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Customer Retention Strategies: A Study of Ghanaian Banks

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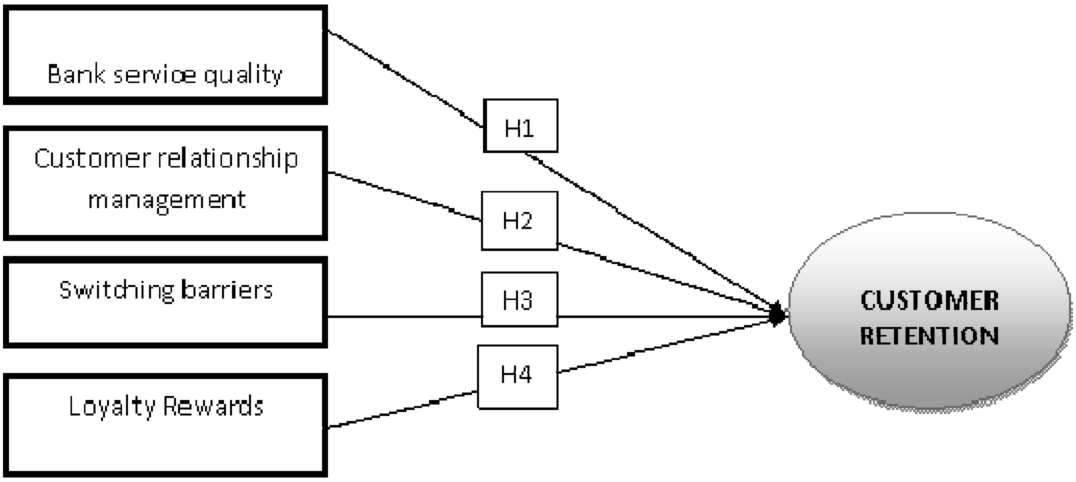
Abstract
Customer retention is an important element of banking strategy in today's increasingly competitive business environment, and the banking industry in Ghana is not an exception. This paper therefore aimed at studying the relative importance of retention Strategies that influence customers' to make continual patronage of banking services within the banking industry in Ghana. Namely: (1) bank service quality (2) customer relationship management (3) switching barriers and (4) loyalty rewards. The study employed the survey method to collect data from 410 banking customers. Ordinary Least Square (OLS) regression analysis was employed to test strategies that influence customers repeat patronage of banking services. Findings of the study revealed that, with the exception of Switching Barriers (SB), the remaining three constructs i.e. Bank Service Quality (BSQ), Customer Relationship Management (CRM) and Loyalty Rewards (LR) all have positive significant effects on bank customer retention within the Ghanaian banking industry.
Keywords: Bank customer retention, Strategies and Ghana.

1. Introduction

The significance of retaining customers is not new to marketing as Drucker (1963) posits that marketing is as much concerned with acquiring as well as retaining customers. In recent times, there has been a tremendous proliferation of foreign banks from the West African sub-region into the Ghanaian economy due to deregulation of the banking system in the direction of enhancing better service delivery in satisfying customers in the industry. The influx of these foreign banks coupled with their advancement in technology and enhanced customer service practices led to fierce competition in the industry. This leads to the question "what should banks do to retain their customers?" became a substance of immense concern in the industry. The marketing literature has demonstrated the value of loyal customers (Riechheld and Sasser, 1990; Fisher, 2001; Ahmad and Buttle, 2002a). However, as a result of competition, influence of technology and customer sophistication, banks are faced with a key challenge of holding unto their most priced assets - customers. Empirical literature suggests that bank switching by customers is on the increase (Narteh and Owusu-Frimpong, 2011). Farquhar (2004) also laid emphasis on banks awareness of the benefits of customer retention particularly in the retailing of financial services due to intense competition and market saturation in the sector. Therefore the need for effective understanding of the reasons for the switching and designing appropriate marketing strategies to minimize the trend has become necessary in modern banking. Again, our search through literature revealed that, as market competition intensifies with diminishing customer loyalty, firms find ways to increase retention rate of their customers (Robert *et al*., 2003). Hence the only strategic tool that banks can utilize to remain competitive in the industry would be to employ strategies to retain as many customers as possible. From the extant literature, it appears other retention strategies have been extensively studied (see e.g. Berry and Parasuraman, 1991; Ahmad and Buttle, 2002a; Ladhari *et al*., 2011; Lovelock and Writz, 2007). However, these findings are not consistent. Moreover, literature suggests that, reasons for customer switching of some providers may be context specific. By implication, customer retention strategies can also be context specific. Consequently, the purpose of this study is to test the relative importance of service quality, customer relationship management, switching barriers and loyalty rewards as customer retention strategies in the Ghanaian banking industry.
The remainder of this paper is organized as follows: First, we introduce a conceptual framework from which we derive a number of hypotheses based on review of existing literature. Second, we describe our method, including the research setting and data collection. Third, we describe our analysis and results. The study concludes with a discussion of implications for both researchers and practitioners and suggestions for further research.

