

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

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Abstract

Service quality, customer satisfaction, and loyalty constitute the golden formula for the success and longevity of any financial institution in the modern market, as service quality and value directly impact customer satisfaction and, consequently, loyalty. This study aims to evaluate the impact of service quality on customer satisfaction, customer loyalty, and the costs associated with internal and external transfer services SERVPERF at the Kuveyt Turk Bank (Imes branch). A quantitative cross-sectional survey design was adopted, and data were collected in 2025. The study population consisted of the bank's customers; given that the exact size of the statistical population was unknown, the sample size was set at a minimum of 132 customers. Data were collected using a socio-demographic questionnaire and the SERVPERF model to measure service quality. The data were statistically analyzed using frequencies, percentages, arithmetic means, standard deviations, ANOVA, and the t-test via SPSS version 26 software, with a statistical significance level of $p < 0.05$. The mean scores were 3.7955 ± 1.11197 for Customer Satisfaction, 2.9614 ± 0.98078 for Customer Loyalty, and 3.8189 ± 1.00960 for Service Quality. The Multiple R value for the model was 0.953, indicating a positive relationship between service quality and customer satisfaction, and between customer satisfaction and loyalty, as well as a statistically

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significant relationship between service quality and customer loyalty. The study also examined the relationship between customer satisfaction and the costs paid for internal and external transfer services provided by the bank. The mean scores for questions 26 and 27 of the questionnaire were 2.17 and 2.05, respectively, which negatively impacted the level of customer loyalty. This was confirmed by the statistically non-significant result for question 26, indicating the study sample's dissatisfaction with the costs incurred for internal and external transactions.

Keywords: Service quality, customer satisfaction, customer loyalty, Kuveyt Turk Bank.

أثر جودة الخدمة على رضا العملاء وولاء العملاء والنفقات المدفوعة
لخدمات التحويلات الداخلية والخارجية للبنك الكويتي التركي

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ملخص

تشكل جودة الخدمة، ورضا العملاء، وولائهم النجاح والاستمرارية لأي مؤسسة مالية في السوق الحديث حيث تؤثر جودة الخدمة وقيمتها المقدمة تأثيراً مباشراً على رضا العملاء وبالتالي ولائهم. تهدف هذه الدراسة إلى تقييم أثر جودة الخدمة على رضا العملاء وولائهم، وكذلك على التكاليف المرتبطة بخدمات التحويل الداخلي والخارجي في بنك الكويت ترك- فرع إيميس ". اعتمدت الدراسة منهجية المسح الكمي المقطعي (cross-sectional survey) ، باستخدام استبانة للبيانات الاجتماعية والديموغرافية ونموذج SERVPERF لقياس جودة الخدمة وجمعت البيانات خلال عام 2025. تألف مجتمع الدراسة من عملاء البنك؛ ونظراً لعدم معرفة الحجم الدقيق للمجتمع الإحصائي، حُدّد حجم العينة بحد أدنى قدره 132 عميلاً. وجرى تحليل البيانات إحصائياً باستخدام التكرارات، والنسب المئوية، والمتوسطات الحسابية، والانحرافات المعيارية، واختبار تحليل

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التباين (ANOVA)، واختبار "ت (t-test)" عبر برنامج SPSS 26، وذلك عند مستوى دلالة إحصائية ($p < 0.05$)، وبلغت متوسطات الدرجات: 1.11197 ± 3.7955 لرضا العملاء، و 0.98078 ± 2.9614 لولاء العملاء، و 1.00960 ± 3.8189 لجودة الخدمة. بلغت قيمة معامل الارتباط المتعدد (Multiple R) للنموذج 0.953، مما يشير إلى وجود علاقة إيجابية بين جودة الخدمة ورضا العملاء، وبين رضا العملاء وولائهم، فضلاً عن وجود علاقة ذات دلالة إحصائية بين جودة الخدمة ولاء العملاء. كما بحثت الدراسة العلاقة بين رضا العملاء والتكاليف المدفوعة مقابل خدمات التحويل الداخلي والخارجي التي يقدمها البنك؛ حيث بلغ متوسط درجات السؤالين 26 و 27 في الاستبانة 2.17 و 2.05 على التوالي، مما أثر سلباً على مستوى ولاء العملاء. وقد تأكد ذلك من خلال النتيجة غير ذات الدلالة الإحصائية للسؤال 26، مما يشير إلى عدم رضا عينة الدراسة عن التكاليف المترتبة على المعاملات الداخلية والخارجية.

الكلمات المفتاحية: جودة الخدمة، رضا العملاء، ولاء العملاء، بنك الكويت ترك.

