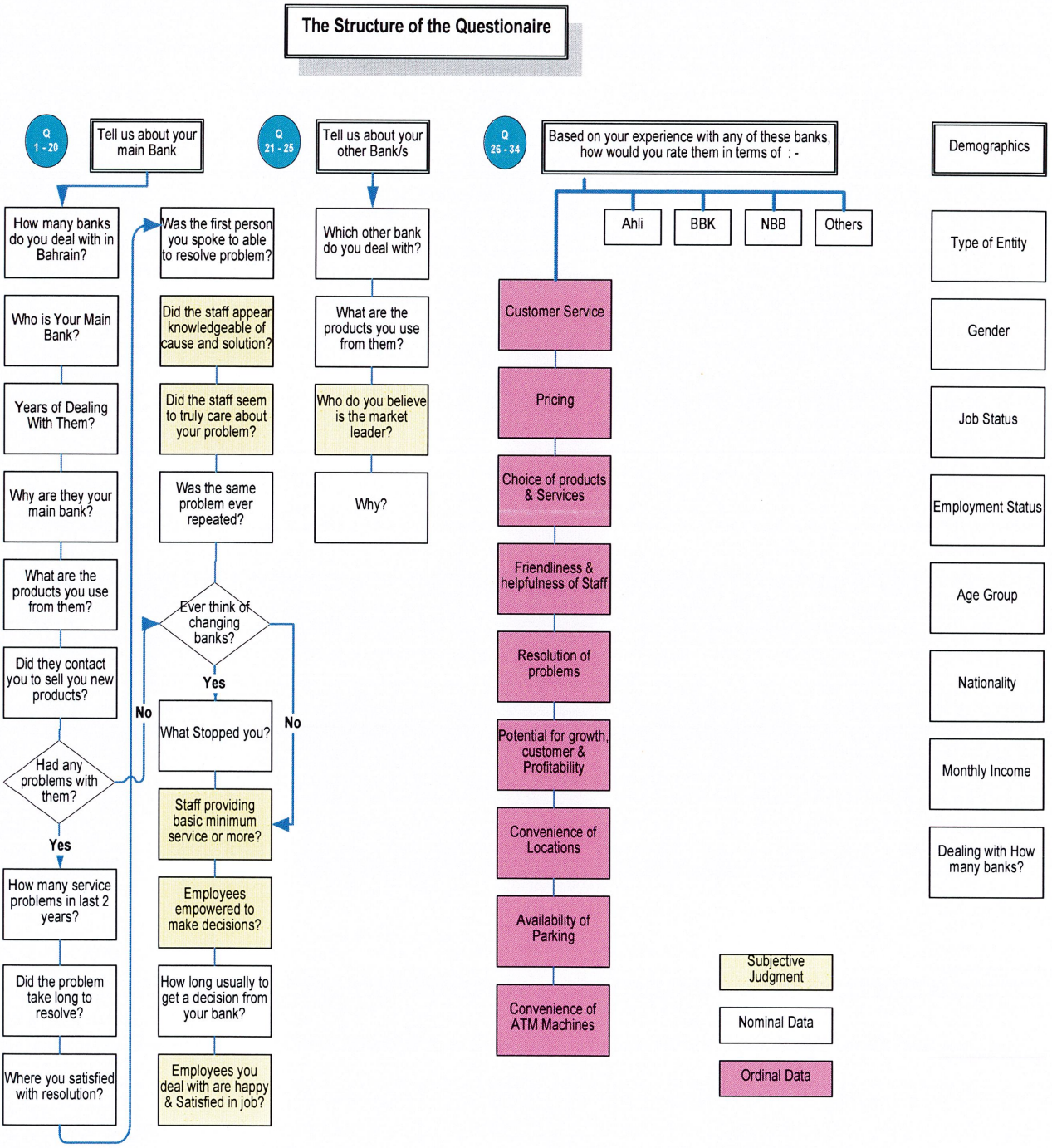
The frame work for the survey was based on the work of Zeithaml, Berry, and Parasuraman (1996) 10 determinants of service quality such as reliability, responsiveness, competence, access, etc. As for loyalty, no known framework was used, however the questions were constructed to provide insights as shall be discussed in the next chapter

4.1.2 The structure of the survey

The survey has 4 sections which are:-

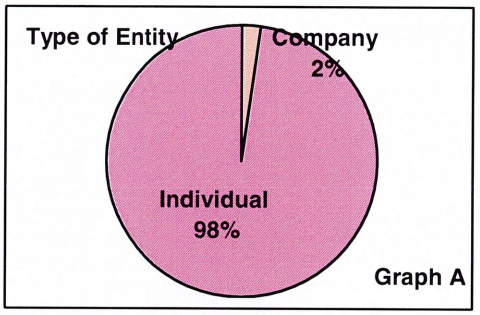
1. Tell us about your main bank
2. Tell us about your other banks
3. Rate the banks that you have dealt with

4. Description of the sample

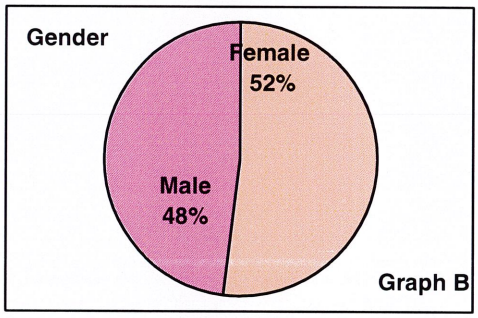


4.1.3 Demographics of the sample

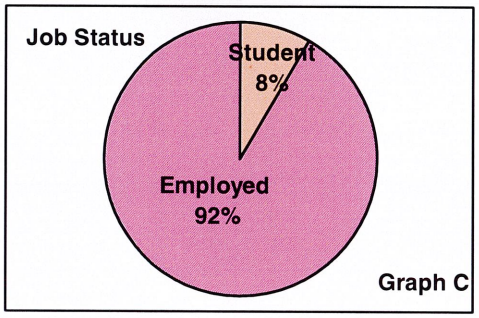
Type of Entity



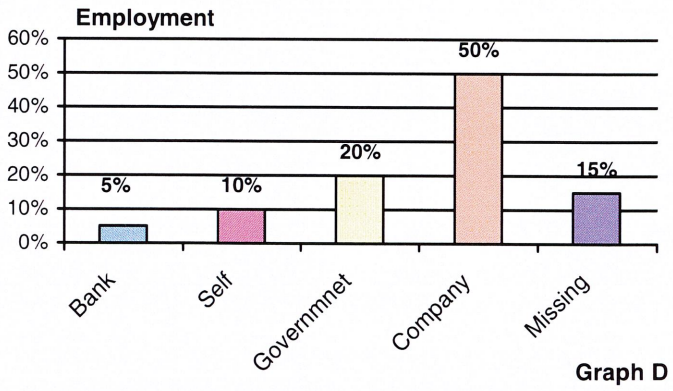
Gender



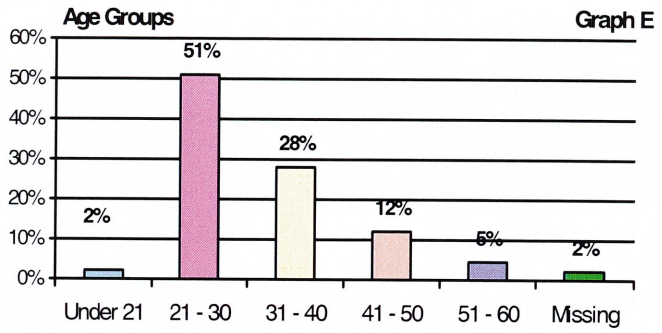
Job Status



Employment Status

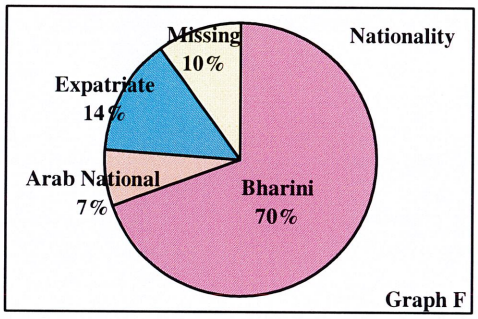


Age group



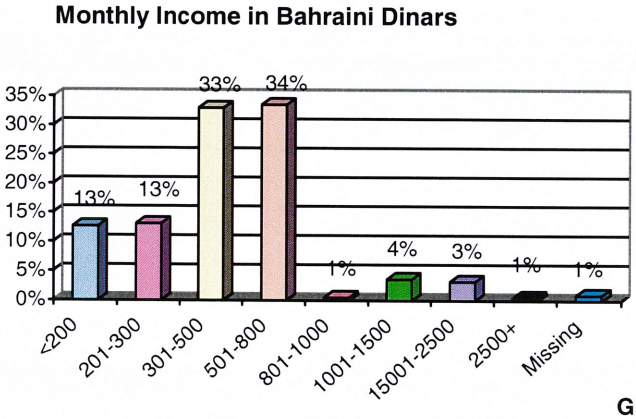
Graph E

Nationality



Graph F

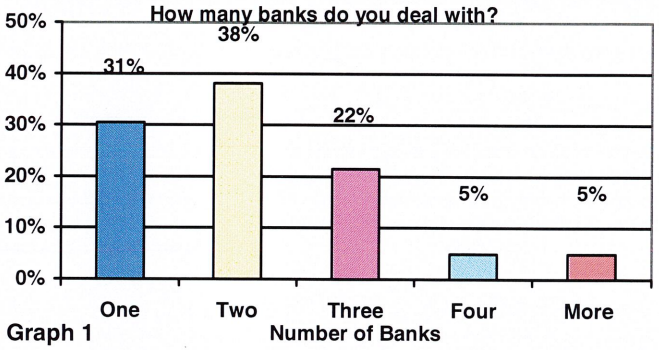
Monthly Income



Graph G

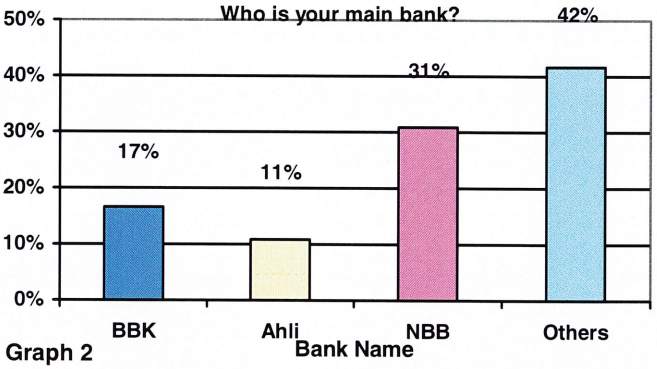
4.1.4 Findings from the survey

1. How many commercial banks do you deal with in Bahrain? Or have accounts with?



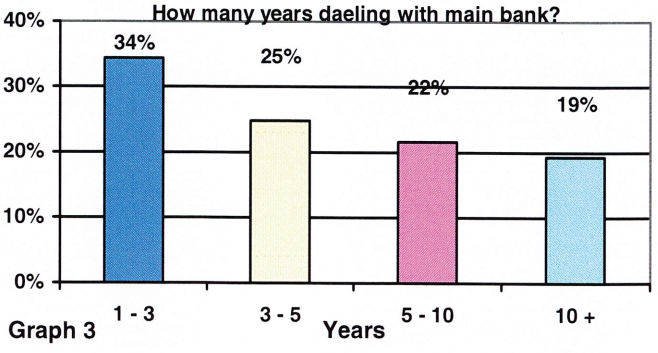
Graph 1

2. Who would you consider to be your main bank?



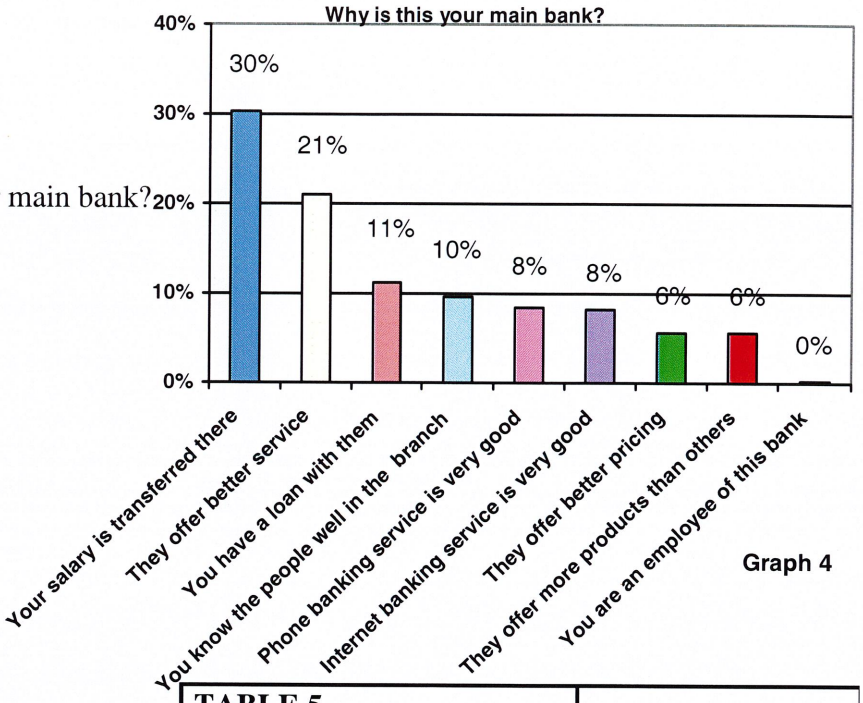
Graph 2

3. How many years have you been dealing with them?



Graph 3

4. Why is this bank your main bank?

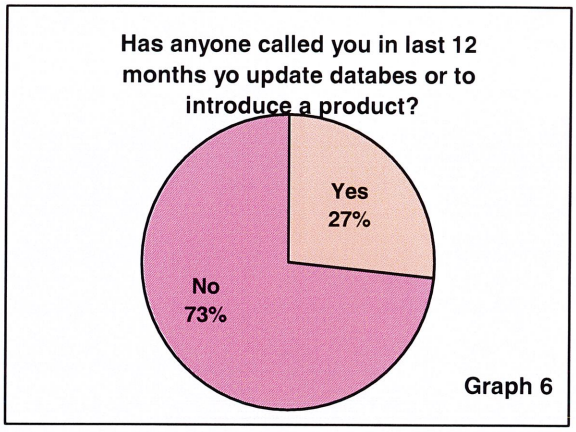


Graph 4

5. What products do you use from your main bank?

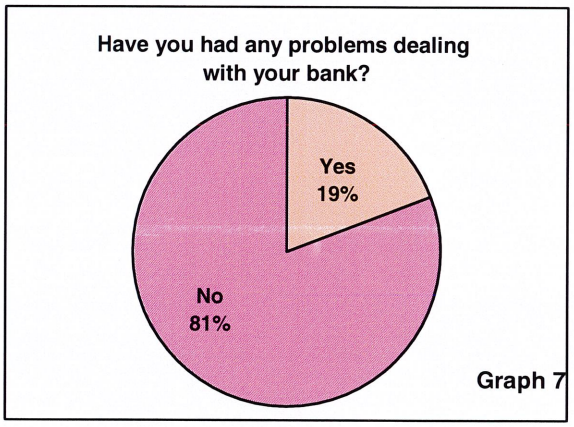
TABLE 5	Responses	
Product Frequencies	N	Percent
Saving account	181	26.9%
ATM Card	191	28.4%
Visa Card	56	8.3%
Master Card	21	3.1%
Car Loan	12	1.8%
Personal Loan	38	5.6%
Overdraft Facility	9	1.3%
Business Loan	3	.4%
Telex Transfer	11	1.6%
L/C & L/G	1	.1%
Current Account	70	10.4%
Property Loan	4	.6%
Phone Banking	27	4.0%
Internet Banking	22	3.3%
Deposit / Investment	27	4.0%
Total	673	100.0%

6. Has anyone called you from your main bank in the last 12 months to update your information on their database or to try to introduce to you a new product or service?



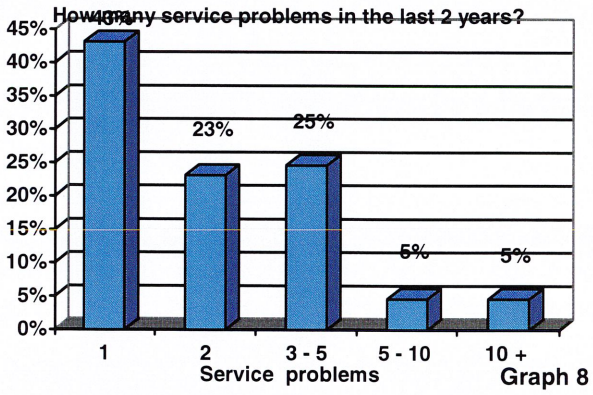
Graph 6

7. Have you ever had any kind of problem in dealing with your main bank?



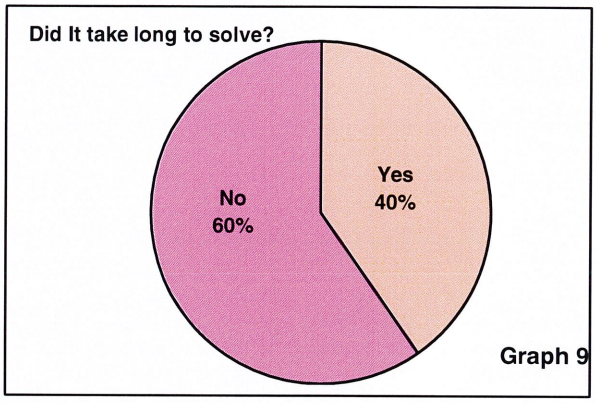
Graph 7

8. How many service problems do you believe you encountered in the last 24 months?

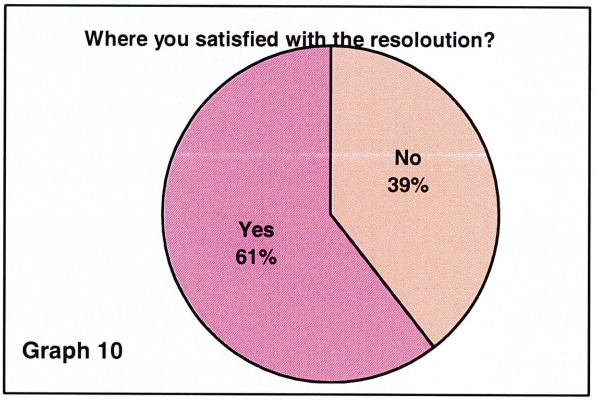


Graph 8

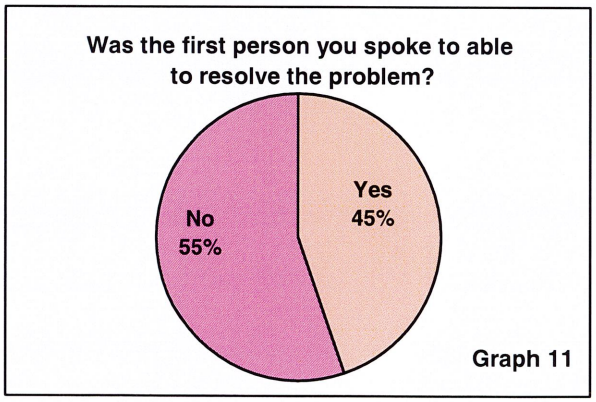
9. In your opinion did it take long to resolve? (Try to remember the most important or one of the most important problems)



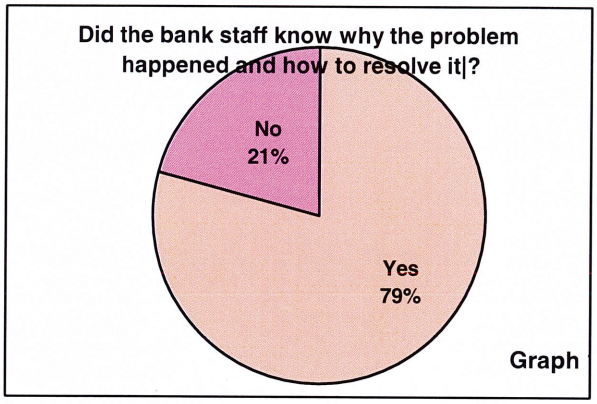
10. Where you satisfied with the resolution of the problem?