2. Literature Review and Research Hypotheses

Commencing with a review of extant literature, we develop a framework connecting bank service quality, customer relationship management, switching barriers and loyalty rewards to Customer Retention (CR) (see Figure 1). In defining customer retention, we follow Keiningham *et al*. (2007) to explain the word as customers' stated continuation of a business relationship with a firm. Thus, customers continuation of an account relationship with a bank. The focal point of our framework is to examine the main effects of each of the four independent variables on bank customer retention. We therefore formulate hypotheses from the framework as follows:



Source: Author's own conceptualization

Figure 1. A holistic Framework of the Influence of BSQ, CRM, SW and LR on CR

2.1BSQ as a Strategy for Customer Retention

As noted by Ladhari *et al.* (2011), a great deal of research exists on service quality in the banking sector. In the banking industry as in other service industries, delivering higher quality service enhances customer satisfaction leading to customer longevity (Lassar *et al.*, 2000), lower customer defection, increase customer loyalty, provides opportunities for cross-selling, raise word-of-mouth recommendation, and improve corporate image (Cronin *et al.*, 2000; Wang *et al.*, 2003; Arasli *et al.*, 2005; Baumann *et al.*, 2007). Because of the importance of service quality in banking as a route to competitive advantage and corporate profitability, it has become difficult to identify a single bank that has not initiated some kind of service quality improvement (Newman, 2001). Various instruments have been developed for measuring perceptions of service quality in the banking sector (see e.g. Parasuraman *et al.*, 1988; Bahia and Nantel, 2000). Despite the fact that some scholars used SERVQUAL to test service quality in banks, (see Arasli *et al.*, 2005; Kumar *et al.*, 2010), other researchers also used six dimensions of Bank Service Quality (BSQ) propounded by Bahia and Nantel (2000) to measure service quality in the bank (Glaveli *et al.*, 2006; Petridou *et al.*, 2007). In comparing BSQ with SERVQUAL, Bahia and Nantel (2000) argued that the main advantage of BSQ over SERVQUAL for measuring service quality in banks relate to its content validity. For example, the services portfolio dimension and the price dimension of BSQ were absent from SERVQUAL. It is for this reason (content validity) that the dimensions in the BSQ and SERVQUAL are combined to assess bank service quality as a retention strategy in the banking sector in the present study.

The study propose that, for banks to successfully retain their customers' there should be continuous and consistent improvement in their BSQ strategy. BSQ as a strategic tool for retaining banking customers in this present study, comprise of a collection of individual strategies identified in the extant literature reviewed. In view of this, the study adopted four dimensions from the SERVQUAL model propounded by Parasuraman *et al.* (1988); an additional dimension from Kumar *et al.* (2010) and three dimensions from Bahia and Nantel (2000) BSQ model for assessing quality as a customer retention strategy for bank customer retention in the present study. The dimensions or factors comprises of tangibility, reliability, responsiveness, empathy, assurance and effectiveness, service portfolio, price and convenience. In line with this, we hypothesize that:

H1. The better the bank service quality the higher the retention rate.