1. Introduction

Service organizations generally face fundamental challenges, particularly regarding the concept of service quality (Vu, 2021). Specifically, the process of customer evaluation is not limited to product types alone; it extends significantly to encompass the manner in which services are delivered (Halim et al., 2025). Service quality is of particular importance to banks, primarily because their offerings are inherently service-oriented—and thus intangible. Furthermore, customer evaluations rely heavily on service quality and the nature of interactions—spanning engagements with bank staff, websites, and physical branches, as well as the execution of financial transactions (Sreejesh, 2024). Researchers in the field of service quality emphasize that delivering high-quality services is a complex undertaking; however, there is an exception that can provide companies with competitive advantages—potentially by improving perceptions and thereby strengthening the alignment between the customer and the company (Halim et al., 2025; Yürüyen et al., 2026).

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As for so-called "service quality," it typically represents the judgment customers make regarding the extent to which a service meets their expectations and aligns with their prior experiences (Jonkisz et al., 2021; Imam & Anwar, 2025). came up with a tool known as the SERVQUAL tool to study service quality from various dimensions. Following this, Ngu et al. (2026) emphasized the necessity of applying performance-based measures when evaluating service quality, noting that service quality is a key antecedent to customer satisfaction; it is defined based on customer evaluations to determine the extent to which the service aligns with general customer expectations and prior experiences. According to, Souca, (2011) developed a service quality measurement tool known as "SERVQUAL," which evaluates quality from multiple perspectives. According to this, Kashif et al. (2026) emphasized the importance of using performance-based measures to evaluate service quality, asserting that it is a fundamental prerequisite for achieving customer satisfaction; consequently, it is essential for banks to possess a comprehensive understanding of customer perceptions regarding the quality of the services provided. Numerous empirical studies have examined the relationship between service quality, customer satisfaction, and customer loyalty. For instance, Yilmaz et al. (2018) A study was conducted to examine the relationships between service quality, customer satisfaction, and customer loyalty within the Turkish banking sector. The methodology employed first- and second-order confirmatory factor analysis, followed by structural equation modeling, based on a sample of 441 student participants. The results demonstrated that service quality dimensions—specifically trust, reliability, and accessibility—play a significant role in determining customer satisfaction levels, and also revealed a relationship between customer satisfaction and loyalty.

Relatedly, a study by Özkan et al. (2020) examined the roles of service quality and customer satisfaction as determinants of customer loyalty within the Turkish banking sector. The researchers also considered the roles of service value and corporate image—and by extension, corporate reputation—in fostering loyalty. Therefore,

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their study may be considered particularly applicable to the banking environment in Turkey, as the process by which customers evaluate banking services extends far beyond the level of mere transactions. Other researchers have also made additional contributions to this field. Teeroovengadam (2022), who focused on the association of service quality dimensions and customer satisfaction and loyalty through a survey of 282 bank customers in Mauritius. Therefore, it appears that the behavior of customers varies widely depending on the dimension of service quality, and disaggregating these dimensions can provide better insights than considering service quality to be a single dimension. Also, the importance of customer satisfaction as the means of translating service quality perception into customer loyalty has been emphasized by other researchers. For instance, a research study carried out on customers of banks in Indonesia considered the influence of service quality and customer satisfaction on loyalty through surveys and path analysis. The research findings revealed a statistically significant positive relationship between service quality and customer satisfaction; however, no statistically significant relationship was found between service quality and customer loyalty—rather, customer satisfaction was the factor driving that loyalty. In another study conducted by Öcel and Şen (2020) involving individual customers of Turkish banks, data collected from 384 customers were analyzed using factor analysis, correlation analysis, multiple regression analysis, t-tests, and analysis of variance (ANOVA).

The link between the service quality and the relationship with the clients is also proven via other studies carried out in order to investigate the overall dimensions of bank service experiences, such as, Kwon et al. (2020) investigated the issue of retail banking clients in Korea and Brazil in relation to three dimensions of interaction quality, physical environment quality, and outcome quality. In the empirical study carried out in this study, it was shown that some of the dimensions positively influenced client satisfaction and loyalty, although their relationships were different in accordance with the situation in both countries. Although there has been a considerable number of papers written about service quality, satisfaction, and

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Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

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loyalty in banking, the connection between them and fees for specific banking services, particularly internal and external transfer services in branches, has received little attention in existing papers. It is true that the investigation of the concept of service quality has been focused mainly on the effect of service quality on such variables as customer satisfaction, loyalty, value perception, or company image. Therefore, the present paper will examine the customers of Kuveyt Türk Bank, IMES Branch, from the perspective of the following problems: service quality, customer satisfaction, customer loyalty, and fees for internal and external transfer services. By limiting the scope of research to a certain branch and a certain type of banking transactions, the paper is intended to provide findings about the evaluation of the service quality and the cost of the transfer services. The following objectives have to be achieved to conduct the research. In this case, the research will be based on service quality theory but will develop the previous literature on banking by taking into account transaction costs. This research will be different from previous papers, which mainly focused on the analysis of banking service quality and the satisfaction/loyalty relationship.