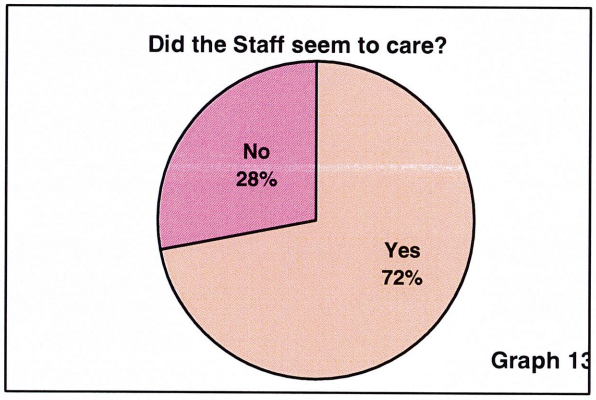
11. Was the first person you spoke to about the problem able to resolve it?



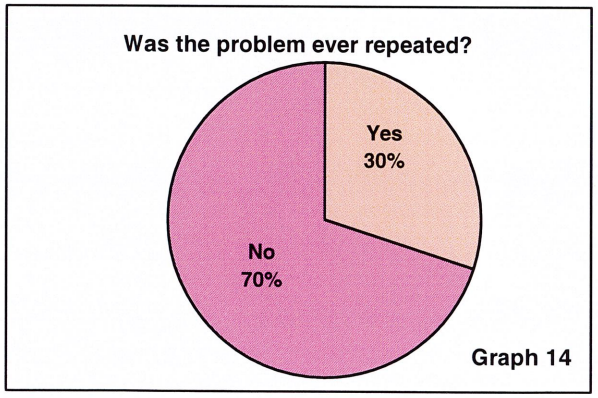
12. Did the bank staff appear knowledgeable on why the problem occurred or how to solve it?



13. Did the staff seem to truly care about your problem or they just wanted to get rid of you so they can go back to their work?

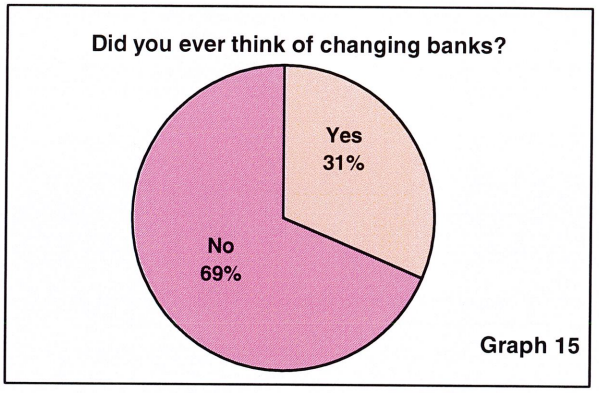


14. Was the same problem ever repeated?



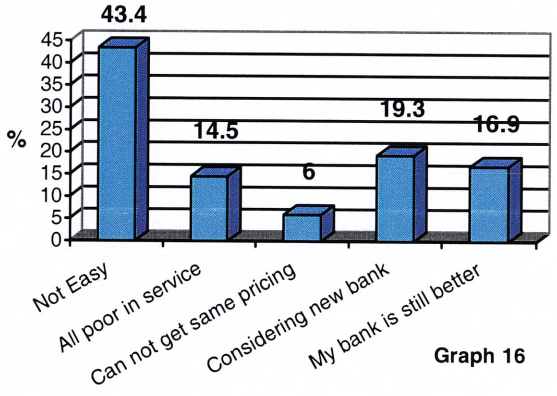
15. Did you ever think of changing banks?

If your answer is NO, Go To Question 17



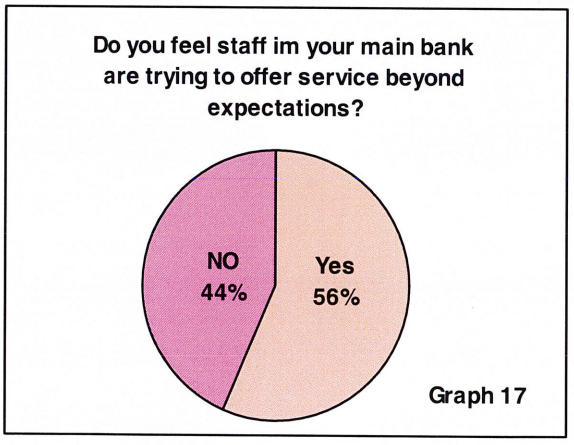
Graph 15

16. If yes, what stopped you?



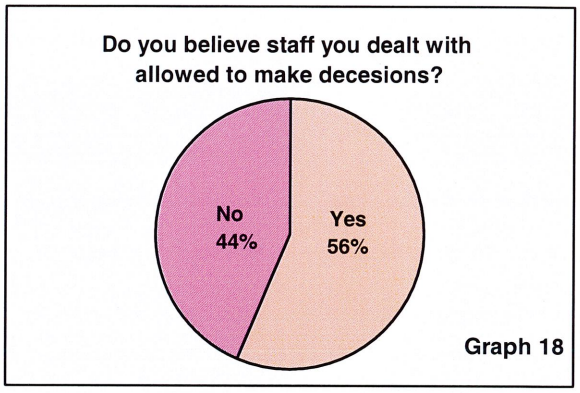
Graph 16

17. Do you feel that the staffs in your main bank are trying to provide customers with service beyond their expectations or just the minimum acceptable level?

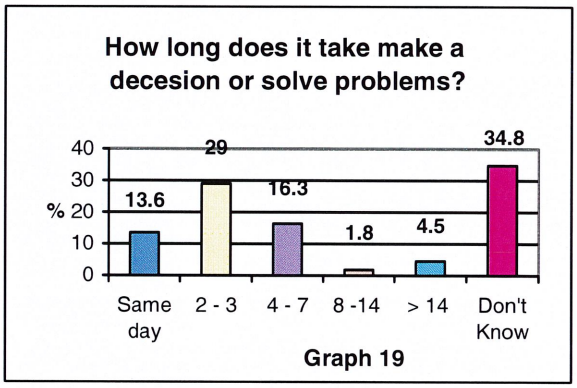


Graph 17

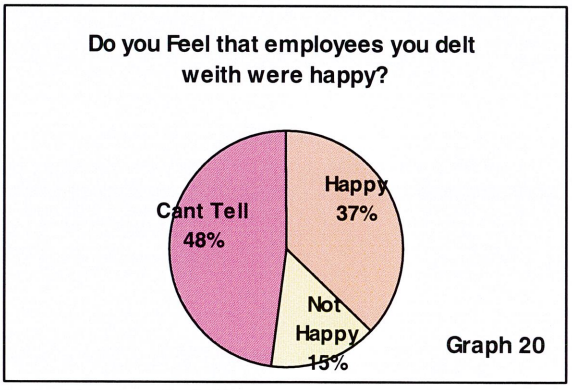
18. From your experience, do you believe that the employees that you have dealt with are allowed to make decisions, or everything has to go to their supervisor or manager for approvals?



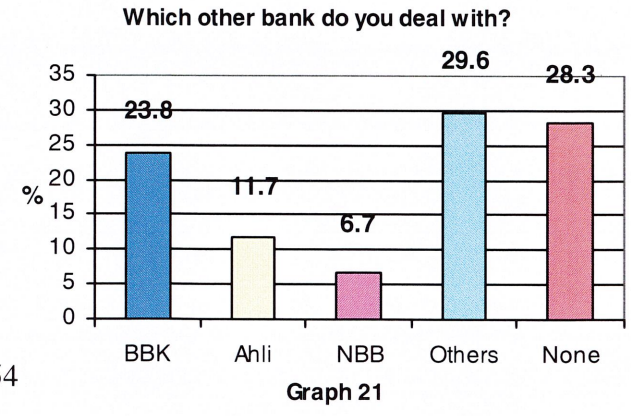
19. From your experience in dealing with your main bank, how long does it usually take to make a decision like an approval on a loan or resolution of a problem?



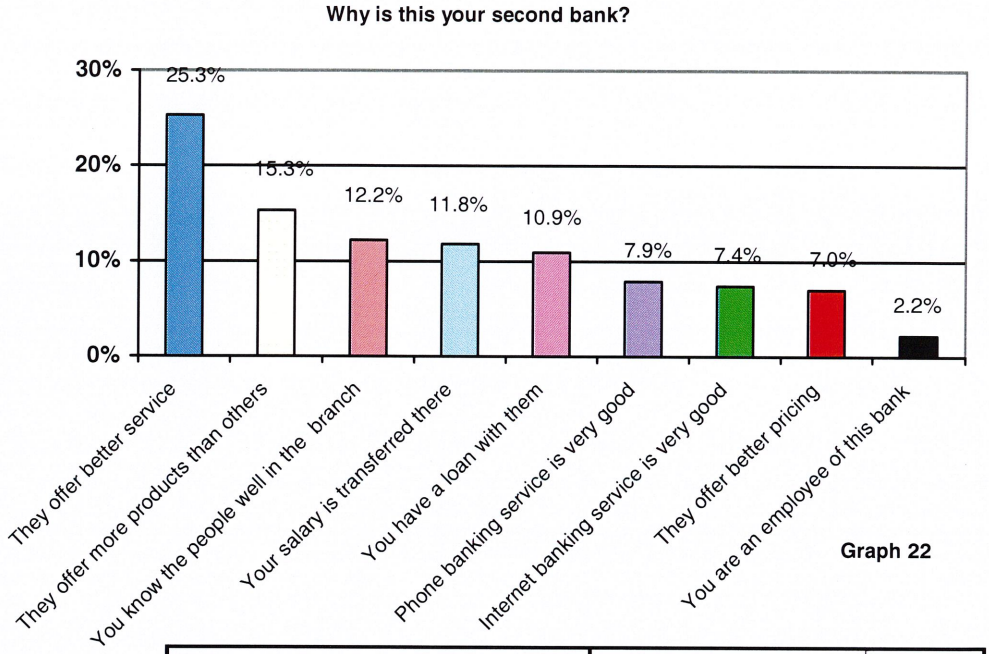
20. Do you feel that the employees that you have dealt with are happy and satisfied in their jobs or do they seem unhappy and fed up?



21. Which other banks do you deal with?



22. Why is this bank your second bank?

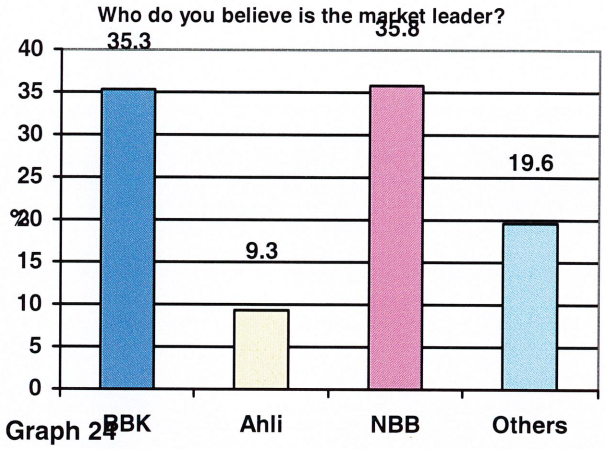


Graph 22

23. What products do you use from your second bank?

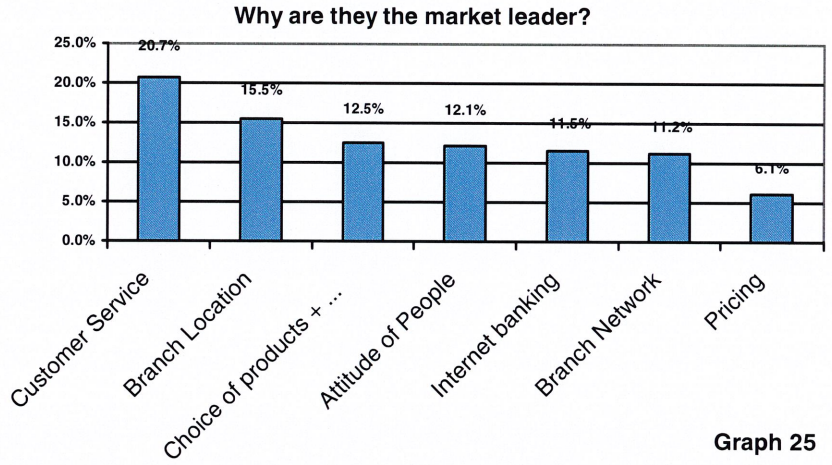
Table 23	Responses		Percent of Cases
	N	Percent	
Saving Account	122	27.1%	75.3%
ATM card	117	25.9%	72.2%
Visa card	67	14.9%	41.4%
Master card	17	3.8%	10.5%
Car Loan	18	4.0%	11.1%
Personal Loan	16	3.5%	9.9%
Overdraft facility	10	2.2%	6.2%
Business loan	5	1.1%	3.1%
Telex transfers	3	.7%	1.9%
Current account	31	6.9%	19.1%
Property loan	2	.4%	1.2%
Phone banking	17	3.8%	10.5%
Internet banking	15	3.3%	9.3%
Deposit / Investment	11	2.4%	6.8%
Total	451	100.0%	278.4%

24. Who do you believe is the market leader in Bahrain?



Graph 24

25. Why? Because of : -

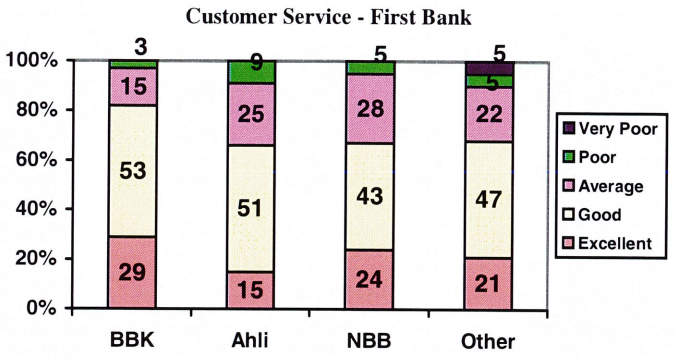


Graph 25

Please circle the number that best describes your answer for the following 9 questions.

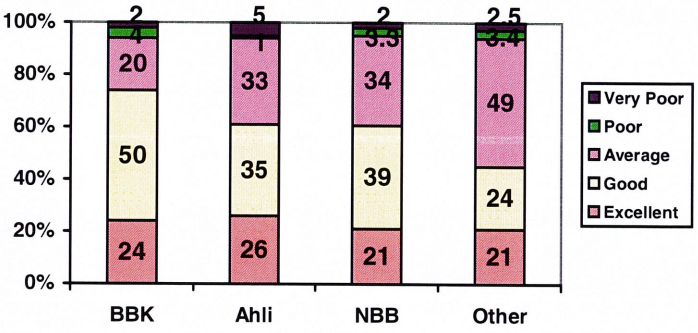
	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

26. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Customer service?**



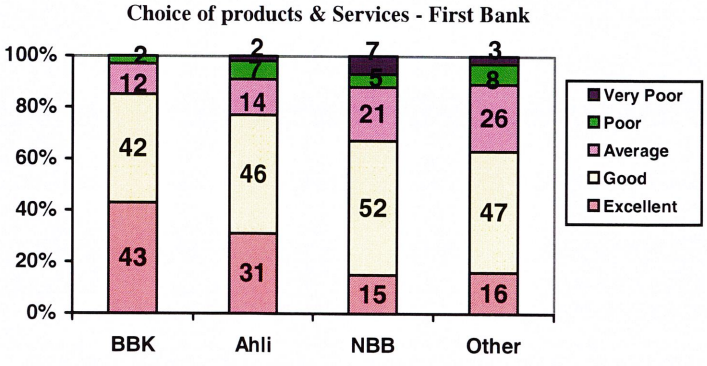
Graph 26

27. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Pricing?**



Graph 27

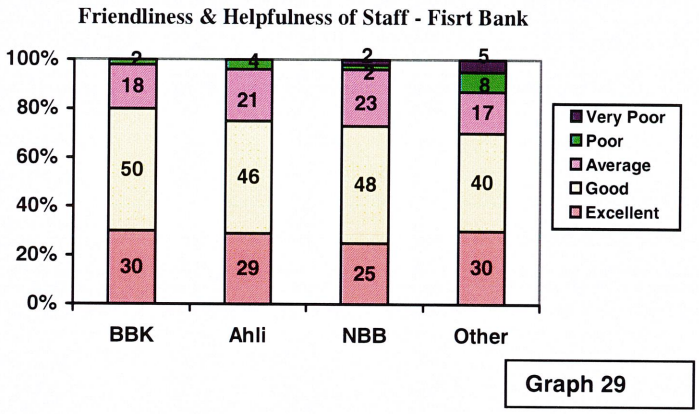
28. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Choices of**



Graph 28

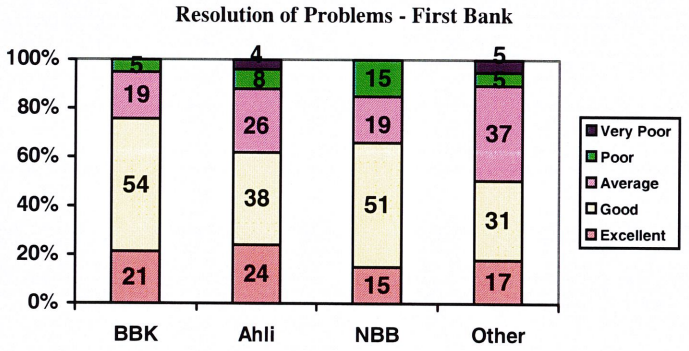
products and Services?

29. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of Friendliness **and helpfulness of staff?**



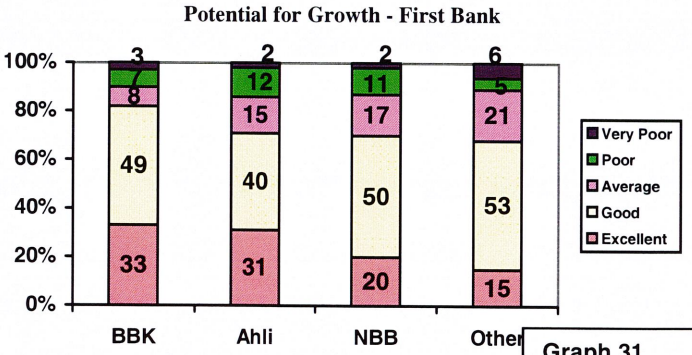
Graph 29

30. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of Resolution **of problems**?