2.2 Customer Relationship Management as a Strategy for Customer Retention

CRM has developed as an approach based on building and maintaining positive relationships with customers, increasing customer loyalty, and expanding customer lifetime value (Ahn *et al.*, 2003; King and Burgess, 2008). Literature referred to CRM as a comprehensive strategy and process of acquiring, retaining and collaborating with selective customers to create, maintain long-term partnerships and a means for achieving superior value and financial performance for the company and the customer (Zablah *et al.*, 2005). Sin *et al.* (2005) indicates that CRM activities involve management of customer complaints, establishment of long-term relationships with customers through social bonds and instilling proper customer service in an organization. In addition, McEvily and Marcus (2005); Lin *et al.* (2010) also suggested that CRM can be achieved in a firm through information sharing and customer involvement. We therefore conceptualize that a successful implementation of these factors as a strategy can lead to customer retention.

H2. There is a positive relationship between customer relationship management and customer retention.

2.3 Switching Barriers as a Strategy for Customer Retention

The competitive banking industry is concerned with customers' switching behavior as switching service providers normally reduces a bank's market share and profit (Ennew and Binks, 1996). Empirically, Colgate *et al*. (1996) reported that in the New Zealand banking industry, the annual switching rate was four percent and that an additional fifteen percent of personal retail banking customers intended to switch banks, which creates a loss of profits and increase customer acquisition costs. Cronin and Taylor (1992) were of the view that a key component in customer retention strategy is satisfaction. However, Bendapudi and Berry (1997) posits that satisfaction need not be the only strategy but barriers to customer defection such as development of strong interpersonal relationships or imposition of switching costs, also represent an additional retention strategies. As defined by Jones *et al*. (2000), a switching barrier is any factor that makes it difficult or costly for customers to change providers. Several studies have reported factors that constitute switching barriers. Among these factors are, switching cost, interpersonal relationships, attractiveness of competing alternatives and cross-selling (Jones *et al*., 2000; Vázquez-Carrasco and Foxall, 2006). Researchers such as: Bansal and Taylor (1999); Jones *et al*. (2000); Lee *et al*. (2001); Ranaweera and Prabhu (2003) and Valenzuela (2010) among others have tested and confirmed positive effects of switching barriers on customer retention. Therefore, there is the need for Ghanaian banks to create switching barriers as a strategy towards retention of their customers. Following these previous scholars, we therefore hypothesize that:

H3. The higher the level of perceived switching barriers, the lower the customer defection rate.

2.4 Loyalty Rewards as a Strategy for Customer Retention

Lewis (2004) reported that in many instances customers are loyal to several service providers while spurning others, and in such situations, the marketing goal of a firm becomes one of strengthening customer's preference for one provider over others, and well-designed loyalty programmes can aid in achieving this. Kivetz and Simonson (2002) argued that loyalty rewards can induce feelings of intelligence and pride about having achieved or won something without having to pay the normal price, as well as a sense of appreciation among customers who relate rewards to being a preferred or special customer. Indeed, the common thread among loyalty rewards is the provision of intangible benefits to customers as a reward for their repeated purchases of a company's product(s)/services. Lovelock and Wirtz (2007) classified loyalty rewards into three main categories, namely; financial rewards (incentives given to customers that have a financial value), non-financial rewards (provide customers with benefits or value that cannot be translated directly into monetary terms), recognition and appreciation (intangible in nature and are in the form of extra attention given to customers' needs). There have been findings that showed positive effects of loyalty rewards on customer retention (Dowling and Uncles, 1997; Uncles *et al*., 2003; Gee *et al*., 2008). In view of this, the study postulates that:

H4. There is a significant positive relationship between loyalty rewards and customer retention.

3. Methodology

3.1Estimation Technique

In order to meet our research objectives, the paper applied the Ordinary Least Squares (OLS) regression model in testing the postulated hypotheses. The regression model is stated in equation (1) below.

$$CR_i = \beta_0 + \beta_1 BSQ_i + \beta_2 CRM_i + \beta_3 SB_i + \beta_4 LR_i + \mu_i \tag{1}$$

Where;

$CR_i = the\ dependent\ variable,$ i.e. Customer Retention

$BSQ_i = Bank\ Service\ Quality$

$CRM_i = Customer\ Relationship\ Management$

$SB_i = Swithcing\ Barriers$

$LR_i = Loyalty\ Rewards$

$\beta_0 - Intercept\ term$

$\beta_1, \ldots, \beta_4 = represents\ the\ coefficients\ to\ be\ estimated\ and$