2. Literature Review

In the banking sector, consumer trust and service quality are very important (Chai et al., 2024). The banking sector is vital to daily operations and serves as the cornerstone of a nation's economic stability. Because service quality is seen as one of the most crucial requirements for gaining a lasting competitive advantage in the contemporary competitive climate, there is a great deal of research on the connection between service quality and customer happiness. While customer satisfaction is a post-consumption assessment based on performance and expectation comparisons, service quality is seen as an overall assessment of the company's and its services' relative superiority or inferiority (Nu'ajjat & Abeirat, 2015).

2.1. Defining Service Quality

Service quality has been the subject of extensive research and study; however, it still lacks a comprehensive, clear, and definitive definition. This ambiguity stems from specific characteristics

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Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

inherent to services—such as intangibility, heterogeneity (variability), and the simultaneity of production and consumption—which make evaluating service quality significantly more challenging than assessing the quality of tangible products (Prasad & Verma, 2022). Given these factors, customers often rely on proxy indicators; their focus extends beyond the final outcome to encompass the manner in which the service is delivered throughout the entire process. The SERVQUAL model—developed by Kee-Kuo et al., (2009), stands out as a prominent concept in this field; at its core, the model defines service quality as the gap between what customers expect and what they perceive they have actually received (Kobero & Swallehe, 2022).

The model identifies five dimensions considered fundamental (Kökalan et al., 2021). It comprises a set of tangible elements, followed by reliability, responsiveness, and—concurrently—assurance and empathy. Reliability—defined as the extent to which a service is delivered as promised, characterized by dependability and accuracy—is considered the most critical factor in shaping perceptions of service quality across various service sectors; this has been consistently confirmed by studies over several decades (Tarnanidis & Tarnanidis, 2024). However, the SERVQUAL framework has not been immune to criticism, particularly regarding its validity and the complex, burdensome methodology required to measure the "gap score" (Awan et al., 2015).

In response to this, Cronin and Taylor (1992) proposed the "SERVPERF" model, which measures service quality based solely on perceptions of performance; they argue that this approach offers superior validity and reliability (Bhat, 2012). In contrast, Grönroos (1984) proposed a distinct conceptualization that differentiates between "technical quality"—referring to what the customer actually receives as the service outcome—and "functional quality," which relates largely to the manner in which the service is delivered during the interaction process. This concept, which integrates both technical and functional aspects, suggests that customers evaluate both the final delivered outcome and the experience provided during the interaction itself (Grönroos, 1984; Kang & James, 2004). More

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Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

recently, Brady and Cronin (2001) integrated these perspectives into a multilevel model comprising interaction quality, physical environment quality, and outcome quality; each level encompasses sub-dimensions that reflect the complexity of customer evaluations. Overall, these theoretical developments indicate a growing consensus that service quality is not a unidimensional concept but rather a multidimensional one. Consequently, organizations must attend not only to the final technical outcome but also to the dynamics of human interaction and the surrounding environment involved in service delivery.

2.2 Measuring Service Quality

While SERVQUAL has been the traditional method of assessing service quality, the concept of gap between expectations and service performance has been highly criticized due to issues relating to discriminant validity, complexity and respondent fatigue. The other methodology is SERVPERF developed by Cronin & Taylor (1992), and it focuses on assessing service quality through customer's perception of service performance. SERVPERF has been proved to be more predictive and explanatory compared to SERVQUAL, with a decrease in the number of questions by half. As for the research context of service quality perception among Kuveyt Turk Bank customers in Turkey, the application of SERVPERF would be more reasonable compared to SERVQUAL. The SERVQUAL model is based on five dimensions of service quality (Parasuraman et al., 1988):

- Tangibles: The surrounding physical environment, which may be represented by physical elements (such as interior design) and by people (such as the appearance of employees).
- Reliability: The service provider's ability to deliver services that are accurate and dependable.
- Responsiveness: The organization's readiness to assist customers by delivering services quickly and effectively.
- Assurance: Various characteristics can instill a sense of confidence in customers, such as the organization's specialized knowledge regarding the service, as well as the courteous and trustworthy behavior of its employees.

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

- Empathy: This refers to the service organization's willingness to provide individualized attention to each customer.

Parasuraman et al. (1988) developed a highly significant 22-item instrument to assess customer expectations and perceptions (E and P) across the five dimensions of the RATER model. Four to five items are used to measure each dimension, and participants are asked to complete the questionnaire (Mesay, 2012).

One of the big alternatives to the disconfirmation paradigm is the SERVPERF approach. It is possible to view service quality—at its core—solely from the perspective of how customers perceive performance, rather than by comparing those perceptions against expectations; and so, it appears more like a direct narrative. This performance-only framing was developed by Cronin and Taylor (1992) as a kind of response to what they saw as flaws in the SERVQUAL scale. In particular, there were concerns regarding predictive validity, and also about how useful expectation measures really are for diagnosis (Ibarra Morales et al., 2015). In practice, the SERVPERF instrument uses the same twenty-two perception items that SERVQUAL uses, but it drops the expectation part entirely. Thus, the number of elements presented is reduced, which also makes the process of collecting and interpreting data easier (Jain & Gupta, 2004).