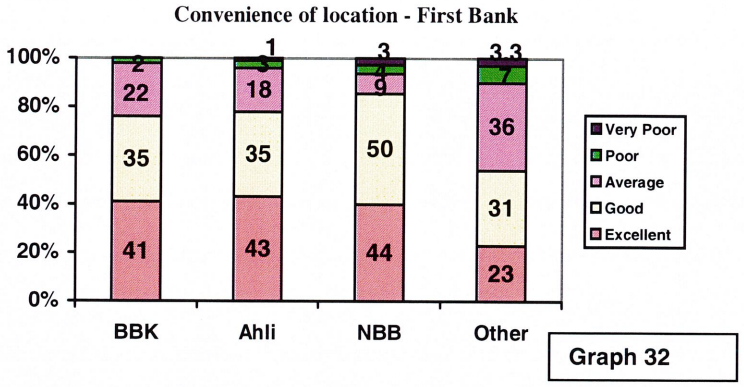
Graph 30

31. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of Potential **for growth (customers and profitability) in the future?**



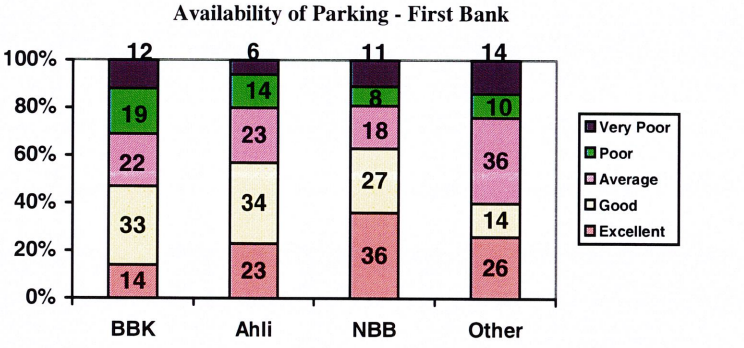
Graph 31

32. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of the **convenience of the location you normally use**?



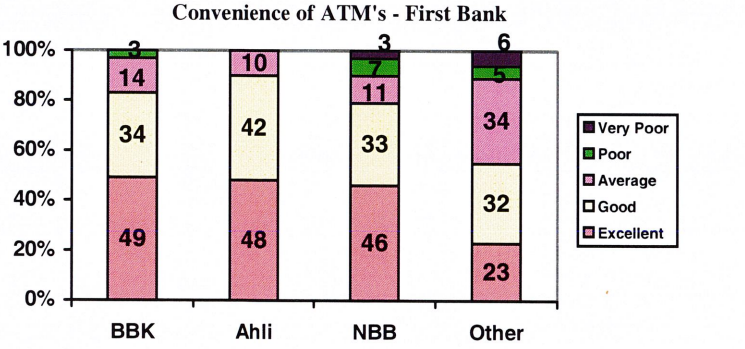
Graph 32

33. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of Availability **of Parking**?



Graph 33

34. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of Convenience **of ATM's?**



Graph 34

4.2 The main interview

The second Research Question

> ***"Which components of service Quality or Customer Loyalty can contribute substantially to***
>
> ***a) Better financial performance and,***
>
> ***b) Sustainable competitive advantage; for commercial banks in Bahrain?"***

The objective of the interview was presented as obtaining the interviewee's views on the second research question, however the interview was started by asking "What do you believe influences banks to adopt service quality in banks in the region?"

> Competition is by far the strongest driver as it can erode your profitable customer base through better service offerings which will impact a bank's profitability.

While exploring if service quality is regarded by him as a defensive or an offensive strategy he indicated that it can be used as both depending on the circumstances.

> An existing bank with strong core competencies can use it to further differentiate themselves from the other competitors, while a bank with weaker competencies can use it to get its performance closer to the market.

When asking "what do customers in the region know about service Quality?" he responded by asking me if it bothered me if I had to wait for half an hour in a queue? Or If I was put on hold every time I had a problem or inquired about a transaction on my statement? Or had to review and sign 15 pages just to open a bank account? He added that :

> Once a customer experiences a higher level of service and realizes that it is possible, then anything inferior to that will be noticeable and a cause for dissatisfaction.

When asking on whether there are service quality standards in banking and if there are who sets them, he explains

> There are no set standards anywhere, however there are standards that keep changing and they are set by the best in class in each industry and market and it is the customer who sets them and organizations strive to meet them. In regional banks unfortunately, only a few try to capture the needs of the customers and evolve accordingly, while others just follow and benchmark against them.

If service quality revolves around the needs of customers why haven't more banks captured that and implemented the changes necessary?

The needs of customers are only the front end of the matter. Service quality is about customers, processes and employees. Failing to tackle any of these components will result in failure of service quality initiatives.

Having discussed customers what about the role of processes and employees in service quality?

Every customer interaction with the bank is the beginning of a process which weaves throughout the various units or departments of the bank touching various employees and ending with the customer, effectively giving him a flavor of how efficient, reliable and timely is the execution of this bank.

If a process has many employee handoffs then it is likely to be taking long, if it has a high error rate then it is likely trying to fit a square peg in a round hole, if the junior employees work too late or complain then there is an underlying problem. There are always signs and symptoms of a sick process which through certain tools and methodologies they can be uncovered and corrected.

Employees are harder to deal with because they solidify as part of culture. If the culture has not absorbed the concepts and the need for developing a service quality culture then it is a hard but not an impossible challenge which must be driven by a passionate and forceful CEO like Jack Welch in GE. Many banks in the region are doing extremely well as a result of higher oil prices and regional economic expansion,

unfortunately service quality to them is "a nice to have" concept and not an immediate need.

Moving to the second question of:

"Which components of service Quality or Customer Loyalty can contribute substantially to

a) Better financial performance and,

b) Sustainable competitive advantage; for commercial banks in Bahrain?"

Better execution through streamlined processes will reduce processing cost and translate into better profitability or the ability to reduce your prices, giving you a further competitive advantage in addition to reduced cycle time which customers are quite conscious of.

Better people training, on their job duties, on the mind set of service quality and better communications to them on how their roles, actions and attitudes play a role in achieving the strategic goals of their bank. Mastering this can transform the culture of a bank into a non replicable competitive advantage.

Loyalty is a moving target because it changes often based on customer needs, expectations, perception and the competitive environment. Banks do not want all their customers to be loyal, only the most profitable or the ones that have potential to

become profitable. Organizations must be clear on what segments they want to focus on and then they must understand the dynamics of theses segments and offer products and value added services that satisfy these needs.

Service quality and loyalty programs hinge on being close to the customers and hearing what they are saying. Customer survey, general market research, telemarketing are all concepts that have differentiated successful banks in the region from others. Samba in Saudi Arabia which was partially owned by Citibank is in the forefront of marketing. Although their size is smaller than the other banks, its efficiency ratios are one of the highest because of better segmentation and higher products per customer ratio from these selected segments.

Chapter 5

Analysis and Discussion

5. 1 Introduction

This chapter aims at expanding the understanding and deriving further meaning from the quantitative data collected and presented in the previous chapter. These further findings, coupled with the qualitative short interviews and observations will address the first and second research questions.

"Do western concepts of service quality and customer loyalty apply to commercial banking in Bahrain?"

And

"Which components of service Quality or Customer Loyalty can contribute substantially to

a) Better financial performance and,

b) Sustainable competitive advantage; for commercial banks in Bahrain?"

What comes to mind at first is "What is the importance of service quality?" The answer is surprisingly simple. Almost every strategy of any existing business revolves around two components: -

1. Protect and grow your existing business
2. Develop new business through new segments, products or markets

Protecting the existing business involves retaining profitable customers, while growing them involves cross selling products to maximize profitability from each customer and establishing some form of loyalty through using multiple products which makes it a bit harder for them to leave. Since many service providers provide similar products and services, some have attempted to compete by reducing their prices but soon discovered that it eroded their profit margins and searched for ways to reduce operating cost. Others believed that adding value to customers through better quality of products or services will build loyalty among existing and new customers. But the standards of value and quality were initially defined by the organizations who later realized that their approach was not very successful.

Today, almost every academic or practitioner will produce a different perception or definition of what service quality is, however they will all agree that since it is the customers needs that must be satisfied, then it is critical to understand what these needs and expectations are from these customers .Schnider (2004) believes that "It is important to have data on customer expectations" , Gronroos (2001) believes that "what counts is quality as perceived by the customer", It is then obvious that the most logical approach is to explore the customers views on what they need and expect.

Since no official or formal bodies produce a consensus on the service quality or loyalty determinants for customers of the Bahrain banking sector, the questionnaire used some of the 10 determinants of service quality identified by Zeithaml, Berry, and Parasuraman (1996) as a building base with the aim of exploring and identifying clues on customer needs and

expectations that can be interpreted as evidence that customers have preference for dealing with, and are loyal to, banks that are more evolved in delivery of western service quality concepts. This exploratory approach will be used to address the first research question.

As for the second research question, findings from the analysis and discussions of the first question will be weaved in with personal observations, short unstructured interviews and input from the main interview to predict what components of service quality and customer loyalty can lead to better financial performance, and the establishment or the development of a competitive advantage for one of the commercial banks in the Bahrain market.

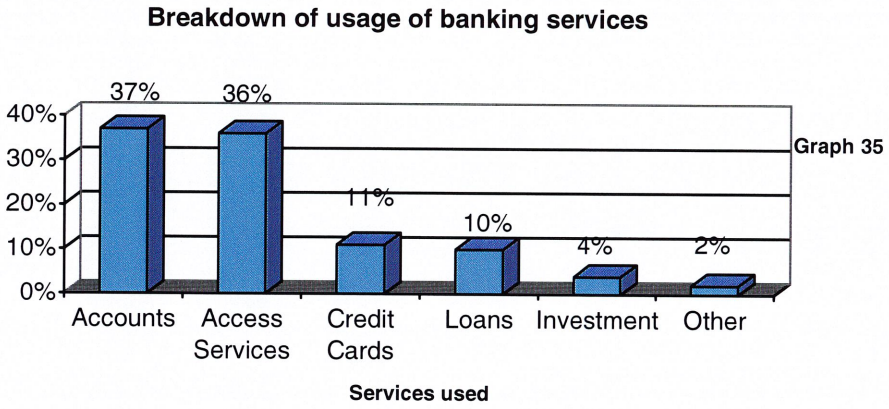
5.2 Analysis and discussion of the first research question

"Do western concepts of service quality and customer loyalty apply to commercial banking in Bahrain?"

5.2.1 Relationship management and Product offerings

It is perplexing to observe that 69% of respondents maintain more than one bank account (Table 1) and yet over 73% of respondents only use banking for safekeeping money in accounts, and for accessing it through ATM machines, phone and internet banking (Table 5, Graph 35 below). The question that presents itself is "why does the majority have a second bank account for using basic products and services which have become quite reliable around

the world?" The first common answer obtained from asking customers of various banks (SUI, 2006) was the lack of product diversification of banks. For instance, not all banks offer car finance, mortgage products or an internet banking service forcing individuals to open a new banking relationship with another bank for these products and services. This is validated by respondents to question 22 (Graph 22) who indicated that choice of products is the second most important reason for choosing as second bank.



The second common answer for opening more than one bank account was attributed to poor management of customer relationships which is observed in question 6 (Graph 6) whereby only 27% of respondents were contacted by their bank to either update their information or to cross sell them another product, therefore in continuation of the above example, if a car loan is paid of, the account remains open with minimal balances and with no follow up from the bank.

Further analysis of data from question 5 (Table 5) shows that respondents have a 3.04 products per customer, however this number can be misleading. If services such as ATM cards, phone and internet banking (are not revenue generating products but alternative

delivery channels to help the banks bring their processing cost down) are removed then the number drops to 1.95 products per customer which would normally comprise of an "account", which is a basic requirement, and a single other product.

5.2.2 Customer Loyalty

What is customer loyalty in banking? Is it like loyalty in a spousal relationship, a solitary relationship? What if your bank does not offer certain products, what do you do?

Is it a measure of how many years you have been with a bank? What if you have been with a bank for ten years but use a basic non profitable product? Are you the segment that they are targeting for loyalty?

The back bone for customer loyalty in general is marketing which breaks down into segmentation and product profitability, and the most important tool is customer information. Not all loyal customers are profitable and not all profitable customers are loyal, but there is no way to determine that if an organization does not capture what customers count as valuable through market research to collect data on customer needs and expectations (Gronoroos (2001), Zeithaml and Bitner (2003), and Schnider (2004)). Based on personal observations and feedback from various senior bankers in Bahrain (SUI,2006), none of the commercial banks have developed any form of a customer relationship management process or conduct ongoing market research. The only measures of customer loyalty has been the growth and decline of the customer base and customer balances (assets under management,

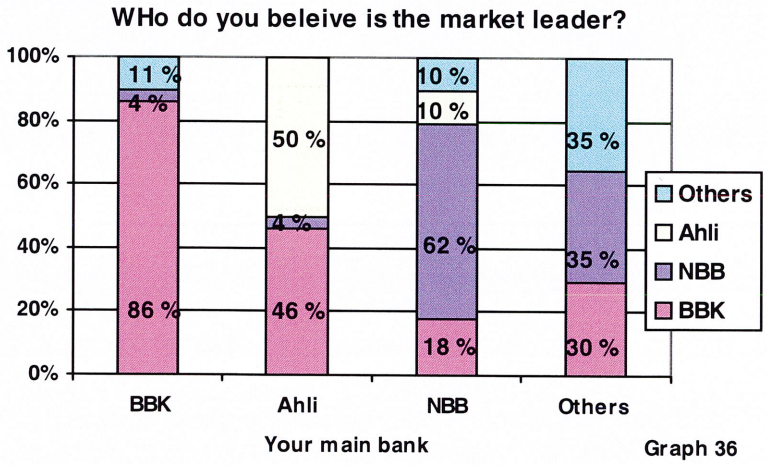
loans, deposits, etc..).

Therefore the data presented in Graph 3 (Table 3) on years of dealing with a bank, may be entirely meaningless for a business because the 20% who have been dealing with a bank for over 10 years may be the least profitable. But putting profitability aside and looking at simple customer retention, 65% of respondents have been dealing with their main bank for over 3 years, which is a reasonable percentage when considering that 51% of the respondents are between the age of 21 and 30 (Graph & Table E) and are just entering the job market and require banking services.

Results show that 43% of respondents who though of changing banks due to service problems with their bank, felt that it was not easy (Graph & Table 16). Quite a high percentage when considering that the average product per customer were only 3 products, of which, an account and an ATM card which constitute 2 basic products. Through observations and input from various customers (SUI,2006) the consensus is that financial service or banking in specific differs somewhat from other services. In financial services, the customer is somewhat at a disadvantage or under an element of "psychological lock in" even if they are not a borrower. This is unlike eating in a restaurant or traveling on an airline where if the experience is unsatisfactory, no repeat purchase will occur. This Psychological lock is probably a result of a number of factors; the first is the aura of mystique surrounding money and finance and the generally poor financial acumen of new or average customers. The second is a result of the intrusive and demanding nature of doing business with banks such as the requirement of salary statements from the employer, disclosures of personal and family

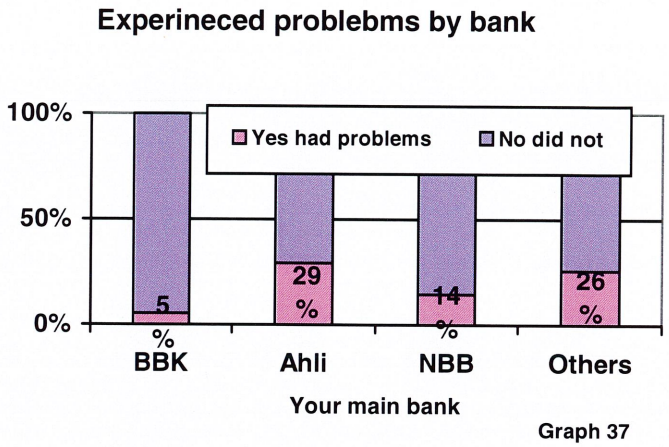
information, the presentation of id and utility bills and numerous pages to sign which is unlike any other service. Opening an account or applying for a loan for many people is a cumbersome and frightening affair. Although some of the customers interviewed felt that this Psychological Lock In is nothing more than complacency it is in line with Liljander and Standvick (1995) that psychological and cultural bonds exist between customers and firms however observations reveal that they tend to be more intense in commercial banking leading to an artificial sense of loyalty, which falls in line with Storbacka, Strandvik and Gronroos (1994) argument that customers build bonds with an organization and that even though they may become dissatisfied with the service; the decision to move away to a competitor is a difficult emotional one.

Results of question 24 "who do you believe is the market leader" (Graph & Table 24) show a clear polarity that BBK and NBB equally share market leadership. But the interesting finding was when this data was cross tabulated with question 2 "*who is your main bank*" (Graph & Table 36) to determine who did customers of each bank feel the market leader was, customers of BBK felt much stronger about their bank being the market leader, than other customers of other banks, indicating a stronger brand loyalty among BBK customers than other customers to their bank.

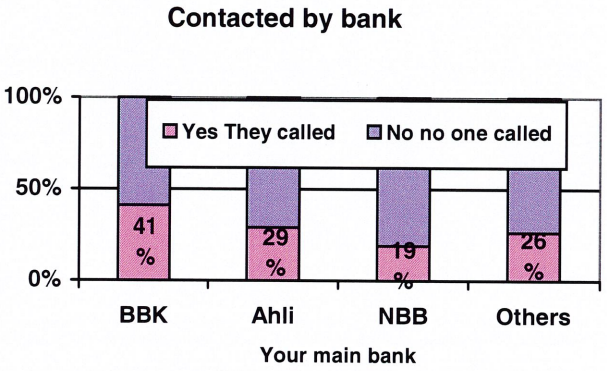


Graph 36

It is not surprising to understand this higher brand loyalty among BBK customers when findings from question 7 and question 6 are broken down by bank in graph 37 and 38 (Table 37 & 38). The results shows that BBK respondents in general experienced fewer problems than others, and were contacted more by their bank than the other banks.



Graph 37



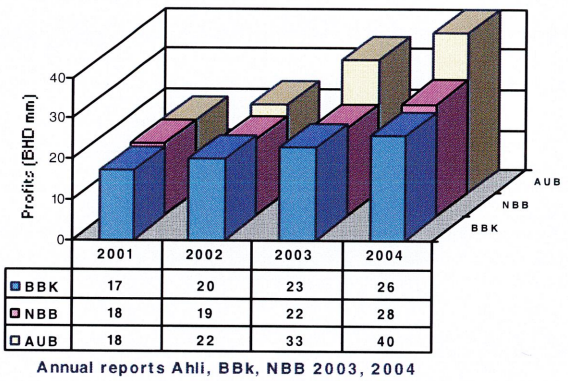
Graph 38

5.2.3 The broad concept of Service Quality

Although 21% of respondents of question 4 (Graph & Table 4) indicated that better service was one of the top reasons for choosing their main bank, their main reason was "salaries were transferred to that bank (30%)" , indirectly implying that they had little or no choice.

This primary choice was investigated with customers (SUI, 2006) who participant in the survey. The outcome revealed that because NBB is 40% owned by the government of Bahrain, all government and quasi government companies have accounts with NBB which are used to pay salaries from. Employees of government and quasi government companies who's accounts are with NBB receive same day value credit, while others receive salary

credits 1 – 3 days later because of transfer time and clearing delays between bank. This finding clarifies the above and explains why NBB appears to have the highest percentage of retail accounts (Graph & Table 2) among the surveyed, when in reality it is and continues to be at equal size and profitability as with BBK as shown in the graph on the right. This argument that NBB is the bank of "necessity" and not of "choice" was clearer in Graph 21 (Table 21) which showed that 7% of respondents indicated that NBB is a second bank vs. 24% for BBK and 30% for other banks.