$\mu_i = is\ the\ error\ term$

3.2 Data Source and Sample Size

Our sample included individual customers who had an account with any universal bank within the Greater Accra Region in Ghana. This region was chosen for the sample selection because all registered banks operating in the industry have majority of their bank branches and their head offices situated here. Further, banking customers in this region also have access to all kinds of banking channels and thus can be considered as a well representative of the target population for assessing strategies that influence bank customer retention in Ghana. A total of 480 questionnaires were collected after discarding 70 incomplete questionnaires, the final sample size was 410 yielding 85% response rate. We utilized probability and non-probability sampling techniques in selection of our sample. We adopt the multi-stage approach to sampling to select banks and their branches due to their geographic dispersion within the study area (Greater Accra Region). We used a simple random sampling technique to select 16 banks and 32 of their branches in the study area. Secondly, we select respondents (bank customers) within the premise of the banks using purposive sampling technique. The questionnaire used for the current study was self-developed using existing literature. The various constructs were rated in a five point likert scale ranging from 5 for strongly agree, to 1 strongly disagree.

3.3 Results

3.3.1 Descriptive Statistics of Variables

In order to examine the central tendency of the various variables, we employed the mean statistic. From table 1, it can be observed that the highest mean is in relation to attractiveness of the bank (tangibility) with a mean value of 4.06 and the least mean score (2.24) is in relation to whether the banks rewards their customers with gifts (non-financial). One important multivariate assumption underlying the Ordinary Least Square (OLS) regression method is normality of data using skewness and Kurtosis (Hair *et al*., 2006). However, in order to get a true reflection of the combined scales (summated scale) which represents the actual variables for the regression model, similar tests were conducted with both the dependent and independent variable sets. The result of this test is shown in table 2.

Table 1. Mean, Standard deviation, Skewness, and Kurtosis

Variable	Mean Statistic	Standard Deviation	Skewness Statistic	Kurtosis Statistic
Attractiveness of bank	4.0610	.95559	-1.592	2.943
Bank employees are always available	3.0512	1.17838	-.136	-1.104
Employees are always willing to help	3.1585	1.13048	-.376	-.770
Bank employees pay attention to me	3.4463	1.13977	-.778	-.189
Employees have precise answers to enquiry	3.5122	1.03772	-.791	.007
Bank provides variety of services	3.7707	.94913	-.752	.196
Bank charges reasonable fees	3.1805	1.27285	-.314	-1.033
ATM is conveniently located	3.5927	1.21218	-.710	-.484
Bank employees are friendly	3.6805	1.04793	-.959	.405
Employees assist and are prompt	3.6098	.95569	-.924	.597
Employees respond quickly to problems	3.4829	2.74257	16.243	305.934
Bank provides needed information	3.3122	1.13193	-.544	-.600
Cost in changing banks are high	3.3073	1.23842	-.430	-.825
Bank customer-employee relationship	3.0439	1.30188	-.115	-1.201
Attractiveness of alternatives	3.1268	1.21059	-.145	-.914
Bank offers different products and services	3.4146	1.12703	-.600	-.405
Bank offers financial incentives	2.7854	1.23826	.057	-1.091
Bank gives me souvenirs	2.2439	1.23479	.623	-.813
Bank recognition and appreciation	2.9146	1.24897	-.103	-1.116
Continuous patronage of banks' services	3.5098	1.01873	-.717	.135
I will recommend this bank to others	3.3488	1.13741	-.464	-.551
Determined to stay irrespective of bank charges	2.7927	1.25811	.085	-1.070
Word-of-mouth advertisement for the bank	2.9634	1.20355	-.166	-.985
I consider my bank the best	3.1390	1.25001	-.189	-.989

3.3.2 Assessing Normality and Correlation of Variables (Summated Scales)

We examined normality of the constructs for the regression analysis using skewness and kurtosis test. Three of our independent variables and the dependent variable (BSQ, SB, LR, and CR) met the assumptions per the skewness and kurtosis criteria of ±1 and ±3 respectively (DeCarlo, 1997). As expected, one of the independent variable (CRM) showed a deviation from normality recording skewness and kurtosis statistic of 4.704 and 63.918 respectively. Following Hair *et al*. (2006), we transformed CRM using a square root transform which yielded skewness and kurtosis values of -0.624 and 0.138 respectively.