2.3 Defining Customer Satisfaction

Customer satisfaction can be defined as the assessment a customer forms based on their experience—ranging from the purchase and subsequent consumption of a product or the use of a service to their final interaction with a specific company or organization's brand (Kurniawan et al., 2025). Interest in satisfaction levels stems largely from its direct impact on customers' decisions regarding repeat purchases and the resulting consequences for the company's future profitability (Johnson, 2001). Also, Solomon et al. (2006) describe customer satisfaction as the overall feelings that a person has about a product after it has been purchased (Solomon et al., 2006). When trying for high quality, customer satisfaction is arguably the most crucial thing to keep an eye on (Balagué & Saarti, 2011).

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

In customer satisfaction modeling, satisfaction becomes the main connector between how customers view a product's price and quality, and then their behavioral intentions, followed by actions. Companies usually pull two key outputs from the satisfaction model to help them decide what to fix first: first, they look at how well products and services show up with respect to their attributes and the advantages they provide, and how that then shapes customer satisfaction and loyalty. Second, they check the effect those attributes and benefits have on satisfaction and loyalty, basically weighing how much each item matters to the customer. By merging this performance and importance information, companies can choose the improvement areas. From a cost-benefit view, the most useful targets are typically the ones with relatively higher importance or impact but with relatively lower performance (Johnson, 2001).

Previous research has presented various models of customer satisfaction (CS). One such model is the American Customer Satisfaction Framework (ACSF), which defines the relationships between customer satisfaction and its determinants—specifically customer expectations, followed by perceived quality, and finally perceived value (Bryant, 1995). There is also the model used in Europe—the European Customer Satisfaction Index (ECSI) which incorporates a factor representing "corporate image" and breaks down the concept of perceived value into distinct elements: perceived product quality, perceived service quality, and perceived price quality (Anderson and Fornell, 2000).

2.4 Customer satisfaction in Banking

In the banking sector, there is a lack of universally accepted standard metrics for measuring customers' perceived quality of banking services; consequently, delivering high-quality service is considered a vital tool for survival and for gaining and sustaining a competitive advantage. Numerous studies strongly confirm a reciprocal relationship between customer satisfaction and service quality, indicating that improving banking service quality leads to a significant increase in customer satisfaction. Furthermore, there is a broad consensus that measuring service quality is more challenging

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

than measuring product quality, given the unique characteristics of services: intangibility, heterogeneity (variability), inseparability (simultaneous production and consumption), and perishability (inability to be stored) (Bateson, 1985). According to Md et al. (2013), satisfaction was measured based on the premise that it stems from the quality of banking services; consequently, particular emphasis was placed on this aspect. The process utilized dimensions adapted from the "SERVQUAL" model (Md et al., 2013).

2.5 Relationship between Service Quality and Customer Satisfaction

Service quality has long been considered crucial due to its link to customer satisfaction, making it a central and enduring focus of research into services marketing over many years; nevertheless, researchers continue to investigate in depth and debate the precise nature of the relationship connecting the two. They both come from the same broad roots in the expectancy-disconfirmation idea, However, in practice, they are usually treated as separate entities. They differ in what people use as a yardstick—like the expectations they bring in, and the actual breadth of the assessment's scope. Service quality is commonly framed as a more mental, cognitive judgment, basically customers thinking about what the service "should" deliver, while satisfaction is more mixed, it includes cognitive as well as affective reactions, about what customers "will" experience in that particular moment of service (Dandis et al., 2021). However, most of the literature points to one causative path, making service quality an antecedent of satisfaction (Jayasundara, 2011). Across different types of service settings, the data keeps pointing the same way: better service quality tends to raise satisfaction levels. For example, work on SERVQUAL in Lebanese healthcare found that all five dimensions—tangibles, reliability, assurance, responsiveness, and empathy—showed statistically significant positive correlations with patient satisfaction (Chaanine & Sleilati, 2024).

Also, a paper that blended service scape plus SERVQUAL within the Kano logic reported that reliability works like a "satisfier," and it follows a line, a pretty straight relationship with both satisfaction

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Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

and dissatisfaction. The responsiveness part was, in a similar manner, linked with higher satisfaction, and that, in turn, supports loyalty and more favorable word-of-mouth outcomes for the firm (Mugendi-Kiarie, 2025). Then there's the mediating story too: satisfaction is often described as strongly mediating the service quality → behavioral intentions link, so satisfaction becomes a kind of bridge, the connecting route between how people judge quality and what they do later (Ladhari, 2009).

Positive service encounters that lead to satisfaction easily turn into customer loyalty. Such as Horstman (1998) points to a strong, positive correlation between customer satisfaction and loyalty—a relationship that appears almost inevitable; a satisfied customer is significantly more likely—up to six times so—to make a repeat purchase and subsequently share their experience with approximately five or six other people (Grönroos, 2000; Zairi, 2000).