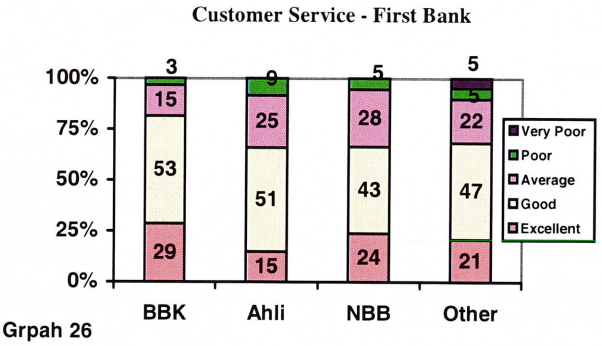
	2001	2002	2003	2004
BBK	17	20	23	26
NBB	18	19	22	28
AUB	18	22	33	40

Annual reports Ahli, BBk, NBB 2003, 2004

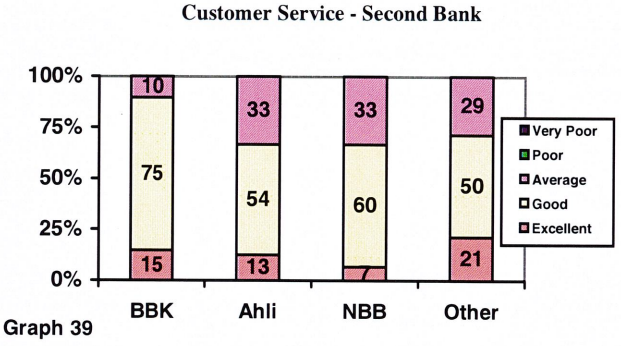
Respondents to question 22 (Graph & Table 22) who had a free choice while answering the question of *"Why is this your second bank?"* indicated better service as the primary reason for choosing a bank (25%) while a larger choice of products was second (15%) followed by knowing people in that branch (12%).

The importance of service quality in the eyes of the customers is further validated by question 25 (Graph & Table 25) which asks the respondents to define why they believe a bank is the market leader. 21% of respondents indicated "customer service", while 16% indicated branch locations (access) and 13% as choice of products and services.

Respondents to question 26 (Graph & Table 26) clearly ranked BBK as the better bank in customer service with an 82% rating in the good to excellent category, but the picture was clearer when respondents that banked with only one bank were eliminated to focus on feedback from more experienced customers with more than one bank account. Results show (Graph & Table 39) that 90% of BBK customers felt that their service was good to excellent vs. 67% of NBB customers and 67% of Ahli.

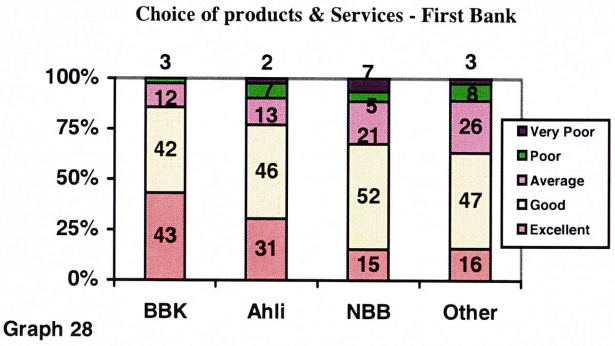


Grpah 26

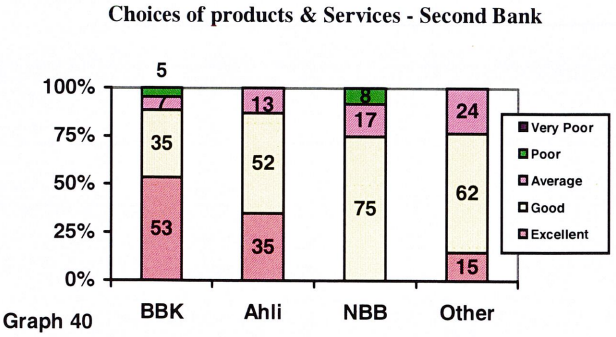


Graph 39

Following the same approach, respondents of question 28 (Graph & Table 28) also ranked BBK as the better bank in terms of products and services and again it was clearer from the experienced customers with more than one bank account that NBB trailed behind everyone else. Results show (Graph & Table 40) that 53% of customers using BBK as a second bank



Graph 28



Graph 40

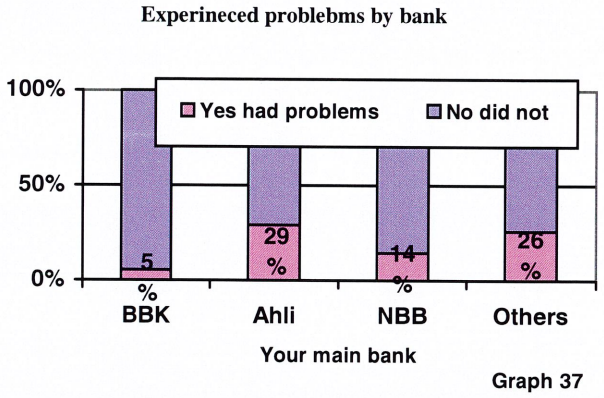
felt that it provided an excellent choice of products and service compared to 35% of Ahli and 0% of NBB customers. Some might argue that the sample size of customers using NBB as a second bank is small (12), however, the reality is that only 15% of customers using NBB as a primary (first) bank indicated that it had an excellent choice compared to BBK 43% and Ahli 31% (Graph & Table 28) which validates the above findings.

Pricing is often regarded by customers as an important aspect of a relationship with strong links to products, responses to question 4, 22 and 25 (Graph and Table 4, 22 and 25) clearly demonstrate that customers rate price as the least or one of the least important variables in a banking relationship. Respondents to question 27 (Graph & Table 27) indicate that 74% of BBK customers rate it as providing good to excellent pricing vs. 61% of Ahli and 60% of NBB.

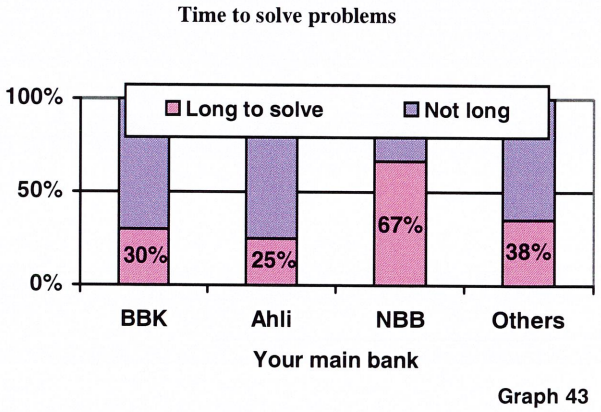
5.2.3.1 Reliability

Reliability is both a determinant of service quality (Zeithaml, Berry, and Parasuraman, 1996) as well as a component of value offered to a customer (Zeithaml and Bitner 2003:491). In the financial services sector, a threshold of competences exist such as accuracy of balances and statements, the reliability of alternative delivery channels as well as delivery of a consistent and acceptable level of operations. Factors affecting it (SUI, 2006) may include up to date and efficient process, dependable technology platforms, the experience and the skill of staff and management.

Taking data from question 7, 9 and 14 (Graph & Table 7, 9 , 14) and breaking it down by bank shows that the highest percentages of respondents who experienced problems were customers of Ahli (Graph & Table 37) , however customers of NBB indicated that it took longer to resolve (Graph & Table 43), and only 7% of NBB respondents indicated that the problem re occurred (Graph & Table 44). Although BBK had the lowest number of problems, a larger percentage of BBK respondents indicated that problems were repeated. This repetitive nature

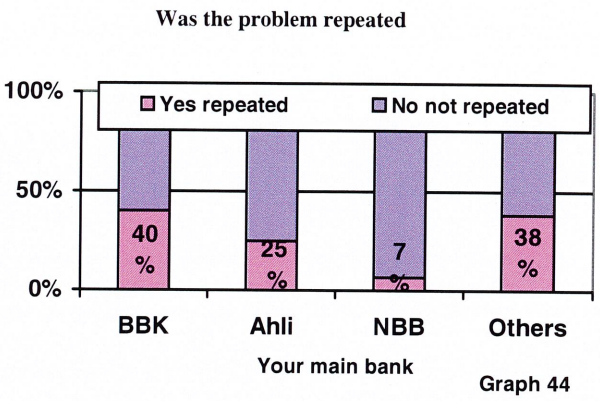


Graph 37



Graph 43

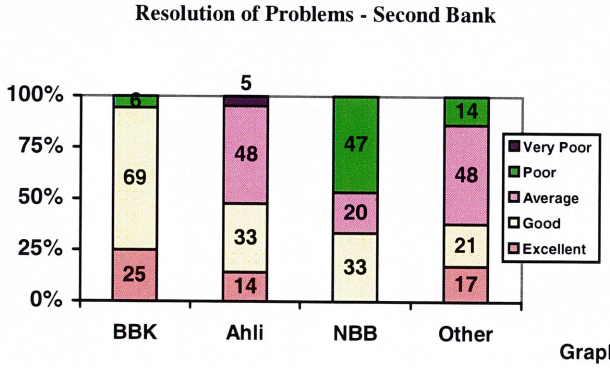
of problems may be attributed to a number of factors such as deficiency in their processes or systems or the lack of a learning culture.



Graph 44

Exploring the high percentage of customers indicating that they experienced problems at Ahli by inquiring from a senior Ahli officer (SUI, 2006) revealed that this may be attributed to teething problems resulting from their acquisition and consolidation strategy over the last few years.

Looking at the data on problems and their resolution from another angle shows that experienced customers who deal with more than one bank (Graph & Table 54) rate NBB the lowest, with 47% reporting poor resolution. BBK on the other hand is rated as the highest both in excellent and in good resolution compared to all others.

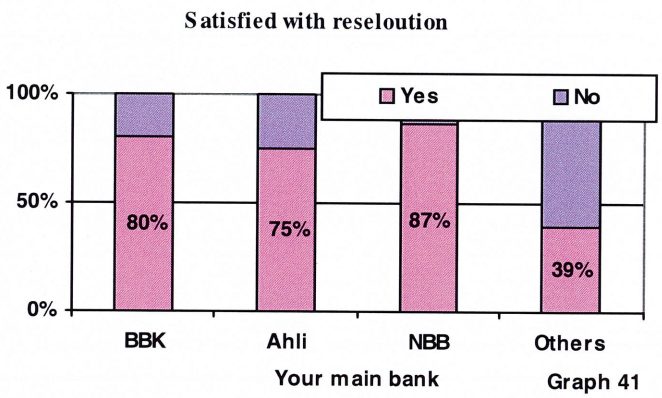


Graph 54

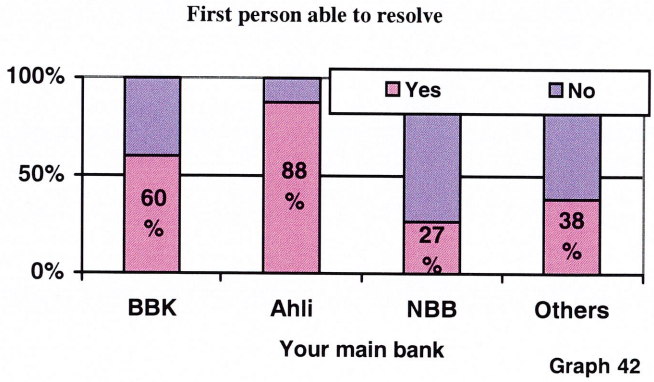
5.2.3.2 Competence and Courtesy

Competence and Courtesy are components of the 10 determinants of service quality as defined by Zeithaml, Berry, and Parasuraman (1996) which relate to having the required skills by the contact staff to perform their jobs well, in a friendly and polite manner, as measured by the customers.

Taking data from responses to question 10 and 11 (Graph & Table 10 & 11) and breaking them down by bank (Graph & Table 41, 42) shows that a high percentage of respondents from all three banks indicated high satisfaction with the resolution of problems while a much lower percentage by other banks. As for the resolution by the first person they spoke to, 88% of respondents from Ahli indicated that their problem was resolved by the first person they spoke to, followed by BBK at 60% and trailed by NBB at 27% . It is difficult to assess whether Ahli staff were more competent and empowered than staff in the other banks or the problems were quite trivial such as updating the customer's address on a new system to receive his statement correctly after a



Graph 41

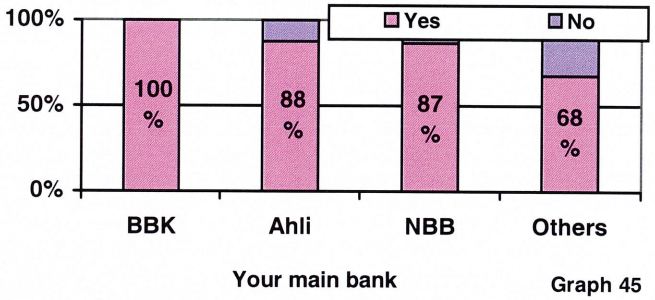


Graph 42

consolidation of banks which seems a possible justification based on the previous data analyzed.

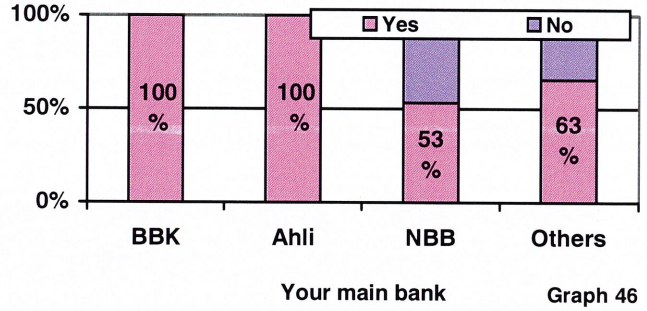
Taking data from question 12 ad 13 (Graph 12 & 13) and breaking them down by bank (Table & Graph 45, 46) shows that all of BBK respondents and a very large percentage of NBB and Ahli customers felt that the staffs were knowledgeable on the causes and solutions of the problems. Similarly all of BBK and Ahli respondents felt that the staff in the respective banks expressed courtesy through empathy and showed that they cared about the customer's service problems, while shockingly NBB staff lagged substantially behind.

Where the staff knowledgebale about problem



Graph 45

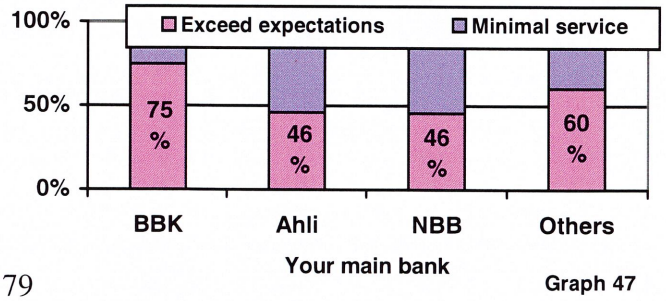
Did the staff appear to care about your problem



Graph 46

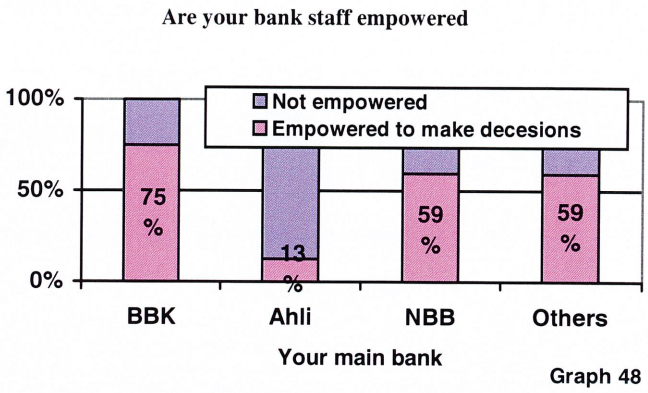
Taking data from question 17, 18 and 19 (Graph & Table 17,18, 19) and breaking them down by bank (Graph & Table 47, 48, 54) a larger

Service provided by your bank staff is :-



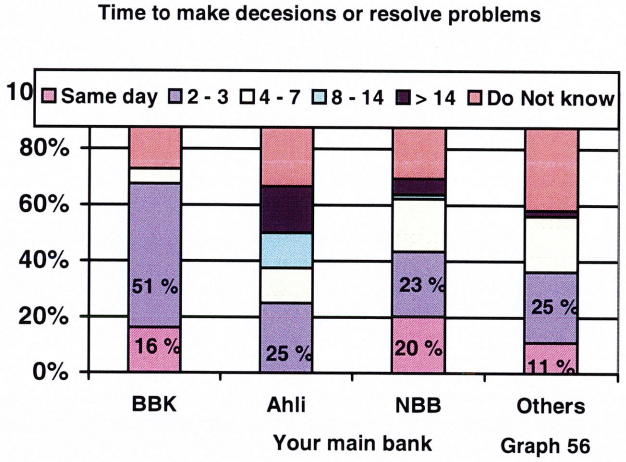
Graph 47

percentage of BBK respondents indicated that BBK staffs were trying to exceed customer expectations than other respondents. The same was true for the perception that BBK staff were more empowered than others. Ahli staff appeared the least empowered validating the conclusion reached on the previous page.



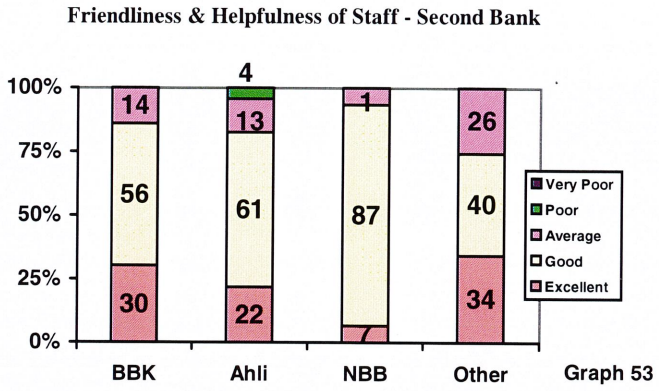
Graph 48

Respondents indicated that 29% of decisions made or problems resolved within 2 – 3 days (Graph & Table 19) however breaking down the data by bank (Graph & Table 54) shows that 51% of the decisions were made or problems were resolved in BBK within in 2 -3 days, double the percentage of any other bank, additionally, BBK respondents indicated that 67% of the decisions made or problems resolved within 3 days vs. 43% at NBB who are rated as second best, demonstrates that BBK is more responsive to customer needs.



Graph 56

Again by exploring the data further, experienced customers who deal with more than one bank rate other banks followed by BBK as excellent in terms of staff friendliness and helpfulness, while Ahli and NBB were trailing behind (Graph & Table 53).



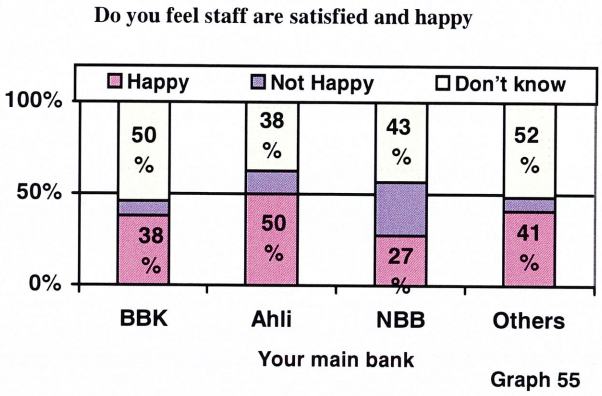
Graph 53

Further exploration of the importance of employees in service quality through short interviews (SUI, 2006) revealed that "Great Service" was attributed to the knowledge of the staff, the speed of delivery and the attitude of the staff. It is without doubt that employee's skills play a deciding role in the quality of the service and in the satisfaction achieved from the service.

Developing such an employee culture that cares about customers, is empathetic towards them and is empowered to assist them, does not happen by coincidence. Any organization culture is often a reflection of the leader's values and attitudes which are modeled through out the organization. When exploring the styles of the CEO's of the three banks through short interviews with bankers (SUI, 2006), It appears that BBK's management style is somewhat different than NBB's and Ahli's. NBB CEO has been in his position for over twenty years, while Ahli's CEO has been in his position for over 6 years. The feedback indicates that both share an autocratic management style with little communication downward on direction,

vision or strategy while BBK's CEO on the other hand appears to be on the other polarity , with only 2 years in his position, but having worked in the bank for over 15 years, actively involves employees directly reporting to him and their second in line in strategic discussions and reviews in addition to regular branch visits to personally be exposed to the customer interaction environment. BBK's management style appears to support arguments made by Nohria, Joyce, and Robertson (2003) and Sommerlatte, Bock, and Bohlin, (1997) on the value of passing down authority and forming and empowering teams, which can directly contribute to the success of an organization and to the enhancement of that organizations competitive advantage.