In order to understand bi-variate correlations among the key constructs, we constructed a Pearson correlation

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matrix. As depicted in table 2, the results suggest significant positive effects of BSQ, CRM, SB and LR on CR. From the table, it can be observed that BSQ obtained the highest correlation with CR, with a Pearson r of 0.63 followed by LR (r =0.59) then CRM (r = 0.52) and the least correlated construct is SB with (r = 0.12).

Table 2. Pearson Correlation Matrix

	CR	LR	SB	CRM	BSQ
CR	1.0000				
LR	0.5918	1.0000			
SB	0.1195	0.2515	1.0000		
CRM	0.5166	0.3709	0.0816	1.0000	
BSQ	0.6348	0.4466	0.1224	0.5711	1.0000

We conduct a further test to assess "how much" individual variables inflate the variance of the regression model using Variance Inflation Factor (VIF). Though researchers consider several acceptance levels of multicollinearity, our study followed Neter *et al.* (1989) who recommends a maximum acceptance level of 10, which corresponds to a tolerance level of 0.1. From our test results, all the constructs had a VIF less than 10. Therefore, we can say that our model is not faced with the problem of multicollinearity and as such meets the multivariate assumption of no/or minimal multicollinearity among independent variables in a regression model. So our variables are not highly inter-correlated hence, our results will be free from the problems associated with multicollinearity such as wrong signs of coefficients and inflation of the variance.

3.3.3 Test for Reliability of Constructs

We assess the degree of consistency between multiple measurements of the variables involved using the Cronbach's Alpha (Hair *et al.,* 2006). This measurement of reliability coefficient assesses the consistency of the entire scale (Cronbach, 1951). The generally agreed upon lower limit for the alpha value is 0.70 or 70 percent Robinson, (1991), although a lower limit of 0.60 is accepted in exploratory research (Nunnally, 1978). From table 3, the least alpha value of 0.601 was recorded for the construct SB and the highest is 0.882 for customer retention (CR) construct. In relation to the acceptable limits as posed by (Robinson, 1991; Nunnally, 1978), we can say that all our constructs are reliable.

Table 3. Reliability Test Using Cronbach's Alpha

Construct	Cronbach's Alpha	No. of Items
BSQ	0.748	8
CRM	0.615	4
SB	0.601	4
LR	0.719	3
CR	0.882	5

3.3.4 Regression Analysis

From table 4 it is evident that all our independent variables with the exception SB are statistically significant at 0.01 significance level in explaining bank customer retention. I.e. have p-values < 0.01 specifically, the BSQ, CRM, and LR variables are all positively related to CR. However, the SB variable is insignificant even at 0.10 (i.e. p-value > 0.10) significance level. The constant also proved significant at the 0.05 significance level.

Table 4. Regression Model for Customer Retention Strategies

	Coef.	Std. Err.	T	P>|t|
BSQ	.5795818	.0675925	8.57	0.000***
CRM	.0499292	.0115701	4.32	0.000***
SB	.2977017	.1877897	1.59	0.114
LR	.2473947	.0274186	9.02	0.000***
CONSTANT	.2466818	.10528	2.34	0.020**
F-statistic	114.07			0.000
R^2	0.5298			
Adj. R^2	0.5251			

Notes: Dependent Variable is CR; *** denotes significance level at 0.01; ** denotes significance level at 0.05

What this result means is that, a unit increase in BSQ will lead to a 0.58 increase in CR. For CRM, a unit increase will result in a 0.05 increment in bank customer retention. Considering LR, we can infer that a unit increase will positively affect bank customer retention by 0.25. As part of judging our model, we look at the joint significance of all the independent variables through the F-statistic. The results produced an F-value of 114.07 and a probability value of 0.000. Therefore, by testing the null hypothesis that "the predictor variables are jointly insignificant in explaining CR", we reject the null and say that all the independent variables together (jointly) explain CR thus by way of accepting the alternate hypothesis. In assessing the fit of our model, we employed the R^2 value. This tells us about the extent of variation that exists in the dependent variable (CR) as explained by the independent variables (BSQ, CRM, SB, LR). Therefore, from our R^2 value of 0.53, we can infer that 53 percent of the variation in CR is being explained by BSQ, CRM, SB, and LR. Thus, 53 percent of the attributes of CR is explained by the predictor variables meaning that 47 percent of the remaining attributes are uncounted for and may be due to other variables not included in the model. Nonetheless, the 0.53 rate can be said to be high enough for the fit of the model. The adjusted R^2 is an extension of the R^2 just that it takes into consideration all the independent variables for degree of freedom. From the results in table 4, the adjusted R^2 value is 0.53, which is approximately the same as the R^2. Based on the variables that significantly contribute to customer retention (CR), our final CR model can be written as