2.6 Customer Loyalty

Fostering customer loyalty is crucial for business success, as this loyalty is influenced by a variety of factors—including customer satisfaction, service quality, the customer experience, and customer relationship management (Rane et al., 2023). Customer loyalty is a fundamental element of business success, particularly in today's competitive market landscape. Retaining customers has become an increasingly difficult challenge, while the cost of acquiring new ones has risen dramatically (Heskett, 2002). Providing high-quality services is a strategy commonly adopted by many companies to ensure strong customer loyalty (Reinartz & Kumar, 2002; Kumar & Shah, 2004). Companies can foster customer loyalty by significantly enhancing service quality through the implementation of various practices. These include understanding customer expectations; training and empowering employees; personalizing the customer experience; ensuring consistency across all touchpoints; communicating effectively and promptly; focusing on continuous improvement; rewarding loyalty; building emotional connections; effectively resolving complaints; measuring and monitoring satisfaction levels; anticipating needs; encouraging and

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

acting upon feedback; and investing in technology. Overall, such strategies enable companies to deliver highly personalized experiences that often exceed customer expectations, thereby strengthening loyalty, fostering brand advocacy, and deepening emotional bonds. Furthermore, collecting and analyzing customer feedback facilitates data-driven decision-making and supports the continuous improvement of products, services, and processes to meet evolving customer needs (Heskett, 2002; Evanschitzky et al., 2012).

Customer Relationship Management (CRM) is a vital element in fostering customer loyalty (Diah et al., 2025). To efficiently and effectively foster customer loyalty through service quality, companies must implement diverse and comprehensive strategies. (Kurniawan et al., 2025). Implementing effective strategies—encompassing customer satisfaction, the customer experience, customer relationship management, and customer value—enables companies to achieve high levels of customer loyalty. (Rane et al., 2023).

2.7 Customer Satisfaction and Loyalty

Customer satisfaction with a specific service experience serves to enhance their level of loyalty (Heskett, 2002; Rane et al., 2023). In general, these studies suggest a significant relationship between customer satisfaction and loyalty, indicating that increasing customer satisfaction ultimately fosters greater loyalty to the company. (Mesay, 2012).

2.8 Service Quality and Customer Loyalty

Regardless of the specific method used to measure service quality, from a marketing perspective, it clearly manifests in various aspects of consumer behavior. For instance, service quality is considered a fundamental driver of the value perceived by customers; it enhances satisfaction levels—thereby influencing the intention to engage in repeat business (Cronin et al., 2000), as well as their word-of-mouth intentions (Yavas et al., 2004). As previously mentioned, most researchers largely agree that service quality significantly influences loyalty indirectly—specifically through the factor of satisfaction (Beerli et al., 2004; Lewis and Soureli, 2006; Caruana,

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Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

2002; Jamal and Anastasiadou, 2009). However, some studies also indicate a direct impact of service quality on loyalty (Zeithaml et al., 1996; Carrillat et al., 2009; Kheng et al., 2010)

2.9 Hypotheses

Based on the literature reviewed above, a theoretical framework has been developed to define the relationships among service quality, customer satisfaction, and customer loyalty within the banking sector. Figure (1) illustrates the proposed framework—comprising service quality, customer satisfaction, and customer loyalty

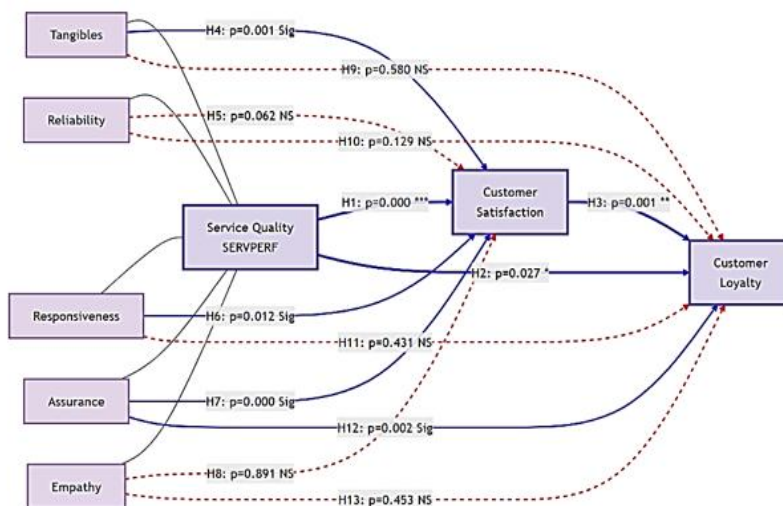


Fig. 1. Proposed framework

— to test the following hypotheses:

- H1: Service quality has a positive impact on customer satisfaction.
- H2: Service quality has a positive impact on customer loyalty.
- H3: Customer satisfaction has a positive impact on customer loyalty.
- H4: Tangibles have a positive impact on customer satisfaction.
- H5: Reliability has a positive impact on customer satisfaction.
- H6: Responsiveness has a positive impact on customer satisfaction.
- H7: Assurance has a positive impact on customer satisfaction.
- H8: Empathy has a positive impact on customer satisfaction.