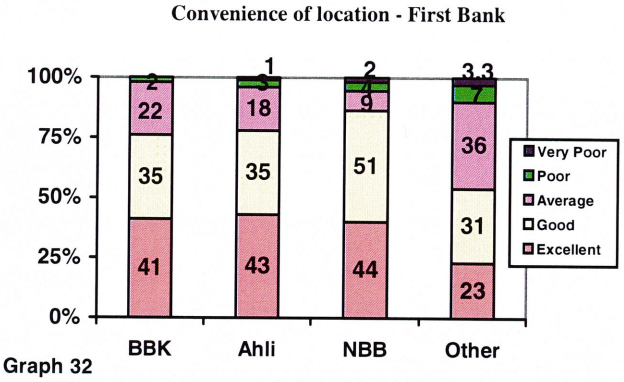
Some evidence of the above was found when data from question 20 was broken down and analyzed by bank (Graph & Table 55) which showed that NBB staffs were rated as the least satisfied and happy by their customers, further supporting the poorer service and attitude of NBB staff compared to the other banks and validating the correlation identified by Heket , Sasser and Slasinger (1997), and, Kamakura et al. (2002) cited by Guo, Kumar, and Jiraporn, (2004), showing that customer satisfaction is positively correlated to employee satisfaction which implies that an unhappy can not deliver customer satisfaction.



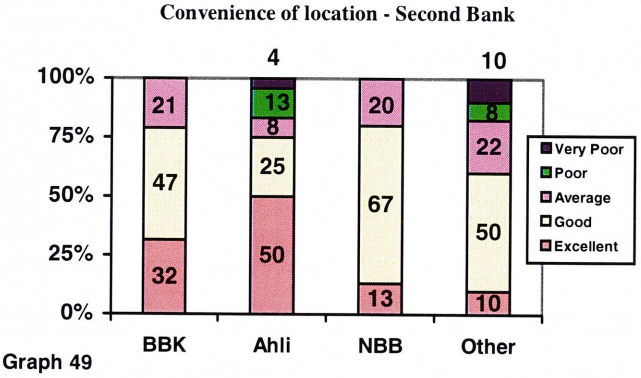
Graph 55

5.2.3.3 Access

Convenience of the branch location, availability of parking at the branches and the convenience of ATM machines are all components of Access. Data from Questions 32 (Graph & Table 32) and Graph 49 (Table 49) shows that customers who dealt with a second bank cared less for convenience of location, which implies that they traded off convenience for another component of service quality, with the exception of Ahli.



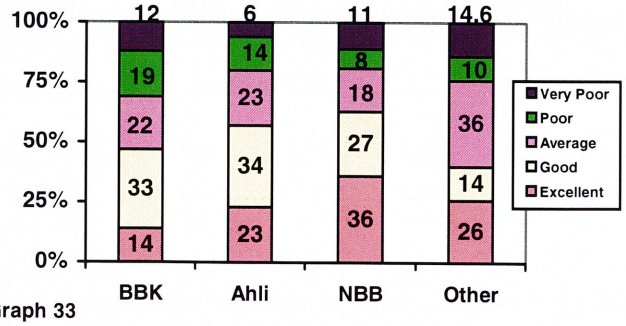
Graph 32



Graph 49

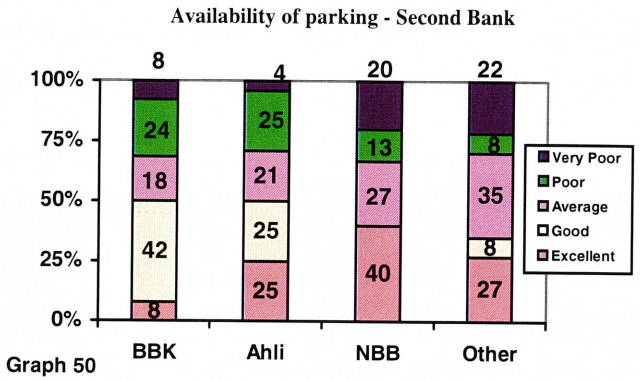
According to a senior Citibank officer (SUI, 2006), Citibank India in the 90's managed to capture a substantial piece of the Indian retail market (revenues in excess of 100 million US Dollars) out of only 4 branches by offering a wide range of products to a multi segment target market, implying that there are more important aspects than location and access which customers appreciate.

Data from question 33 (Graph & Table 33) and Graph 50 (Table 50) shows clearly the frustration of customers



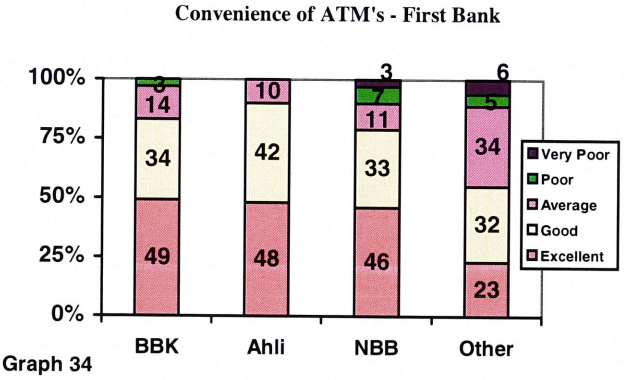
Graph 33

with the availability of parking, whether they use these banks as a first or second bank.



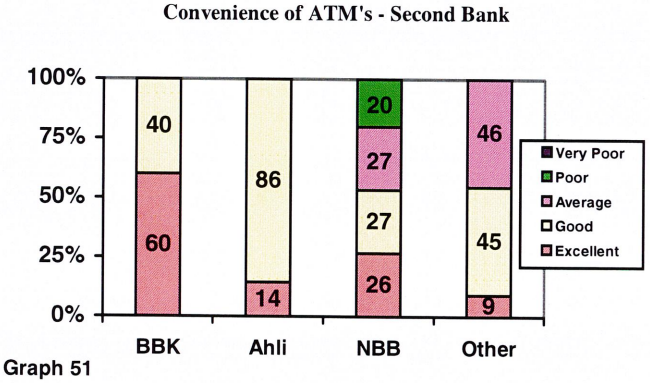
Graph 50

Data from question 34 (Graph & Table 34) and Graph 51 (Table 51) Shows that BBK has been rated the highest by respondents who use it as a first and as a second bank in terms of ATM locations.



Graph 34

The margin of difference is highest among the more experienced customers who choose it as a second bank. Out of these three observations on access, ATM locations appear to be the clear differentiator.

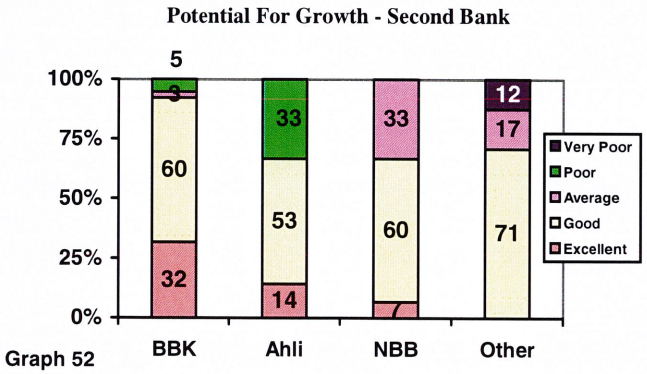


Graph 51

5.2.4 Summary

Outcome from the study shows that customers have broadly outlined who they perceive as a better provider of banking service. Out of the three banks explored, BBK comes across as the most favored choice by respondents followed by NBB and Ahli who seem at par with each others on average as each excels in certain areas. Although broadly speaking NBB trails BBK very closely in terms of reliability, it falls back in terms of the value offered to customers in the choice of products and services, closeness of the relationship with customers and most evidently, in terms of the attitudes of the contact staff. Additionally, the high brand loyalty of BBK customers to BBK and the higher general perception of all respondents of BBK leadership position in the Bahrain market clearly gives it a competitive advantage.

Based on the above, It is not surprising why respondents with more than one bank account (Graph & Table 52) ranked BBK as having better potential for growth in terms of customers and profitability.



Graph 52

5.3 Analysis and discussion of the second research question

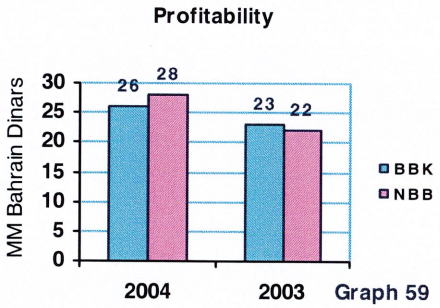
"Which components of service Quality or Customer Loyalty can contribute substantially to

a) Better financial performance and,

b) Sustainable competitive advantage; for commercial banks in Bahrain?"

5.3.1 Strategy plays a role

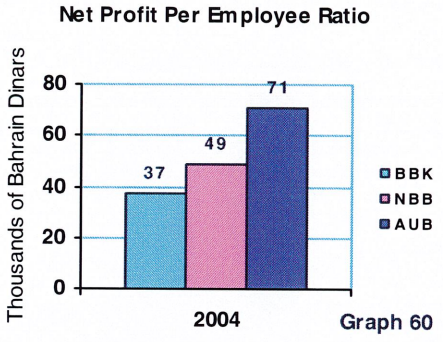
Personal observations indicate that better service quality does not always translate into better financial performance. As shocking as this might sound, it is true because without a good strategy, all the customer delighting and all the process improvements will not translate into better profitability. Companies such as Motorola and Disney are renowned for service quality yet they have had their share of poor financial performance during certain years which validates Nohria, Joyce, and Robertson (2003) conclusions of placing strategy at the top of the primary management practices.



Graph 59

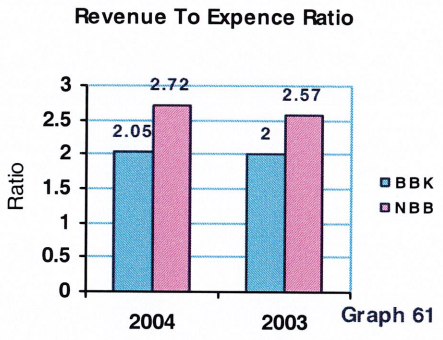
Annual reports BBK & NBB 2003, 2004

Findings that support the above argument were discovered when data from the annual reports of BBK, NBB and Ahli (2004 & 2003) was analyzed. BBK in 2004 was less profitable than NBB. BBK also had worst revenue to expense ratio and had a lower net profit per employee ratio than NBB and Ahli.



Graph 60

Anuual reports BBK,NBB & Ahli 2003, 2004



Graph 61

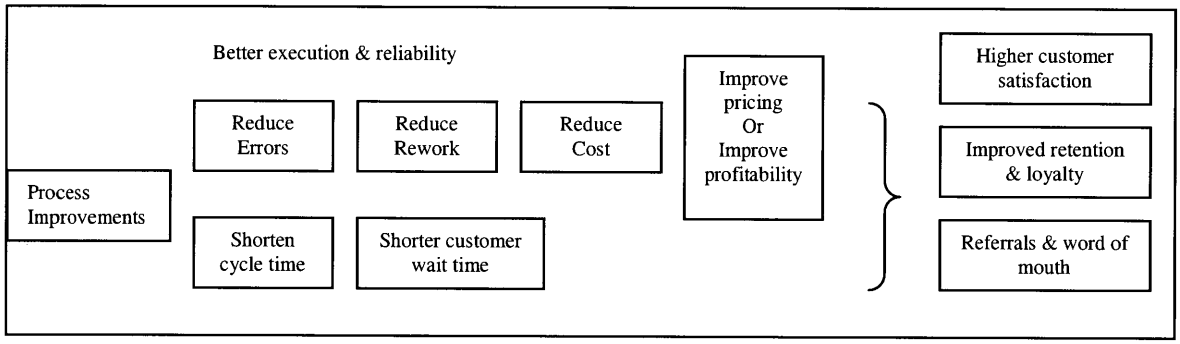
Annual reports BBK,NBB & Ahli 2003,2004

BBK and NBB are very comparable in the size of assets (3.8 and 3.6 billion Dinars), yet NBB delivered better financial performance than BBK Even though respondents of NBB indicated more service problems and poorer employee attitudes than BBK which undoubtedly is a result of a better segmentation strategy and better management of operating expenses.

AUB expansionary strategy of acquiring banks and expanding their market share may pay off over the long term, however over the short term the organization appears more interested in buying market share than maintaining and growing their customer base, which appears to be generating profit growth but may not be sustainable. Because of the slight difference in Ahli's situation, BBK and NBB will be contrasted against each others.

5.3.2 Processes

As mentioned earlier in the chapter, some organizations attempted to reduce their operating costs to allow them room to reduce their product and service pricing to use that as a competitive advantage. Companies like GE and Toyota have discovered that by improving their processes they not only eliminated waste from the process, but they actually reduced cost and enhanced the end product and service to the customer which translated into customer satisfaction and loyalty as outlined below: -



Although NBB had higher service problems than BBK, their operating costs were lower which may possibly indicate a conscious shift towards improvements. Even if that is not the case, the lessons of process improvements from leaders in the field such as GE (GE, 2006) are useful to keep in mind, as their initiatives shaved off billions of US dollars in operating cost, improved the quality of their products and services and enhanced customer satisfaction and loyalty making them the number one or two product or service provider in their fields.

5.3.3 Employees

Employee job skills and attitudes which were discussed under the first question in competence and courtesy showed a higher rating for BBK staff than NBB indicating the clear sensitivity of customers to employee's attitudes. It is highly possible that a direct correlation exist between these findings and the findings from the question that aimed at assessing the banks potential for growth in the future which also revealed that BBK was ranked the highest by customers using it as a main bank and as a second or third bank.

Although this correlation has not been statistically tested, it is based on the argument that the question regarding the potential for growth was predicative in nature; therefore respondents would have answered it based on personal preferences. Social and cultural bonds would have also played a large role in their decision. This is supported by the findings from question 22 (Graph & Table 22) that "*knowing people in the branch*" was the third reason customers chose a second bank after better service and better product offering implying comfort and trust with the employees that they deal with. Storbacka, Strandvik and Gronroos (1994) citing Liljander and Standvik explain that such bonds are considered satisfaction enhancers and are often subjective because they are based on each customer's values and preferences.

Therefore, if employees can positively (or negatively) affect customer satisfaction, and process improvements can positively affect satisfaction and satisfaction will lead to better customer loyalty and profitability, the argument then shifts towards customers and their satisfaction.

5.3.4 Customers

Eugene and Sullivan (1993) argues that "satisfaction was found to have a positive impact on repurchase intentions" , Fornell and Wernerfelt (1987) argue that customer satisfaction is an important component of profitability. The rational for their argument is that protecting the existing customer base is done through defensive marketing strategies focusing on an ongoing monitoring and maintenance of the customer's satisfaction level to ensure retention and repeat purchases, alternatively, targeting unsatisfied customers of competitors can also yield financial benefit, but both approaches require strong and ongoing interaction with customers or prospects. Survey results showed that all banks in Bahrain were weak in that area, however BBK was somewhat better. This was further validated when bank officers in the three organizations (SUI, 2006) confirmed that none of their banks had any existing knowledge base of customer expectations and needs or a regular marketing survey to gauge the pulse of the customers.

The survey analysis showed that BBK customers were willing to trade off availability of parking (access) for better service, better choice of products, friendliness of staff, and marginal price even though price was always regarded as the least important variable. On the other hand NBB customers were willing to trade a faster credit of their salaries for higher service problems (reliability) and poorer employee attitudes (courtesy and competence). This observation confirms Zeithaml and Bitner (2003) findings that customers often seek different kinds of value from a service provider were some prefer reliability and price while other look at it from a trade off point of view.

5.3.5 What can contribute to better financial performance?

Reliability has appeared as a differentiator and a method for improving satisfaction and retention but alone it can not provide the "big bang" in terms of financial performance. What may, is a better marketing approach involving old fashioned segmentations and product development based on customer needs and gaps in the market . This step must be done with a mindset of focusing on the segments that the bank wants to develop their loyalty, because they are either profitable or may be profitable and therefore, their satisfaction is critical (Strategy). To achieve this, a better interaction with customers through a methodological approach of evaluating current service and product offerings from the perspective of the customers and an insight in terms of other needs.

Additionally, a revisit of key processes that touch the customer with input from customers or front line staff that represent them as they are exposed the most to problems and issues raised. Taking the GE and Motorola experience, this would reduce processing costs and improve reliability translating into a higher satisfaction level and in turn into loyalty.

Employee skills on the other hand must not be forgotten. Although they may not directly translate to profitability, they play a major role in developing and maintaining customer satisfaction and loyalty which preserves the base and entices new customers. This will certainly translate to profitability provided the right segments are targeted.

5.3.6 What can be used as a sustainable competitive advantage?

Many academics as well as practitioners agree that a competitive advantage is developed by studying the industry and studying the forces influencing the organization. From our study it is obvious among other things that BBK is ahead of competitors in terms of their employee skills and competences. These strengths can be further developed among the contact staff and the rest of the organization, effectively imbedding certain values in the culture of BBK. Service Quality knowledge and skills, involvement in process improvement programs and better product and service knowledge have been areas for training in Samba according to the results of the main interview. This has led to creating a unique culture appreciative of customers, service and quality making this competitive advantage sustainable and extremely difficult to replicate by their competitors.

Additionally, the convenience of ATM's for almost all the banks was higher than the availability of parking and the branch locations; however, this was even much higher in BBK than other banks. Therefore, building on this strength by BBK through migrating more products and services to ATM machines and developing value for customers, which may simply be preferential pricing, can lead to customer satisfactions and can turn into a competitive advantage. Unfortunately, this kind of a competitive advantage can be replicated more easily than the previous one.

Studies by Berry (1999) indicated that customers ranked reliability as the most important single feature in judging service quality because it strengthens the customer trust of the firm

which is the building frame for establishing a stronger customer – organization relationship. Building on BBK's established strength of lower service problems and better brand loyalty through employee training, process improvements and better knowledge of customer values would further strengthens the customer relationship and loyalty which undoubtedly is a competitive advantage.

5.3.7 Summary

Service quality and customer loyalty can not single handedly shape the financial performance of any company, but a well thought out strategy and old fashioned marketing must to be used. Surprisingly the common grounds between strategies, marketing, service quality and customer loyalty is market research. Understanding customer needs and expectations, core competencies of the organization and the competitive environment will aid in developing the best approach.

Better skilled employees, knowledgeable about their business, and about service quality and what may or may not satisfy customers, empowered employees capable of making on the spot decisions can all improve the relationship with customers creating loyalty and a higher tolerance for service problems. Improved processes that reduce operating cost, customer wait time and enhance the reliability of a service are critical for building service quality. Sustainable competitive advantages rest with the culture of an organization and its processes, everything else can be replicated by the competition.

5.4 Conclusion

It is fascinating to observe how customers from far and different cultures conform to basic concepts of service. How they define, seek, find and deal with service providers that provide better services, and better value. It is clearer now that the 69% of respondents (Graph & Table 1) who maintain more than one bank account were actually benchmarking the banks they deal with against each others and creating a mental picture similar to a structured market research on the better banks.

Commercial banks in Bahrain all seem to suffer from similar ailments; however some are better than others. Some of these main aliments are poor customer relationship management and poor product offerings which strongly came across in the survey. The roots of both of these ailments lie in the lack of the product marketing function and mentality in these banks which has not attempted to hear the voice of the customers. The other ailments found were poor employee skills and attitudes which noticeably impacted the relationship, satisfaction and the loyalty of the customers to their banks.

Among every group of competitors, a leader will always emerge. In our study, one of the banks, BBK, appears to have the potential to differentiate itself and establish sustainable competitive advantages over the others, however, competition has not been fierce enough to force them to change rapidly. At some point of time, when they realize that the cake is not growing fast enough in the Bahrain market and discover that they need to expand geographically, they will realize that a low operating cost, diversity of products and a culture experienced with service quality will be their true competitive advantages.