$$\widehat{CR} = 0.25 + 0.58BSQ + 0.05CRM + 0.25LR$$

4. Discussions

Taken together, with the exception of Switching Barriers (SB), our results offer strong support for positive effects of BSQ, CRM and LR on bank customer retention. We now discuss the implications of these effects on theory and for bank managers.

4.1 Effect of Bank Service Quality on Customer Retention

A considerable literature on service marketing reported Bank Service Quality (BSQ) as a critical prerequisite for satisfying and retaining valued customers (Taylor and Baker 1994). However, in determining measurement for bank service quality as customer retention strategy in our present study, we made use of SERVQUAL dimensions proposed by Parasuraman *et al*. (1988), BSQ dimensions proposed by Bahia and Nantel (2000) and an additional dimension from modified SERVQUAL from Kumar *et al*. (2010). Our regression model indicates a significant positive effect of bank service quality, which results in retention of bank customers in Ghana. This is clearly consistent with literature since the concept of bank service quality, as a means of retaining customers have been conceptualized by some researchers from service marketing as a pre-requisite of customer-perceived service quality (Berry and Parasuraman, 1991; Ladhari *et al*., 2011). Our result also throws more light on the general assertions by previous researchers that, superior service quality lowers customer defection, enhances customer loyalty and increase word-of-mouth recommendation (Cronin *et al*., 2000; Wang *et al.*, 2003; Arasli *et al*., 2005; Baumann *et al*., 2007). Further, our finding also resonates with the study of Ahmad and Buttle (2002a), which highlights "providing flexible 'good' services" as one prominent customer retention practices employed by Frontier Bank in retaining its sets of telephone banking customers. However, there has been limited previous empirical insight into the investigation of bank service quality as a strategy for customer retention in bank marketing literature. Our descriptive statistics of variables that constitute the construct BSQ as a retention strategy recorded mean values between 3.1 and 4.1 evident in table 1. In our view, even though there has been an indication of significant impact of BSQ on bank customer retention as suggested by the study's finding, bank managers have to ensure consistent improvement on the individual variables that constitute the strategy BSQ. This is because with the exception of the tangible variable, which recorded a mean score of 4.1, the remaining seven recorded mean values that ranged between 3.1 to 3.8 respectively, which is an indication that majority of bank customers were neutral concerning these strategies, as a proxy for their repeat purchase intentions. However, this fact does not diminish the value of BSQ as a driver of bank customer retention.

4.2 Relationship Between Customer Relationship Management and Customer Retention

Sin *et al*. (2005) indicated that CRM activities involve establishment of long-term relationships (social bonds), customer service and resolving customer complaints. In addition, McEvily and Marcus (2005); Lin *et al.* (2010) also suggested information sharing and customer involvement as CRM activities that service firms must look at when attempting to retain their customers. These four activities were grouped to form the construct CRM towards testing of this hypothesis. The result shows that the effect of CRM activities on customer retention is highly significant. This is critical because the influx of banks into the Ghanaian banking industry in recent times makes intuitive sense for banks to build stronger relationships with their customers geared towards their repeat patronage. This support the work of Huang and Lin, (2005); Shafia *et al*. (2011) that a firms' good CRM strategy improve relationships with customers, helps the firms' retain their customers and enhance customer loyalty.