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Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

- H9: Tangibles have a positive impact on customer loyalty.
H10: Reliability has a positive impact on customer loyalty.
H11: Responsiveness has a positive impact on customer loyalty.
H12: Assurance has a positive impact on customer loyalty.
H13: Empathy has a positive impact on customer loyalty.

3. Materials and Methods

This study employed a quantitative survey design, examining the study population through a cross-sectional approach to investigate the relationships among several variables—specifically service quality, customer satisfaction, and customer loyalty—within the banking sector. The empirical study was conducted among customers of Kuveyt Türk Participation Bank, IMES Branch, in Türkiye. The study focused on customers' evaluations of the quality of banking services, with particular attention to the services and expenses associated with internal and external money transfers. Given that the study aimed to measure various consumer impressions extensively and systematically—and to employ the necessary statistical tools to explore correlations among the study variables—a quantitative research strategy was deemed appropriate. A structured questionnaire was used for data collection, and the data were subsequently analyzed using the Statistical Package for the Social Sciences (SPSS 26).

3.1. Methods

To test the aforementioned hypotheses, we conducted a survey involving customers of the "Imes" branch of Kuveyt Turk Bank. All questionnaire items were translated from English into Turkish using the back-translation method (Klotz et al., 2022), and we took care to ensure appropriate wording in the Turkish version presented to participants, given that the survey was conducted in Turkey.

The questionnaire used in this study comprises four sections containing 27 items. The first section gathers personal information about the participating bank customers, covering variables such as age, gender, education level, service usage rate, and income level. The second section is dedicated to evaluating the quality of services provided by private banks; the research instrument is based on the

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Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

five service quality dimensions and the twenty service attributes that constitute the "SERVPERF" model: tangibles, reliability, assurance, responsiveness, and empathy. Customer satisfaction was measured using a single item reflecting the overall level of satisfaction with the service provided by the banks, whereas customer loyalty was measured using five items adapted from the study by Zeithaml et al. (1996). Respondents were asked to indicate their level of agreement with each item using a five-point Likert scale, where a score of (5) represents the highest level of agreement and (1) the lowest. SPSS version (26) software was used for data analysis. According to Cronin and Taylor (1992), the "SERVPERF" scale—which relies on measuring actual performance—is a superior method for assessing service quality.

3.2. Sample Size

The sample size was calculated using Robert Mason's formula (Nahas et al., 2024). ($M = 200$, $s^2 = 0.00065$, $p = q = 0.50$), and a minimum size of $n = 132$ was recommended the minimum recommended sample size was calculated as follows:

$$n = \frac{M}{[S^2x(M - 1)) \div pq] + 1}$$

3.3. Data Analysis

SPSS software 26 was used as a tool for data analysis, and descriptive statistics were employed to summarize data characteristics—such as participant details and response patterns across the questionnaires. Statistical analysis was conducted in accordance with the study's conceptual framework, which defined various relationships among the aforementioned variables.

3.4. Ethical and Confidentiality Considerations

The survey was conducted for academic research purposes, and respondents were informed about the purpose of the study. Participation was voluntary, and the information provided by respondents was treated confidentially. No, personally identifying information was used in reporting the findings. The collected data

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

were analyzed and presented in aggregate form to protect the confidentiality of the participants.

4. Results

The findings in Table 1 give information about the demographics of the respondents.

TABLE 1. Personal profile of respondents (n = 132).

	n	%
Gender		
Male	70	53.0
Female	62	47.0
Age		
18-25	8	6.1
26-30	55	41.7
31-50	60	45.5
Above 50	9	6.8
Educational Level		
Reads and writes	36	27.3
High School or less	68	51.5
Postgraduate and above	28	21.2
Hourly	33	25.0
Daily	65	49.2
Weekly	23	17.4
Monthly	10	7.6
Other	1	0.8
Income		
1500-2000tl	12	9.1
2001-2500tl	56	42.4
2501-3000tl	34	25.8
Above3001tl	30	22.7
Total	132	100.0

This consists of variables such as age, gender, educational level, and usage frequency. A total of 132 customers from Kuveyt Turk Bank Imes branch were used in the research. The frequency and percentage of each variable are presented below based on the survey categories. The majority of the study sample consisted of Males

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

(53% of participants). Regarding demographics, 45.5% were aged 31–50, 51.5% had a high school education or less, 49.2% were daily wage earners, and 42.4% had an income ranging from 2,501 to 3,000 TL.