5.5 Reflections and Weaknesses of the study

5.5.1 Reflections

- Quite a challenging project to do while working, however as the pieces fell in place it was quite satisfying.

- The outcome of the survey seemed quite plain and difficult to interpret, however when data was broken down by groups and data from certain questions was cross tabulated, a very interesting picture started emerging, and the meaning of "investigating a phenomenon" was truly understood.

- The lack of experience in writing a research project was difficult as no frame of reference on what is considered good and what is considered excellent exits for structure and content. Reviewing other dissertations was somewhat confusing as they varied in quality and the grades given to each was not available. The only saving grace was the help and support of my advisor who always had time to explain. Clearly a second attempt at a similar project would be much easier.

5.5.2 Weaknesses of the study

- The construction of a quantitative survey is always tarnished with subjectivity and qualitativeness at construction and at interpretation. What questions to ask and how to explain the findings is always reflective of the researcher's background and frame of reference, and it is almost impossible to be scientific because the subject is not defined by any rigid rules and guidelines.

- Wording of some questions can be improved to ensure that there is no ambiguity to them and to provide crisper data.

- The structure of some of the questions can be improved as answers based on ranges of data limited certain analysis.

- The sample of respondents' was skewed towards the age group of 21 – 30, w did not offer in-depth experience of a mature sample.

- The sample of customers that used NBB as a second or third bank was relatively small compared to the others. A larger sample would have been more statistically correct.

5.6 Practical implications

1. Findings from the research can be used by any of the three banks to focus attention on areas that can be further strengthened or, weaknesses of competitors that can be exploited.

2. Other similar research projects focused on the financial service industry in the region or internationally can obtain an insight on preferences of customers of commercial banks in Bahrain in terms of what drives customer satisfaction and loyalty, what customers value the most and who is regarded as superior and why.

3. Potential customers may obtain a snapshot of what other customers feel and think about the three major banks in the Bahrain market to help them decide on who to bank with.

5.7 Recommendations of further research

- An in-depth exploration on whether emotional, psychological and cultural bonds between the customer and the service provider are stronger in the financial service sector than in other service sectors.

- A time line study on how quickly will customers in a bank notice the improvement or deterioration of employee skills and of processes.

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Appendix A

Survey Questionnaire

Questionnaire number ☐

1. **How many commercial banks do you deal with in Bahrain? Or have accounts with?**
   - One ☐
   - Two ☐
   - Three ☐
   - Four ☐
   - More ☐

2. **Who would you consider to be your main bank?**
   - BBK ☐
   - Ahli ☐
   - NBB ☐
   - Others ☐

3. **How many years have you been dealing with them?**
   - One – Three ☐
   - Three- Five ☐
   - Five – Ten ☐
   - More than Ten ☐

4. **Why is this bank your main bank?**
   - Your salary is transferred there ☐
   - You have a loan with them ☐
   - They offer better pricing ☐
   - They offer better service ☐
   - They offer more products than others ☐
   - Phone banking service is very good ☐
   - Internet banking service is very good ☐
   - You know the people well in the bank or branch ☐
   - You are an employee of this bank ☐

5. **What products do you use from your main bank?**

Saving account	☐
ATM card	☐
Visa Card	☐
MasterCard	☐
Car Loan	☐
Personal Loan	☐
Overdraft Facility	☐
Business Loan	☐
Telex transfers	☐
L/C & L/G	☐
Current account	☐
Property Loan	☐
Phone banking	☐
Internet banking	☐
Deposit / Investment	☐

6. **Has anyone called you from your main bank in the last 12 months to update your information on their database or to try to introduce to you a new product or service?**

Yes	☐
No	☐

7. **Have you ever had any kind of problem in dealing with your main bank ?**

Yes	☐
No	☐

<u>If your answer is NO, Go To Question 15</u>

8. **How many service problems do you believe you encountered in the last 24 months?**

One	☐
Two	☐
Three – Five	☐
Five - Ten	☐
Ten or more	☐

<u>Try to remember the most important or one of the most important problems</u>

9. **In your opinion did it take long to resolve?**

Yes ☐
No ☐

10. **Where you satisfied with the resolution of the problem ?**

Yes ☐
No ☐

11. **Was the first person you spoke to about the problem able to resolve it ?**

Yes ☐
No ☐

12. Did the bank staff appear knowledgeable on why the problem occurred or how to solve it ?

Yes ☐
No ☐

13. Did the staff seem to truly care about your problem or they just wanted to get rid of you so they can go back to their work?

Yes they cared ☐
No they did not care ☐

14. **Was the same problem ever repeated?**

Yes ☐
No ☐

15. **Did you ever think of changing banks ?**

Yes ☐
No ☐

<u>If your answer is NO, Go To Question 17</u>

16. If yes, what stopped you ?

It is not very easy to move your banking relationship ☐
You believe that all the banks are poor in service ☐
You may not be able to get better pricing and terms on your loan ☐
You are considering opening an account with another bank ☐
You believe this bank is still a lot better than the others ☐

17. **Do you feel that the staff in your main bank are trying to provide customers with service beyond their expectations or just the minimum acceptable level?**

Exceed Customer expectations ☐
Provide minimal acceptable service ☐

18. From your experience, do you believe that the employees that you have dealt with are allowed to make decisions, or everything has to go to their supervisor or manager for approvals?

- ☐ Have power to make decisions
- ☐ Everything has to go up for approval

19. **From your experience in dealing with your main bank, how long does it usually take to make a decision like an approval on a loan or resolution of a problem ?**

- ☐ Same Day
- ☐ Two –Three Days
- ☐ Four – Seven days
- ☐ Eight – Fourteen days
- ☐ More than 2 weeks
- ☐ I do not know

20. Do you feel that the employees that you have dealt with are happy and satisfied in their jobs or do they seem unhappy and fed up?

- ☐ Happy
- ☐ Unhappy
- ☐ I can't tell

21. **Which other banks do you deal with ?**

- ☐ BBK
- ☐ Ahli
- ☐ NBB
- ☐ Others
- ☐ None

22. Why is this bank your second bank?

- ☐ Your salary is transferred there
- ☐ You have a loan with them
- ☐ They offer better pricing
- ☐ They offer better service
- ☐ They offer more products that others
- ☐ Phone banking service is very good
- ☐ Internet banking service is very good
- ☐ You know the people well in the bank or branch
- ☐ You are an employee of this bank
- ☐ Other Reason _____

23. What products do you use from your second bank?

- Saving account ☐
- ATM card ☐
- Visa Card ☐
- MasterCard ☐
- Car Loan ☐
- Personal Loan ☐

- Overdraft Facility ☐
- Business Loan ☐
- Telex transfers ☐
- L/C & L/G ☐

- Current account ☐
- Property Loan ☐
- Phone banking ☐
- Internet banking ☐
- Deposit / Investment ☐

24. **Who do you believe is the market leader in Bahrain ?**

- BBK ☐
- NBB ☐
- Ahli ☐
- Others ☐

25. Why? Because of : -

- Call Center ☐
- Internet Banking ☐
- Customer service ☐
- Branch Network ☐
- Branch Locations ☐
- Attitude of people ☐
- Pricing ☐
- Choice of products and services ☐

Other _____

26. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Customer service** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

27. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Pricing** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

28. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Choices of products and services** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

29. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Friendliness and helpfulness of staff** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

30. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Resolution of problems** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

31. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Potential for growth (customers and profitability) in the future** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

32. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **The convenience of the location you normally use** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

33. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Availability of Parking** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

34. On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Convenience of ATM's** ? Please circle the number that best describes your answer.

	Excellent	Good	Average	Poor	Very poor
BBK	1	2	3	4	5
Ahli	1	2	3	4	5
NBB	1	2	3	4	5
Others	1	2	3	4	5

General Details

Individual ☐
Company ☐

Section A - Individual

Male ☐
Female ☐

Age Group
under 21 ☐
21-30 ☐
31-40 ☐
41-50 ☐
51-60 ☐
61 + ☐

Monthly Income in BD
< 200 ☐
201 – 300 ☐
301 – 500 ☐
501 – 800 ☐
801 – 1000 ☐
1001 – 1500 ☐
1501 – 2500 ☐
2500 + ☐

Student ☐
Employed ☐
Self ☐
Government ☐
Bank ☐
Company ☐

Nationality
Bahraini ☐
Arab National ☐
Expatriate ☐

Appendix B

Demographics Tables

Table A **Type of Entity**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Company	5	2.2	2.2	2.2
	Individual	218	97.8	97.8	100.0
	Total	223	100.0	100.0	

Table B **Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	103	46.2	48.4	48.4
	Female	110	49.3	51.6	100.0
	Total	213	95.5	100.0	
Missing	System	10	4.5		
Total		223	100.0		

Table C **Job Status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	17	7.6	8.2	8.2
	Employed	191	85.7	91.8	100.0
	Total	208	93.3	100.0	
Missing	System	15	6.7		
Total		223	100.0		

Table D **Employment Status**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bank	10	4.5	5.3	5.3
	Self	22	9.9	11.6	16.9
	Government	45	20.2	23.8	40.7
	Company	112	50.2	59.3	100.0
	Total	189	84.8	100.0	
Missing	System	34	15.2		
Total		223	100.0		

Table E **Age Group**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	under 21	5	2.2	2.3	2.3
	21 - 30	114	51.1	52.3	54.6
	31 - 40	62	27.8	28.4	83.0
	41 - 50	27	12.1	12.4	95.4
	51 - 60	10	4.5	4.6	100.0
	Total	218	97.8	100.0	
Missing	System	5	2.2		
Total		223	100.0		

Table F **Nationality**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bahraini	155	69.5	77.1	77.1
	Arab National	15	6.7	7.5	84.6
	Expatriate	31	13.9	15.4	100.0
	Total	201	90.1	100.0	
Missing	System	22	9.9		
Total		223	100.0		

Table G **Monthly Income**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 200	28	12.6	12.7	12.7
	201 - 300	29	13.0	13.1	25.8
	301 - 500	73	32.7	33.0	58.8
	501 - 800	74	33.2	33.5	92.3
	801 - 1000	1	.4	.5	92.8
	1001 - 1500	8	3.6	3.6	96.4
	1501 - 2500	7	3.1	3.2	99.5
	2500 +	1	.4	.5	100.0
	Total	221	99.1	100.0	
Missing	System	2	.9		
Total		223	100.0		

Appendix C

Data Tables

Table 1 - Question 1

How many commercial banks do you deal with in Bahrain?
Or have accounts with?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	One	68	30.5	30.5	30.5
	Two	85	38.1	38.1	68.6
	Three	48	21.5	21.5	90.1
	Four	11	4.9	4.9	95.1
	More	11	4.9	4.9	100.0
	Total	223	100.0	100.0	

Table 2 - Question 2

Who would you consider to be your main bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BBK	37	16.6	16.6	16.6
	Ahli	24	10.8	10.8	27.4
	NBB	69	30.9	30.9	58.3
	Others	93	41.7	41.7	100.0
	Total	223	100.0	100.0	

Table 3 - Question 3

How many years have you been dealing with them?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	One - Three	75	33.6	34.4	34.4
	Three - Five	54	24.2	24.8	59.2
	Five - Ten	47	21.1	21.6	80.7
	More than Ten	42	18.8	19.3	100.0
	Total	218	97.8	100.0	
Missing	System	5	2.2		
Total		223	100.0		

Table 4 - Question 4

Why is this bank your main bank?

		Responses		Percent of Cases
		N	Percent	
	Your salary is transferred there	130	30.3%	59.9%
	You have a loan with them	48	11.2%	22.1%
	They offer better pricing	24	5.6%	11.1%
	They offer better service	90	21.0%	41.5%
	They offer more products than others	24	5.6%	11.1%
	Phone banking service is very good	36	8.4%	16.6%
	Internet banking service is very good	35	8.2%	16.1%
	You know the people well in the bank or branch	41	9.6%	18.9%
	You are an employee of this bank	1	.2%	.5%
Total		429	100.0%	197.7%

a Dichotomy group tabulated at value 1.

Table 5 - Question 5

How many products do you use from your main bank?

		Responses		Percent of Cases
		N	Percent	
$Products(a)	Saving account	181	26.9%	81.9%
	ATM Card	191	28.4%	86.4%
	Visa Card	56	8.3%	25.3%
	Master Card	21	3.1%	9.5%
	Car Loan	12	1.8%	5.4%
	Personal Loan	38	5.6%	17.2%
	Overdraft Facility	9	1.3%	4.1%
	Business Loan	3	.4%	1.4%
	Telex Transfer	11	1.6%	5.0%
	L/C & L/G	1	.1%	.5%
	Current Account	70	10.4%	31.7%
	Property Loan	4	.6%	1.8%
	Phone Banking	27	4.0%	12.2%
	Internet Banking	22	3.3%	10.0%
	Deposit / Investment	27	4.0%	12.2%
Total		673	100.0%	304.5%

a Dichotomy group tabulated at value 1.

Table 6 - Question 6

Has anyone called you from your main bank in the last 12 months to update your information on their database or to try to introduce to you a new product or service?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	58	26.0	26.7	26.7
	No	159	71.3	73.3	100.0
	Total	217	97.3	100.0	
Missing	System	6	2.7		
Total		223	100.0		

Table 7 - Question 7

Have you ever had any kind of problem in dealing with your main bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	43	19.3	19.3	19.3
	No	180	80.7	80.7	100.0
	Total	223	100.0	100.0	

If your answer is NO, Go To Question 15

Table 8 - Question 8

How many service problems do you believe you encountered in the last 24 months?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	One	28	12.6	43.1	43.1
	Two	15	6.7	23.1	66.2
	Three - Five	16	7.2	24.6	90.8
	Five - Ten	3	1.3	4.6	95.4
	Ten or more	3	1.3	4.6	100.0
	Total	65	29.1	100.0	
Missing	System	158	70.9		
Total		223	100.0		

Table 9- Question 9

In your opinion did it take long to resolve?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	27	12.1	40.3	40.3
	No	40	17.9	59.7	100.0
	Total	67	30.0	100.0	
Missing	System	156	70.0		
Total		223	100.0		

Table 10 - Question 10

Where you satisfied with the resolution of the problem?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	40	17.9	60.6	60.6
	No	26	11.7	39.4	100.0
	Total	66	29.6	100.0	
Missing	System	157	70.4		
Total		223	100.0		

Table 11 - Question 11

Was the first person you spoke to about the problem able to resolve it?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	30	13.5	44.8	44.8
	No	37	16.6	55.2	100.0
	Total	67	30.0	100.0	
Missing	System	156	70.0		
Total		223	100.0		

Table 12 - Question 12

Did the bank staff appear knowledgeable on why the problem occurred or how to solve it?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	53	23.8	79.1	79.1
	No	14	6.3	20.9	100.0
	Total	67	30.0	100.0	
Missing	System	156	70.0		
Total		223	100.0		

Table 13 - Question 13

Did the staff seem to truly care about your problem or they just wanted to get rid of you so they can go back to their work?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes they cared	47	21.1	72.3	72.3
	No they did not care	18	8.1	27.7	100.0
	Total	65	29.1	100.0	
Missing	System	158	70.9		
Total		223	100.0		

Table 14 - Question 14

Was the same problem ever repeated?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	20	9.0	29.9	29.9
	No	47	21.1	70.1	100.0
	Total	67	30.0	100.0	
Missing	System	156	70.0		
Total		223	100.0		

Table 15 - Question 15

Did you ever think of changing banks?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	70	31.4	31.4	31.4
	No	153	68.6	68.6	100.0
	Total	223	100.0	100.0	

<u>If your answer is NO, Go To Question 17</u>

Table 16 - Question 16

If yes, what stopped you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	It is not easy to move your banking relationship	36	16.1	43.4	43.4
	You beleive that all the banks are poor in service	12	5.4	14.5	57.8
	You may not be able to get better pricing & terms on loans	5	2.2	6.0	63.9
	You are considering opening an account with another bank	16	7.2	19.3	83.1
	You beleive this bank is still a lot better than others	14	6.3	16.9	100.0
	Total	83	37.2	100.0	
Missing	System	140	62.8		
Total		223	100.0		

Table 17 - Question 17

Do you feel that the staffs in your bank are trying to provide customers with service beyond their expectations or just the minimum acceptable level?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Exceed customer expectations	121	54.3	56.3	56.3
	Provide minimal acceptable service	94	42.2	43.7	100.0
	Total	215	96.4	100.0	
Missing	System	8	3.6		
Total		223	100.0		

Table 18 - Question 18

From your experience, do you believe that the employees that you have dealt with are allowed to make decisions , or everything has to go to their supervisor or manager for approvals?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Have power to make decisions	120	53.8	56.3	56.3
	Everything has to go up for approval	93	41.7	43.7	100.0
	Total	213	95.5	100.0	
Missing	System	10	4.5		
Total		223	100.0		

Table 19 - Question 19

From your experience in dealing with your main bank, how long does it usually take to make a decision like an approval on a loan or resolution of a problem?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Same day	30	13.5	13.6	13.6
	Two - Three days	64	28.7	29.0	42.5
	Four - Seven days	36	16.1	16.3	58.8
	Eight - Fourteen days	4	1.8	1.8	60.6
	More than two weeks	10	4.5	4.5	65.2
	I do not know	77	34.5	34.8	100.0
	Total	221	99.1	100.0	
Missing	System	2	.9		
Total		223	100.0		

Table 20 - Question 20

Do you feel that the employees that you have dealt with are happy and satisfied in their jobs or do they seem unhappy and fed up?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Happy	83	37.2	37.2	37.2
	Un happy	33	14.8	14.8	52.0
	I can't tell	107	48.0	48.0	100.0
	Total	223	100.0	100.0	

Table 21 - Question 21

Which other banks do you deal with?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BBK	53	23.8	23.8	23.8
	Ahli	26	11.7	11.7	35.4
	NBB	15	6.7	6.7	42.2
	Others	66	29.6	29.6	71.7
	None	63	28.3	28.3	100.0
	Total	223	100.0	100.0	

Table 22 - Question 22

Why do you deal with another bank

		Responses		Percent of Cases
		N	Percent	
Why is this bank your second bank?(a)	Your salary is transferred there	27	11.8%	19.0%
	You have a loan with them	25	10.9%	17.6%
	They offer better pricing	16	7.0%	11.3%
	They offer better service	58	25.3%	40.8%
	They offer more products than others	35	15.3%	24.6%
	Phone banking service is very good	18	7.9%	12.7%
	Internet banking service is very good	17	7.4%	12.0%
	You know the people well in the bank or	28	12.2%	19.7%
	You are an employee of this bank	5	2.2%	3.5%
Total		229	100.0%	161.3%

a Dichotomy group tabulated at value 1.

Table 23 - Question 23

How many products do you use from your second bank?

Case Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
$products2[a]	162	72.6%	61	27.4%	223	100.0%

a. Dichotomy group tabulated at value 1.

	Responses		Percent of Cases
	N	Percent	
Saving Account	122	27.1%	75.3%
ATM card	117	25.9%	72.2%
Visa card	67	14.9%	41.4%
Master card	17	3.8%	10.5%
Car Loan	18	4.0%	11.1%
Personal Loan	16	3.5%	9.9%
Overdraft facility	10	2.2%	6.2%
Business loan	5	1.1%	3.1%
Telex transfers	3	.7%	1.9%
LC/LG	0	0%	0%
Current account	31	6.9%	19.1%
Property loan	2	.4%	1.2%
Phone banking	17	3.8%	10.5%
Internat banking	15	3.3%	9.3%
Deposit / Investment	11	2.4%	6.8%
Total	451	100.0%	278.4%

Table 24 - Question 24

Who do you believe is the market leader in Bahrain?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BBK	72	32.3	35.3	35.3
	NBB	73	32.7	35.8	71.1
	Ahli	19	8.5	9.3	80.4
	Others	40	17.9	19.6	100.0
	Total	204	91.5	100.0	
Missing	System	19	8.5		
Total		223	100.0		

Table 25 - Question 25

Why? Because....