4.3 Effect of Switching Barriers on Customer Retention

Regarding the effect of switching barriers on bank customer retention in this study, the result of our regression model showed that there is a negative effect of switching barriers on customer retention. This means that barriers to switching are low in the banking industry in Ghana; hence, bank customers do not perceive any of these barriers as a driver of their repeat patronage of banking services in the industry. Therefore, retention of bank customers in the industry does not depend on this strategy. This finding however, contradicts with empirical works of researchers such as Bansal and Taylor, (1999); Jones *et al*. (2000); Lee *et al*. (2001); Ranaweera and Prabhu (2003); Valenzuela (2010) who tested and confirmed positive effect of switching barriers on customer retention in their respective studies. Nevertheless, while our finding showed a negative effect of switching barriers on bank customer retention, this to some extent can be associated with the discussion of (Ranaweera and Prabhu 2003). They claimed, given that the time and effort required to switch are perceived to be important switching barriers, service providers may therefore wish to focus on service features that increase switching costs without necessarily creating absolute barriers to switching. This further confirmed the views of Jones *et al*. (2000) who cautioned companies to be aware of "company-focused sabotage such as negative word of mouth" if customers are not satisfied with the company's services but feel trapped due to negative barriers such as high-financial switching costs.

4.4 Impact of Loyalty Rewards on Customer Retention

This study combined and tested the effects of three loyalty rewards (financial, non-financial and appreciation and recognition) on repeat patronage of banking services in Ghana. Our result of the analysis for testing this research hypothesis revealed a positive effect of these rewards as strategies for bank customer retention in the banking industry in Ghana. This supports some previous findings: Lewis, (2004) therefore provides important empirical generalizations that loyalty rewards affect bank customer retention. Even though this finding confirms the work of previous researchers, according to Gee *et al*. (2008), there has been contradictory empirical evidence that challenge the success and economic viability of these rewards. Among these contradictory views is difficult to changing established behavioral patterns associated with the kind of reward systems that prevails these days (Dowling and Uncles, 1997). As to whether loyalty rewards actually induce loyal customer behavior hence retention. In view of this, Lewis (2004) proposes that to increase retention, a loyalty reward "must have a structure that motivates customers to view purchases as a sequence of related decisions rather than as independent transactions.

5. Conclusion and Implications

While previous studies have focused on the significance of customer retention in the banking industry, our paper attempts to build a more complete framework of strategies that influence retention. We introduce several variables grouped into four constructs namely: BSQ, CRM, SB and LR which we hypothesize as strategies that may influence customer retention. Indeed, while our study offer evidence of the effects of BSQ, CRM and LR on bank customer retention and have been supported in existing literature that of SB contradicts what literature reported. To the best of our knowledge no existing studies have empirically tested for the effect of these strategies on customer retention in the banking industry. This current study contributes to literature on bank customer retention in Ghana, specifically from a developing country perspective. The implications of these findings are that, banks that are striving to survive in the present competitive banking environment in Ghana, have to pay a particular attention to effective and efficient implementation of these strategies to retain as many customers as possible towards enhancing their profitability and growth, hence their survival into the unforeseeable future in the industry. Secondly, in this study indications are that, switching barriers do not lead to bank customer retention in the banking industry in Ghana. This simply means that, banks operating within the Ghanaian banking industry do not create barriers geared towards retaining their customers as suggested in literature. We therefore recommends to banks operating within the Ghanaian banking industry to find a way of creating barriers as a means or strategy for retaining their customers.

Nevertheless, this study is limited and offer opportunities for future research. First, the study is limited in terms of industry scope. Thus, the study focuses on universal banks excluding non-banks and other financial institutions operating in the industry. Therefore, care should be taken when generalizing the findings of the study to the banking industry as a whole. Second, the results of the study are based on cross-sectional data, making it hard to make strong inferences about cause and effect. This study was also conducted in a single geographic region; the results therefore may not transfer into other geographic regions due to cultural differences that may pertain in those regions. Obviously, findings of this study are most likely to hold for other service contexts. However, the applicability of these findings to other contexts needs further investigations. Further, the results of this study are based on customers' perceptions in finding out strategies that influence them to make repeat patronage of banking services in the industry; future research should investigate the congruence between customers and banks' officials' perceptions. This will help the industry to understand whether both customers and banks officials have the same perceptions regarding strategies that influence bank customer retention. In addition, future research may attempt to explore whether demographic variables have any bearings on customers intentions in continual patronage of banking services in the industry.

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