To ensure the reliability of the study's measurements, an assessment was conducted to determine the consistency with which each measure captures its intended construct. Cronbach's alpha coefficient was used to evaluate the internal consistency of the variables. A reliability coefficient greater than 0.7 is considered acceptable, indicating that the measure yields consistent and reliable results. The reliability coefficients for each variable are presented in Table 2, which shows that all variables meet the criteria for acceptability

TABLE 2. Reliability Statistics (Cronbach's Alpha)

Construct	Number of Items	Cronbach's Alpha
Tangibles	4	0.812
Reliability	4	0.834
Responsiveness	4	0.821
Assurance	4	0.879
Empathy	4	0.805
Overall Service Quality	20	0.912
Customer Satisfaction	1	N/A (Single Item)
Customer Loyalty	5	0.851

Table 3 below presents the mean scores for the variables of service quality, customer satisfaction, and customer loyalty. Service quality ranks first in terms of mean score, followed immediately by customer satisfaction. As shown in Table 2, the level of service quality is rated as good, with a mean score of 3.81; this indicates that customers are satisfied with the service quality provided by Kuveyt Türk Bank—and, by extension, satisfied with all dimensions of service quality, as detailed in Table 3. The mean scores for the various service quality dimensions are closely aligned; the "Reliability" dimension recorded the highest mean (3.86), while the dimensions of "Assurance," "Tangibles," "Responsiveness," and "Empathy" each recorded a mean of 3.78. The potential reason for

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

this result, "High reliability"—considered a potential reason for this result—leads to customer loyalty; it is clearly an expectation for any bank and is therefore not viewed as a unique advantage, or at least not in the same sense. In contrast, "peace of mind" is the key to building personal trust.

TABLE 3. Mean score for Service Quality, Customer Satisfaction, and Customer Loyalty (n=132)

	Mean	Std. Deviation
Customer Satisfaction	3.7955	1.11197
Customer Loyalty	2.9614	.98078
Service Quality	3.8189	1.00960

TABLE 4. Mean score for five Service quality dimensions

	Mean	Std. Deviation
Tangibility	3.8087	1.06015
Reliability	3.8630	1.00297
Responsiveness	3.7936	1.02650
Assurance	3.8460	1.06984
Empathy	3.7835	1.08316

The lowest mean score, 2.9614 (Table 3), is for Customer Loyalty, as shown in Table 3, indicating that customers are dissatisfied with the bank's service quality.

Table 5 shows the mean scores for the customer loyalty items, with high mean scores for the first three questions and lower mean scores for the last two questions (2.17 and 2.05, respectively).

TABLE 5. Mean score for five customer loyalty items

	Mean	Std. Deviation	n
Loayltyq23	3.72	1.139	132
Loayltyq24	3.64	1.197	132
Loayltyq25	3.25	1.244	132
Loayltyq26	2.17	1.334	132
Loayltyq27	2.05	1.313	132

This explains that the customers are unhappy with expense that paid for internal and external transfer services of the bank, referring to question 26 in questioner, as result of that the customers may

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

thinking strongly to deal with any competitor bank that can give less price, as the mean score of question 27 at low value 2.05.

Table 6 presents the model results regarding the relationship between customer satisfaction and the dimensions of service quality. It was found that the variables of "Tangibles," "Responsiveness," and "Assurance" share a statistically significant, positive relationship with customer satisfaction.

Regression analysis results support the acceptance of hypothesis (H4), which posits a significant positive relationship between "Tangibles" and customer satisfaction ($p=0.001$); this indicates that customers' perceptions of tangibles generally met expectations and were viewed favorably. Conversely, the variables of "Reliability" and "Empathy" were found not to have a statistically significant relationship with customer satisfaction. The results regarding "reliability" ($p=0.062$) indicated a statistically non-significant value, leading to the rejection of hypothesis (H5) concerning the relationship between reliability and customer satisfaction; this points to shortcomings in the timely completion of work and a lack of attention to responding to customer inquiries, as well as a failure to properly execute tasks and an absence of appropriate documentation. Results for "Responsiveness" also demonstrated a significant positive relationship with customer satisfaction; regression analysis led to the acceptance of hypothesis (H6), confirming a significant positive link between responsiveness ($p=0.012$) and customer satisfaction—reflecting the bank management's and staff's attentiveness to customer needs and their commitment to addressing them.

Regarding the "Assurance" variable ($p=0.000$), results showed a significant positive relationship with customer satisfaction, leading to the acceptance of hypothesis (H7) for this dimension; it can be concluded that customers feel comfortable and reassured in their interactions with the bank's staff.

Regression analysis leads us to reject hypothesis H8, that postulating a significant and positive relationship of empathy ($p=.891$) with customer satisfaction, and that explains, feeling of customers point view toward the empathy it is less than expected in the handling and respect of bank staff.

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

TABLE 6. Regression Coefficients^a

Model	Model		Unstandardized Coefficients	Standardized Coefficients	t
		B	Std. Error	Beta	
(Constant)	-.066	.120		-.551	.583
Tangibility	.220	.067	.210	3.278	.001
Reliability	-.183	.097	-.165	-1.884	.062
Responsiveness	.343	.134	.316	2.556	.012
Assurance	.644	.125	.620	5.161	.000
Empathy	-.012	.088	-.012	-.138	.891

a. Dependent Variable: Customer Satisfaction

Table 7 presents a summary of the model linking customer satisfaction to the dimensions of service quality: tangibility, reliability, responsiveness, assurance, and empathy. The multiple correlation coefficient (Multiple R) for the model is 0.953, indicating that the model explains 95.3% of the variance in the dependent variable—customer satisfaction.