		Responses		Percent of Cases
		N	Percent	
Why you believe its the leader bank?(a)	Call Center	53	10.4%	26.8%
	Internet Banking	59	11.5%	29.8%
	Customer service	106	20.7%	53.5%
	Branch Network	57	11.2%	28.8%
	Branch Locations	79	15.5%	39.9%
	Attitude of people	62	12.1%	31.3%
	Pricing	31	6.1%	15.7%
	Choice od products & services	64	12.5%	32.3%
Total		511	100.0%	258.1%

Tables 26 - Question 26: On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Customer Service?** Please circle the number that best describes your answer.

Excellent	Good	Average	Poor	Very poor
1	2	3	4	5

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	34	15.2	28.6	28.6
	Good	63	28.3	52.9	81.5
	Average	18	8.1	15.1	96.6
	Poor	4	1.8	3.4	100.0
	Total	119	53.4	100.0	
Missing	System	104	46.6		
Total		223	100.0		

AHLI		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	14	6.3	14.9	14.9
	Good	48	21.5	51.1	66.0
	Average	24	10.8	25.5	91.5
	Poor	8	3.6	8.5	100.0
	Total	94	42.2	100.0	
Missing	System	129	57.8		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	31	13.9	23.7	23.7
	Good	56	25.1	42.7	66.4
	Average	37	16.6	28.2	94.7
	Poor	7	3.1	5.3	100.0
	Total	131	58.7	100.0	
Missing	System	92	41.3		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	27	12.1	20.9	20.9
	Good	61	27.4	47.3	68.2
	Average	28	12.6	21.7	89.9
	Poor	7	3.1	5.4	95.3
	Very Poor	6	2.7	4.7	100.0
	Total	129	57.8	100.0	
Missing	System	94	42.2		
Total		223	100.0		

Tables 27 - Question 27: On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Pricing?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	28	12.6	23.9	23.9
	Good	59	26.5	50.4	74.4
	Average	23	10.3	19.7	94.0
	Poor	5	2.2	4.3	98.3
	Very Poor	2	.9	1.7	100.0
	Total	117	52.5	100.0	
Missing	System	106	47.5		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	21	9.4	25.6	25.6
	Good	29	13.0	35.4	61.0
	Average	27	12.1	32.9	93.9
	Poor	1	.4	1.2	95.1
	Very Poor	4	1.8	4.9	100.0
	Total	82	36.8	100.0	
Missing	System	141	63.2		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	24	10.8	20.7	20.7
	Good	45	20.2	38.8	59.5
	Average	40	17.9	34.5	94.0
	Poor	5	2.2	4.3	98.3
	Very Poor	2	.9	1.7	100.0
	Total	116	52.0	100.0	
Missing	System	107	48.0		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	25	11.2	21.0	21.0
	Good	29	13.0	24.4	45.4
	Average	58	26.0	48.7	94.1
	Poor	4	1.8	3.4	97.5
	Very Poor	3	1.3	2.5	100.0
	Total	119	53.4	100.0	
Missing	System	104	46.6		
Total		223	100.0		

Tables 28 - Question 28 On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Choices of products & services?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	51	22.9	43.2	43.2
	Good	50	22.4	42.4	85.6
	Average	14	6.3	11.9	97.5
	Poor	3	1.3	2.5	100.0
	Total	118	52.9	100.0	
Missing	System	105	47.1		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	25	11.2	30.5	30.5
	Good	38	17.0	46.3	76.8
	Average	11	4.9	13.4	90.2
	Poor	6	2.7	7.3	97.6
	Very Poor	2	.9	2.4	100.0
	Total	82	36.8	100.0	
Missing	System	141	63.2		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	19	8.5	15.3	15.3
	Good	65	29.1	52.4	67.7
	Average	26	11.7	21.0	88.7
	Poor	6	2.7	4.8	93.5
	Very Poor	8	3.6	6.5	100.0
	Total	124	55.6	100.0	
Missing	System	99	44.4		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	19	8.5	15.8	15.8
	Good	57	25.6	47.5	63.3
	Average	31	13.9	25.8	89.2
	Poor	10	4.5	8.3	97.5
	Very Poor	3	1.3	2.5	100.0
	Total	120	53.8	100.0	
Missing	System	103	46.2		
Total		223	100.0		

Tables 29 - Question 29 On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Friendliness & Helpfulness of Staff?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	35	15.7	29.9	29.9
	Good	58	26.0	49.6	79.5
	Average	22	9.9	18.8	98.3
	Poor	2	.9	1.7	100.0
	Total	117	52.5	100.0	
Missing	System	106	47.5		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	26	11.7	29.2	29.2
	Good	41	18.4	46.1	75.3
	Average	19	8.5	21.3	96.6
	Poor	3	1.3	3.4	100.0
	Total	89	39.9	100.0	
Missing	System	134	60.1		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	29	13.0	24.8	24.8
	Good	56	25.1	47.9	72.6
	Average	27	12.1	23.1	95.7
	Poor	3	1.3	2.6	98.3
	Very Poor	2	.9	1.7	100.0
	Total	117	52.5	100.0	
Missing	System	106	47.5		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	35	15.7	29.2	29.2
	Good	48	21.5	40.0	69.2
	Average	21	9.4	17.5	86.7
	Poor	10	4.5	8.3	95.0
	Very Poor	6	2.7	5.0	100.0
	Total	120	53.8	100.0	
Missing	System	103	46.2		
Total		223	100.0		

Tables 30 - Question 30 On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Resolution of Problems?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	21	9.4	21.4	21.4
	Good	53	23.8	54.1	75.5
	Average	19	8.5	19.4	94.9
	Poor	5	2.2	5.1	100.0
	Total	98	43.9	100.0	
Missing	System	125	56.1		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	18	8.1	24.3	24.3
	Good	28	12.6	37.8	62.2
	Average	19	8.5	25.7	87.8
	Poor	6	2.7	8.1	95.9
	Very Poor	3	1.3	4.1	100.0
	Total	74	33.2	100.0	
Missing	System	149	66.8		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	16	7.2	14.5	14.5
	Good	56	25.1	50.9	65.5
	Average	21	9.4	19.1	84.5
	Poor	17	7.6	15.5	100.0
	Total	110	49.3	100.0	
Missing	System	113	50.7		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	19	8.5	17.0	17.0
	Good	35	15.7	31.3	48.2
	Average	41	18.4	36.6	84.8
	Poor	11	4.9	9.8	94.6
	Very Poor	6	2.7	5.4	100.0
	Total	112	50.2	100.0	
Missing	System	111	49.8		
Total		223	100.0		

Tables 31 - Question 31 On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Potential growth (customer & profitability) in the future?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	35	15.7	33.7	33.7
	Good	51	22.9	49.0	82.7
	Average	8	3.6	7.7	90.4
	Poor	7	3.1	6.7	97.1
	Very Poor	3	1.3	2.9	100.0
	Total	104	46.6	100.0	
Missing	System	119	53.4		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	25	11.2	30.9	30.9
	Good	32	14.3	39.5	70.4
	Average	12	5.4	14.8	85.2
	Poor	10	4.5	12.3	97.5
	Very Poor	2	.9	2.5	100.0
	Total	81	36.3	100.0	
Missing	System	142	63.7		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	22	9.9	20.2	20.2
	Good	54	24.2	49.5	69.7
	Average	19	8.5	17.4	87.2
	Poor	12	5.4	11.0	98.2
	Very Poor	2	.9	1.8	100.0
	Total	109	48.9	100.0	
Missing	System	114	51.1		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	16	7.2	15.0	15.0
	Good	57	25.6	53.3	68.2
	Average	23	10.3	21.5	89.7
	Poor	5	2.2	4.7	94.4
	Very Poor	6	2.7	5.6	100.0
	Total	107	48.0	100.0	
Missing	System	116	52.0		
Total		223	100.0		

Tables 32 - Question 32 On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Convenience of Location?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	45	20.2	41.3	41.3
	Good	38	17.0	34.9	76.1
	Average	24	10.8	22.0	98.2
	Poor	2	.9	1.8	100.0
	Total	109	48.9	100.0	
Missing	System	114	51.1		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	41	18.4	42.7	42.7
	Good	34	15.2	35.4	78.1
	Average	17	7.6	17.7	95.8
	Poor	3	1.3	3.1	99.0
	Very Poor	1	.4	1.0	100.0
	Total	96	43.0	100.0	
Missing	System	127	57.0		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	53	23.8	43.8	43.8
	Good	49	22.0	40.5	84.3
	Average	11	4.9	9.1	93.4
	Poor	5	2.2	4.1	97.5
	Very Poor	3	1.3	2.5	100.0
	Total	121	54.3	100.0	
Missing	System	102	45.7		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	28	12.6	23.0	23.0
	Good	38	17.0	31.1	54.1
	Average	44	19.7	36.1	90.2
	Poor	8	3.6	6.6	96.7
	Very Poor	4	1.8	3.3	100.0
	Total	122	54.7	100.0	
Missing	System	101	45.3		
Total		223	100.0		

Tables 33 - Question 33 On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Availability of Parking?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	15	6.7	13.8	13.8
	Good	36	16.1	33.0	46.8
	Average	24	10.8	22.0	68.8
	Poor	21	9.4	19.3	88.1
	Very Poor	13	5.8	11.9	100.0
	Total	109	48.9	100.0	
Missing	System	114	51.1		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	22	9.9	22.7	22.7
	Good	33	14.8	34.0	56.7
	Average	22	9.9	22.7	79.4
	Poor	14	6.3	14.4	93.8
	Very Poor	6	2.7	6.2	100.0
	Total	97	43.5	100.0	
Missing	System	126	56.5		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	43	19.3	36.1	36.1
	Good	32	14.3	26.9	63.0
	Average	21	9.4	17.6	80.7
	Poor	10	4.5	8.4	89.1
	Very Poor	13	5.8	10.9	100.0
	Total	119	53.4	100.0	
Missing	System	104	46.6		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	32	14.3	26.0	26.0
	Good	17	7.6	13.8	39.8
	Average	44	19.7	35.8	75.6
	Poor	12	5.4	9.8	85.4
	Very Poor	18	8.1	14.6	100.0
	Total	123	55.2	100.0	
Missing	System	100	44.8		
Total		223	100.0		

Tables 34 - Question 34 On a scale from 1 to 5 how would you rate the banks that you deal with in terms of **Convenience of ATM's ?** Please circle the number that best describes your answer.

BBK		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	51	22.9	49.5	49.5
	Good	35	15.7	34.0	83.5
	Average	14	6.3	13.6	97.1
	Poor	3	1.3	2.9	100.0
	Total	103	46.2	100.0	
Missing	System	120	53.8		
Total		223	100.0		

Ahli		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	40	17.9	48.2	48.2
	Good	35	15.7	42.2	90.4
	Average	8	3.6	9.6	100.0
	Total	83	37.2	100.0	
Missing	System	140	62.8		
Total		223	100.0		

NBB		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	53	23.8	46.1	46.1
	Good	38	17.0	33.0	79.1
	Average	13	5.8	11.3	90.4
	Poor	8	3.6	7.0	97.4
	Very Poor	3	1.3	2.6	100.0
	Total	115	51.6	100.0	
Missing	System	108	48.4		
Total		223	100.0		

Others		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Excellent	27	12.1	23.1	23.1
	Good	37	16.6	31.6	54.7
	Average	40	17.9	34.2	88.9
	Poor	6	2.7	5.1	94.0
	Very Poor	7	3.1	6.0	100.0
	Total	117	52.5	100.0	
Missing	System	106	47.5		
Total		223	100.0		

Appendix D

Cross Tabulation Data Tables

Table 36 – Cross tabulation

Your main bank * Who do you beleive is the market leader in Bahrain? Crosstabulation

Count

		Who do you beleive is the market leader in Bahrain?				
		BBK	NBB	Ahli	Others	Total
Your main bank	BBK	24	1	0	3	28
	Ahli	11	1	12	0	24
	NBB	12	41	7	7	67
	Others	25	30	0	30	85
Total		72	73	19	40	204

Table 37 – Cross tabulation

Your main bank * Have you ever had any problem in dealing with you main bank? Crosstabulation

Count

		Have you ever had any problem in dealing with you main bank?		
		Yes	No	Total
Your main bank	BBK	2	35	37
	Ahli	7	17	24
	NBB	10	59	69
	Others	24	69	93
Total		43	180	223

Table 38 – Cross tabulation

Your main bank * Have anyone called you for the Database update? Crosstabulation

Count

		Have anyone called you for the Database update?		
		Yes	No	Total
Your main bank	BBK	14	20	34
	Ahli	7	17	24
	NBB	13	55	68
	Others	24	67	91
Total		58	159	217

Table 39 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of customer service?

	Excellent	Good	Average	Poor	Very poor	Total
BBK	7	36	5	0	0	48
	15%	**75%**	**10%**	**0%**	**0%**	
Ahli	3	13	8	0	0	24
	13%	**54%**	**33%**	**0%**	**0%**	
NBB	1	9	5	0	0	15
	7%	**60%**	**33%**	**0%**	**0%**	
Others	9	21	12	0	0	42
	21%	**50%**	**29%**	**0%**	**0%**	

/hich other banks do you deal with? * How would you rate BBK in terms of Custome Service? Crosstabulation

Count

		How would you rate BBK in terms of Customer Service?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	7	36	5	0	48
	Ahli	6	2	3	0	11
	NBB	5	4	0	0	9
	Others	9	7	10	4	30
	None	7	14	0	0	21
Total		34	63	18	4	119

Which other banks do you deal with? * How would you rate Ahli in terms of Customer Service? Crosstabulation

Count

		How would you rate Ahli in terms of Customer Service?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	3	16	11	0	30
	Ahli	3	13	8	0	24
	NBB	0	7	1	2	10
	Others	0	7	3	4	14
	None	8	5	1	2	16
Total		14	48	24	8	94

Which other banks do you deal with? * How would you rate NBB in terms of Customer Service? Crosstabulation

Count

		How would you rate NBB in terms of Customer Service?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	13	17	16	0	46
	Ahli	9	6	1	0	16
	NBB	1	9	5	0	15
	Others	6	15	9	2	32
	None	2	9	6	5	22
Total		31	56	37	7	131

Which other banks do you deal with? * How would you rate other banks in terms of Customer Service? Crosstabulation

Count

		How would you rate other banks in terms of Customer Service?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	3	11	10	0	3	27
	Ahli	6	3	1	3	0	13
	NBB	0	2	2	4	0	8
	Others	9	21	12	0	0	42
	None	9	24	3	0	3	39
Total		27	61	28	7	6	129

Table 40 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of choice of products and services?

	Excellent	Good	Average	Poor	Very poor	Total
BBK	23	15	3	2	0	43
	53%	**35%**	**7%**	**5%**	**0%**	
Ahli	8	12	3	0	0	23
	35%	**52%**	**13%**	**0%**	**0%**	
NBB	0	9	2	1	0	12
	0%	**75%**	**17%**	**8%**	**0%**	
Others	5	21	8	0	0	34
	15%	**62%**	**24%**	**0%**	**0%**	

Which other banks do you deal with? * How would you rate BBK in terms of Choices o products & services? Crosstabulation

Count

		How would you rate BBK in terms of Choices of products & services?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	23	15	3	2	43
	Ahli	9	5	0	0	14
	NBB	5	3	1	0	9
	Others	5	15	10	0	30
	None	9	12	0	1	22
Total		51	50	14	3	118

Which other banks do you deal with? * How would you rate Ahli in terms of Choices of products & services? Crosstabulation

Count

		How would you rate Ahli in terms of Choices of products & services?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	3	13	4	2	0	22
	Ahli	8	12	3	0	0	23
	NBB	0	4	2	0	0	6
	Others	3	5	2	2	2	14
	None	11	4	0	2	0	17
Total		25	38	11	6	2	82

Which other banks do you deal with? * How would you rate NBB in terms of Choices of products & services? Crosstabulation

Count

		How would you rate NBB in terms of Choices of products & services?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	12	19	10	2	3	46
	Ahli	6	9	2	0	0	17
	NBB	0	9	2	1	0	12
	Others	1	15	9	2	0	27
	None	0	13	3	1	5	22
Total		19	65	26	6	8	124

Which other banks do you deal with? * How would you rate other banks in terms of Choices of products & services? Crosstabulation

Count

		How would you rate other banks in terms of Choices of products & services?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	3	12	6	3	3	27
	Ahli	3	6	4	0	0	13
	NBB	0	3	2	1	0	6
	Others	5	21	8	0	0	34
	None	8	15	11	6	0	40
Total		19	57	31	10	3	120

Table 41 – Cross tabulation

Your main bank * Where you satisfied with the resolution of the problem? Crosstabulation

Count

		Where you satisfied with the resolution of the problem?		
		Yes	No	Total
Your main bank	BBK	8	2	10
	Ahli	6	2	8
	NBB	13	2	15
	Others	13	20	33
Total		40	26	66

Table 42 – Cross tabulation

Your main bank * Was the first person you spoke to about the problem able to resolve it? Crosstabulation

Count

		Was the first person you spoke to about the problem able to resolve it?		
		Yes	No	Total
Your main bank	BBK	6	4	10
	Ahli	7	1	8
	NBB	4	11	15
	Others	13	21	34
Total		30	37	67

Table 43 – Cross tabulation

Your main bank * In your opinion did it take long to resolve? Crosstabulation

Count

		In your opinion did it take long to resolve?		
		Yes	No	Total
Your main bank	BBK	3	7	10
	Ahli	2	6	8
	NBB	10	5	15
	Others	12	22	34
Total		27	40	67

Table 44 – Cross tabulation

Your main bank * Was the same problem ever repeated? Crosstabulation

Count

		Was the same problem ever repeated?		
		Yes	No	Total
Your main bank	BBK	4	6	10
	Ahli	2	6	8
	NBB	1	14	15
	Others	13	21	34
Total		20	47	67

Table 45 – Cross tabulation

Your main bank * Did the bank staff appear knowledgeable on why the problem occurred or how to solve it? Crosstabulation

Count

		Did the bank staff appear knowledgeable on why the problem occurred or how to solve it?		
		Yes	No	Total
Your main bank	BBK	10	0	10
	Ahli	7	1	8
	NBB	13	2	15
	Others	23	11	34
Total		53	14	67

Table 46 – Cross tabulation

Your main bank * Did the staff seem to truly care about your problem or they just wanted to get rid of you so they can go back to thier work? Crosstabulation

Count

		Did the staff seem to truly care about your problem or they just wanted to get rid of you so they can go back to thier work?		
		Yes they cared	No they did not care	Total
Your main bank	BBK	10	0	10
	Ahli	8	0	8
	NBB	8	7	15
	Others	21	11	32
Total		47	18	65

Table 47 – Cross tabulation

Your main bank * Do you feel that the staff in your bank are trying to provide customers with service beyond their expectations or just the minimum acceptable level? Crosstabulation

Count

		Do you feel that the staff in your bank are trying to provide customers with service beyond their expectations or just the minimum acceptable level?		
		Exceed customer expectations	Provide minimal acceptable service	Total
Your main bank	BBK	24	8	32
	Ahli	11	13	24
	NBB	31	37	68
	Others	55	36	91
Total		121	94	215

Table 48 – Cross tabulation

Your main bank * From your experience, do you beleive that the employees that you have delt with are allowed to make decisions , or everything has to go to thier supervisor or manager for approvals? Crosstabulation

Count

		From your experience, do you beleive that the employees that you have delt with are allowed to make decisions , or everything has to go to thier supervisor or manager for approvals?		
		Have power to make decisions	Everything has to go up for approval	Total
Your main bank	BBK	24	8	32
	Ahli	3	21	24
	NBB	41	28	69
	Others	52	36	88
Total		120	93	213

Table 49 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of convenience of location?

	Excellent	Good	Average	Poor	Very poor	Total
BBK	12	18	8	0	0	38
	32%	**47%**	**21%**	**0%**	**0%**	
Ahli	12	6	2	3	1	24
	50%	**25%**	**8%**	**13%**	**4%**	
NBB	2	10	3	0	0	15
	13%	**67%**	**20%**	**0%**	**0%**	
Others	4	20	9	3	4	40
	10%	**50%**	**23%**	**8%**	**10%**	

Which other banks do you deal with? * How would you rate BBK in terms of Convenience of location? Crosstabulation

Count

		How would you rate BBK in terms of Convenience of location?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	12	18	8	0	38
	Ahli	6	6	0	0	12
	NBB	5	1	3	0	9
	Others	13	5	10	2	30
	None	9	8	3	0	20
Total		45	38	24	2	109

Which other banks do you deal with? * How would you rate Ahli in terms of Convenience of location? Crosstabulation

Count

		How would you rate Ahli in terms of Convenience of location?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	12	11	7	0	0	30
	Ahli	12	6	2	3	1	24
	NBB	5	4	2	0	0	11
	Others	7	3	4	0	0	14
	None	5	10	2	0	0	17
Total		41	34	17	3	1	96

Which other banks do you deal with? * How would you rate NBB in terms of Convenience of location? Crosstabulation

Count

		How would you rate NBB in terms of Convenience of location?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	20	18	0	3	0	41
	Ahli	11	4	1	0	0	16
	NBB	2	10	3	0	0	15
	Others	12	13	2	2	3	32
	None	8	4	5	0	0	17
Total		53	49	11	5	3	121

Which other banks do you deal with? * How would you rate other banks in terms of Convenience o location? Crosstabulation

Count

		How would you rate other banks in terms of Convenience of location?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	5	6	7	3	0	21
	Ahli	3	3	7	0	0	13
	NBB	0	0	8	0	0	8
	Others	4	20	9	3	4	40
	None	16	9	13	2	0	40
Total		28	38	44	8	4	122

Table 50 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of availability of parking?

	Excellent	Good	Average	Poor	Very poor	Total
BBK	3	16	7	9	3	38
	8%	**42%**	**18%**	**24%**	**8%**	
Ahli	6	6	5	6	1	24
	25%	**25%**	**21%**	**25%**	**4%**	
NBB	6	0	4	2	3	15
	40%	**0%**	**27%**	**13%**	**20%**	
Others	10	3	13	3	8	37
	27%	**8%**	**35%**	**8%**	**22%**	

Which other banks do you deal with? * How would you rate BBK in terms of Availability of parking Crosstabulation

Count

		How would you rate BBK in terms of Availability of parking?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	3	16	7	9	3	38
	Ahli	4	2	0	3	3	12
	NBB	3	0	4	2	0	9
	Others	3	4	9	7	7	30
	None	2	14	4	0	0	20
Total		15	36	24	21	13	109

/hich other banks do you deal with? * How would you rate Ahli in terms of Availability of parking Crosstabulation

Count

		How would you rate Ahli in terms of Availability of parking?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	7	5	9	2	5	28
	Ahli	6	6	5	6	1	24
	NBB	3	3	4	1	0	11
	Others	2	10	0	5	0	17
	None	4	9	4	0	0	17
Total		22	33	22	14	6	97

'hich other banks do you deal with? * How would you rate NBB in terms of Availability of parking Crosstabulation

Count

		How would you rate NBB in terms of Availability of parking?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	19	9	6	2	3	39
	Ahli	8	1	3	4	0	16
	NBB	6	0	4	2	3	15
	Others	6	13	6	0	7	32
	None	4	9	2	2	0	17
Total		43	32	21	10	13	119

Which other banks do you deal with? * How would you rate other banks in terms of Availability of parking? Crosstabulation

Count

		How would you rate other banks in terms of Availability of parking?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	8	3	8	3	3	25
	Ahli	3	1	0	3	6	13
	NBB	3	0	4	1	0	8
	Others	10	3	13	3	8	37
	None	8	10	19	2	1	40
Total		32	17	44	12	18	123

Table 51 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of convenience of ATM's?

	Excellent	Good	Average	Poor	Very poor	Total
BBK	21	14	0	0	0	35
	60%	**40%**	**0%**	**0%**	**0%**	
Ahli	3	18	0	0	0	21
	14%	**86%**	**0%**	**0%**	**0%**	
NBB	4	4	4	3	0	15
	27%	**27%**	**27%**	**20%**	**0%**	
Others	3	15	15	0	0	33
	9%	**45%**	**45%**	**0%**	**0%**	

Which other banks do you deal with? * How would you rate BBK in terms of Convenience of ATM's? Crosstabulation

Count

		How would you rate BBK in terms of Convenience of ATM's?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	21	14	0	0	35
	Ahli	6	3	0	0	9
	NBB	4	3	1	1	9
	Others	12	11	5	2	30
	None	8	4	8	0	20
Total		51	35	14	3	103

Which other banks do you deal with? * How would you rate Ahli in terms of Convenience of ATM's? Crosstabulation

Count

		How would you rate Ahli in terms of Convenience of ATM's?			
		Excellent	Good	Average	Total
Which other banks do you deal with?	BBK	14	9	2	25
	Ahli	3	18	0	21
	NBB	7	1	1	9
	Others	6	2	3	11
	None	10	5	2	17
Total		40	35	8	83

Which other banks do you deal with? * How would you rate NBB in terms of Convenience of ATM's Crosstabulation

Count

		How would you rate NBB in terms of Convenience of ATM's?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	26	8	2	0	3	39
	Ahli	9	4	0	0	0	13
	NBB	4	4	4	3	0	15
	Others	8	11	5	5	0	29
	None	6	11	2	0	0	19
Total		53	38	13	8	3	115

Which other banks do you deal with? * How would you rate other banks in terms of Convenience o ATM's? Crosstabulation

Count

		How would you rate other banks in terms of Convenience of ATM's?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	10	11	1	0	3	25
	Ahli	3	4	0	3	3	13
	NBB	3	0	2	1	0	6
	Others	3	15	15	0	0	33
	None	8	7	22	2	1	40
Total		27	37	40	6	7	117

Table 52 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of potential for growth?

	Excellent	Good	Average	Poor	Very poor	Total
BBK	12	23	1	2	0	38
	32%	**61%**	**3%**	**5%**	**0%**	
Ahli	3	11	0	7	0	21
	14%	**52%**	**0%**	**33%**	**0%**	
NBB	1	9	5	0	0	15
	7%	**60%**	**33%**	**0%**	**0%**	
Others	0	17	4	0	3	24
	0%	**71%**	**17%**	**0%**	**13%**	

Your main bank * How would you rate BBK in terms of Potential growth (customer & profitability) in the future? Crosstabulation

Count

		How would you rate BBK in terms of Potential growth (customer & profitability) in the future?					
		Excellent	Good	Average	Poor	Very Poor	Total
Your main bank	BBK	10	17	2	0	3	32
	Ahli	8	5	0	0	0	13
	NBB	8	15	6	0	0	29
	Others	9	14	0	7	0	30
Total		35	51	8	7	3	104

Which other banks do you deal with? * How would you rate Ahli in terms of Potential growth (customer & profitability) in the future? Crosstabulation

Count

		How would you rate Ahli in terms of Potential growth (customer & profitability) in the future?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	6	10	6	2	0	24
	Ahli	3	11	0	7	0	21
	NBB	3	7	1	0	0	11
	Others	0	4	2	0	2	8
	None	13	0	3	1	0	17
Total		25	32	12	10	2	81

Which other banks do you deal with? * How would you rate NBB in terms of Potential growth (customer & profitability) in the future? Crosstabulation

Count

		How would you rate NBB in terms of Potential growth (customer & profitability) in the future?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	8	22	9	0	2	41
	Ahli	0	9	1	3	0	13
	NBB	1	9	5	0	0	15
	Others	7	5	3	8	0	23
	None	6	9	1	1	0	17
Total		22	54	19	12	2	109

Which other banks do you deal with? * How would you rate other banks in terms of Potential growth (customer & profitability) in the future? Crosstabulation

Count

		How would you rate other banks in terms of Potential growth (customer & profitability) in the future?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	5	16	3	0	3	27
	Ahli	0	0	7	3	0	10
	NBB	0	3	2	1	0	6
	Others	0	17	4	0	3	24
	None	11	21	7	1	0	40
Total		16	57	23	5	6	107

Table 53 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of friendliness and helpfulness of staff?

Helpfulness & Friendliness

	Excellent	Good	Average	Poor	Very poor	Total
BBK	13	24	6	0	0	43
	30%	**56%**	**14%**	**0%**	**0%**	
Ahli	5	14	3	1	0	23
	22%	**61%**	**13%**	**4%**	**0%**	
NBB	1	13	1	0	0	15
	7%	**87%**	**7%**	**0%**	**0%**	
Others	12	14	9	0	0	35
	34%	**40%**	**26%**	**0%**	**0%**	

Which other banks do you deal with? * How would you rate BBK in terms of Friendliness & helpfulness of staff? Crosstabulation

Count

		How would you rate BBK in terms of Friendliness & helpfulness of staff?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	13	24	6	0	43
	Ahli	4	5	3	0	12
	NBB	5	4	0	0	9
	Others	6	12	13	2	33
	None	7	13	0	0	20
Total		35	58	22	2	117

Which other banks do you deal with? * How would you rate Ahli in terms of Friendliness & helpfulness of staff? Crosstabulation

Count

		How would you rate Ahli in terms of Friendliness & helpfulness of staff?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	7	12	5	0	24
	Ahli	5	14	3	1	23
	NBB	2	3	4	2	11
	Others	0	9	5	0	14
	None	12	3	2	0	17
Total		26	41	19	3	89

Which other banks do you deal with? * How would you rate NBB in terms of Friendliness & helpfulness of staff? Crosstabulation

Count

		How would you rate NBB in terms of Friendliness & helpfulness of staff?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	16	16	9	0	0	41
	Ahli	6	8	2	1	0	17
	NBB	1	13	1	0	0	15
	Others	4	6	13	2	2	27
	None	2	13	2	0	0	17
Total		29	56	27	3	2	117

Which other banks do you deal with? * How would you rate other banks in terms of Friendliness & helpfulness of staff? Crosstabulation

Count

		How would you rate other banks in terms of Friendliness & helpfulness of staff?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	11	3	7	3	3	27
	Ahli	6	3	0	3	0	12
	NBB	0	0	2	4	0	6
	Others	12	14	9	0	0	35
	None	6	28	3	0	3	40
Total		35	48	21	10	6	120

Table 54 – Summary and supporting cross tabulation tables

How do customers that use the following banks as second banks rate them in terms of resolution of problems?

	Excellent	Good	Average	Poor	Very poor	Total
BBK	9	25	0	2	0	36
	25%	**69%**	**0%**	**6%**	**0%**	
Ahli	3	7	10	0	1	21
	14%	**33%**	**48%**	**0%**	**5%**	
NBB	0	5	3	7	0	15
	0%	**33%**	**20%**	**47%**	**0%**	
Others	5	6	14	4	0	29
	17%	**21%**	**48%**	**14%**	**0%**	

/hich other banks do you deal with? * How would you rate BBK in terms of Resolutioi of problems? Crosstabulation

Count

		How would you rate BBK in terms of Resolution of problems?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	9	25	0	2	36
	Ahli	4	5	0	0	9
	NBB	4	2	3	0	9
	Others	3	7	11	3	24
	None	1	14	5	0	20
Total		21	53	19	5	98

Which other banks do you deal with? * How would you rate Ahli in terms of Resolution of problems? Crosstabulation

Count

		How would you rate Ahli in terms of Resolution of problems?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	4	11	2	0	0	17
	Ahli	3	7	10	0	1	21
	NBB	1	4	1	3	0	9
	Others	0	3	5	0	2	10
	None	10	3	1	3	0	17
Total		18	28	19	6	3	74

/hich other banks do you deal with? * How would you rate NBB in terms of Resolutio of problems? Crosstabulation

Count

		How would you rate NBB in terms of Resolution of problems?				
		Excellent	Good	Average	Poor	Total
Which other banks do you deal with?	BBK	6	28	3	2	39
	Ahli	3	11	2	0	16
	NBB	0	5	3	7	15
	Others	3	4	9	7	23
	None	4	8	4	1	17
Total		16	56	21	17	110

Which other banks do you deal with? * How would you rate other banks in terms of Resolution of problems? Crosstabulation

Count

		How would you rate other banks in terms of Resolution of problems?					
		Excellent	Good	Average	Poor	Very Poor	Total
Which other banks do you deal with?	BBK	3	13	3	0	6	25
	Ahli	3	0	7	3	0	13
	NBB	3	0	2	0	0	5
	Others	5	6	14	4	0	29
	None	5	16	15	4	0	40
Total		19	35	41	11	6	112

Table 55 – Cross tabulation

Your main bank * Do you feel that the employees that you have dealt with are happy and satisfied in thier jobs or do they seem unhappy and fed up? Crosstabulation

Count

		Do you feel that the employees that you have dealt with are happy and satisfied in thier jobs or do they seem unhappy and fed up?			
		Happy	Un happy	I can't tell	Total
Your main bank	BBK	14	3	20	37
	Ahli	12	3	9	24
	NBB	19	20	30	69
	Others	38	7	48	93
Total		83	33	107	223

Table 56 – Cross tabulation

Your main bank * From your experience in dealing with your main bank, how long does it usually take to make a decision like an approval on a loan or resolution of a problem? Crosstabulation

Count

		From your experience in dealing with your main bank, how long does it usually take to make a decision like an approval on a loan or resolution of a problem?						
		Same day	Two - Three days	Four - Seven days	Eight - Fourteen days	More than two weeks	I do not know	Total
Your main bank	BBK	6	19	2	0	0	10	37
	Ahli	0	6	3	3	4	8	24
	NBB	14	16	13	1	4	21	69
	Others	10	23	18	0	2	38	91
Total		30	64	36	4	10	77	221

Table 57 - Percentage Distribution of Population by Age Groups, According to Nationality and Sex-2001

Percentage Distribution of Population by Age Groups, According to Nationality and Sex-2001										
	Nationality/Sex الجنسية/ النوع									
	بحريني Bahraini			غير بحريني Non-Bahraini			الجملة Total			
فئـــات السـن	ذكر Male	أنثى Female	كلا النوعين Both Sexes	ذكر Male	أنثى Female	كلا النوعين Both Sexes	ذكر Male	أنثى Female	كلا النوعين Both Sexes	Age Groups
4-0	12.07	11.75	11.91	3.7	7.66	4.93	8.28	10.63	9.28	0-4
-9May	12.54	12.46	12.5	3.43	7.41	4.66	8.42	11.08	9.55	9-May
-14Oct	12.35	11.88	12.12	2.98	6.11	3.95	8.11	10.3	9.04	14-Oct
19-15	11.11	10.7	10.91	2.13	4.15	2.76	7.05	8.91	7.84	15-19
24-20	9.62	9.29	9.46	7.38	10.32	8.29	8.61	9.57	9.02	20-24
29-25	7.48	7.44	7.46	16.29	15.27	15.97	11.46	9.58	10.66	25-29
34-30	6.81	7.28	7.04	18.24	16.98	17.85	11.98	9.94	11.11	30-34
39-35	6.86	7.61	7.23	15.31	13.43	14.73	10.68	9.21	10.05	35-39
44-40	5.77	6.43	6.1	13.97	9.07	12.45	9.48	7.16	8.49	40-44
49-45	4.64	4.42	4.53	9.18	5.1	7.92	6.69	4.61	5.81	45-49
54-50	3.21	2.72	2.97	4.45	2.33	3.79	3.77	2.61	3.28	50-54
59-55	2.05	2.17	2.11	1.74	1	1.51	1.91	1.85	1.88	55-59
64-60	1.87	2.08	1.97	0.66	0.52	0.62	1.32	1.65	1.46	60-64
69-65	1.32	1.51	1.41	0.27	0.29	0.27	0.84	1.17	0.98	65-69
74-70	1.08	1.12	1.1	0.16	0.16	0.16	0.67	0.86	0.75	70-74
79-75	0.63	0.6	0.62	0.05	0.1	0.06	0.37	0.46	0.41	75-79
84-80	0.36	0.32	0.34	0.03	0.05	0.04	0.21	0.25	0.23	80-84
89-85	0.13	0.14	0.14	0.02	0.03	0.02	0.08	0.11	0.09	85-89
90 فأكثر	0.07	0.08	0.08	0.01	0.01	0.01	0.04	0.06	0.05	90 and Over
المجمـــوع	100	100	100	100	100	100	100	100	100	TOTAL
قد لايتساوى مجموع المفردات مع حقل المجموع بسبب التقريب						Figures may not add to totals due to rounding				

Source: Central Statistics Organization (CSO) - Bahrain

Table 58 - Population by Age Groups, According to Nationality and Sex-2001

Population by Age Groups, According to Nationality and Sex - 2001										
	Nationality/Sex الجنسية/ النوع									
	بحريني Bahraini			غير بحريني Non-Bahraini			الجملة Total			
فئات السن	ذكر Male	أنثى Female	كلا النوعين Both Sexes	ذكر Male	أنثى Female	كلا النوعين Both Sexes	ذكر Male	أنثى Female	كلا النوعين Both Sexes	Age Groups
4-0	24705	23616	48321	6249	5815	12064	30954	29431	60385	0-4
9-5	25666	25059	50725	5802	5623	11425	31468	30682	62150	9-May
14-10	25281	23879	49160	5033	4641	9674	30314	28520	58834	14-Oct
19-15	22729	21511	44240	3603	3152	6755	26332	24663	50995	15-19
24-20	19681	18677	38358	12482	7835	20317	32163	26512	58675	20-24
29-25	15303	14957	30260	27526	11589	39115	42829	26546	69375	25-29
34-30	13942	14635	28577	30823	12889	43712	44765	27524	72289	30-34
39-35	14039	15298	29337	25882	10196	36078	39921	25494	65415	35-39
44-40	11816	12936	24752	23619	6887	30506	35435	19823	55258	40-44
49-45	9489	8893	18382	15522	3873	19395	25011	12766	37777	45-49
54-50	6573	5468	12041	7521	1769	9290	14094	7237	21331	50-54
59-55	4198	4358	8556	2939	761	3700	7137	5119	12256	55-59
64-60	3822	4172	7994	1115	392	1507	4937	4564	9501	60-64
69-65	2705	3027	5732	448	221	669	3153	3248	6401	65-69
74-70	2220	2259	4479	276	124	400	2496	2383	4879	70-74
79-75	1294	1214	2508	83	73	156	1377	1287	2664	75-79
84-80	737	640	1377	58	41	99	795	681	1476	80-84
89-85	272	277	549	30	19	49	302	296	598	85-89
90 فأكثر	151	168	319	15	11	26	166	179	345	90 and Over
المجموع	204623	201044	405667	169026	75911	244937	373649	276955	650604	Total

Source: Central Statistics Organization (CSO) - Bahrain

Glossary of terms

Arabian Gulf see Gulf.

GCC is and acronym for Gulf Cooperation Council which represents six countries in the Arabian gulf which are Bahrain, Saudi, Kuwait, United Arab Emirates, Qatar and Oman.

GE refers to General Electric, a US based multinational company.

Gulf implies the Arabian Gulf countries which represents Saudi, Kuwait, United Arab Emirates, Qatar and Oman.

Six Sigma is a process improvement methodology created at Motorola in the early 1980's and later adopted, modified and commercialized by GE. Although the name reflect a pure statistical nature, the methodology revolves around cycle time and error reductions in process through the empowerment of employees of an organization.

SUI refers to Short Unstructured Interviews.

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