TABLE 7. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.953a	.908	.905	.34315
a. Predictors: (Constant), empathy, tangibility, responsiveness, Reliability, Assurance				

b. Dependent Variable: Customer Satisfaction

Table 8 presents the results of the Analysis of Variance (ANOVA) for the model linking customer satisfaction to the variables of tangibility, reliability, responsiveness, assurance, and empathy; the p-value of 0.000 indicates that the model is statistically significant.

TABLE 8. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	147.141	5	29.428	249.919	.000b
Residual	14.837	126	.118		
Total	161.977	132			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), empathy, tangibility, responsiveness, Reliability, Assurance

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

Table 9 provides the regression results of the model predicting customer loyalty through the variables of the five service quality dimensions. The results show that a significant and positive association with assurance. These results show a positive association with customer loyalty. Regression analysis leads us to accept hypothesis H12, proposing a positive and significant association of assurance ($P=.002$) with customer loyalty. Which mean that assurance strengthened loyalty among the research sample.

TABLE 9. Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.092	.195		.474	.636
Tangibility	.060	.109	.065	.554	.580
Reliability	-.241	.158	-.246	-1.527	.129
Responsiveness	.172	.217	.180	.789	.431
Assurance	.654	.202	.713	3.231	.002
Empathy	.107	.142	.118	.753	.453

a. Dependent Variable: Customer Loyalty

Regression analysis results show that the four other variables of service quality, tangibility, reliability, responsiveness, and empathy are insignificant with customer loyalty. However, H9 is rejected in relation to the tangibility relationship ($p=.580$); H10 is rejected regarding the relationship of reliability ($p=.129$); also, H11 rejected regarding the relationship of responsiveness ($p=.431$), and in addition, H13 is rejected regarding the relationship of empathy ($p=.453$) with customer loyalty.

Table 10 provides the model summary of the model, which specifies customer loyalty as a function of service quality dimensions, tangibility, reliability, responsiveness, assurance, and empathy. The Multiple R of the model is .831, which indicates that 83.1% of the variation in the dependent variable, i.e., customer loyalty, is accounted for by this model, which is strong.

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

TABLE 10. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.831a	.691	.678	.55623

a. Predictors: (Constant), Empathy, Tangibility, Responsiveness, Reliability, Assurance

b. Dependent Variable: Customer Loyalty

Table 11 provides the ANOVA test of the model, where Customer Loyalty is a function of tangibility, reliability, responsiveness, assurance, and empathy, and shows that the p-value (.000) indicates that the model is significant.

TABLE12. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	87.030	5	17.406	56.260	.000b
Residual	38.983	126	.309		
Total	126.013	132			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), empathy, tangibility, responsiveness, reliability, assurance

Table 12 provides the regression results of the model predicting customer loyalty through customer satisfaction and service quality. The results show a significant and positive association with Customer Satisfaction and service quality.H2 regarding the relationship between service quality (p =.027) and customer loyalty is accepted. This explains, in general, that the research sample's loyalty to the bank is significant with service quality.

TABLE12. Regression Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.029	.190		.151	.880
Customer Satisfaction	.452	.129	.513	3.498	.001
Service Quality	.319	.142	.328	2.238	.027

a. Dependent Variable: Customer Loyalty

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

These results indicate a positive association with customer loyalty. Customer Satisfaction analysis leads us to accept H3, proposing a positive and significant association of Customer Satisfaction ($p=.001$) with customer loyalty. This explains that the research sample was satisfied with the services, which strengthened loyalty to the Bank. Regression analysis results show, the service quality is significant with customer loyalty.

Table 13 provides the model summary of the model, which specifies customer loyalty as a function of customer satisfaction and service quality. The Multiple R of the model is .829, which entails that 82.9 % of the variation in the dependent variable, i.e., customer loyalty, is accounted for by this model, which is strong.

TABLE13. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829a	.687	.682	.55302

a. Predictors: (Constant), Service Quality, Customer Satisfaction

b. Dependent Variable: Customer Loyalty

Table 14 provides the ANOVA test of the model specifying Customer Loyalty as a function of customer satisfaction and service quality and shows that the p-value (.000) and the model is significant.

TABLE14. ANOVA ^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.560	2	43.280	141.515	.000b
	Residual	39.453	129	.306		
	Total	126.013	132			

a. Dependent Variable: Customer Loyalty

Table 15 provides the regression results of the model predicting customer satisfaction through service quality. The results show that a significant and positive association with service quality. These results show a positive association with customer satisfaction. Service quality analysis leads us to accept hypothesis H1, proposing a positive and significant association of service quality ($p=.000$) with customer satisfaction. Which mean the customers are satisfied

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

with the service quality provided by the management and staff of
the bank.

TABLE15. Regression Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.166	.128		-1.293	.198
Service Quality	1.037	.032	.942	31.936	.000

a. Dependent Variable: Customer Satisfaction

Table 16 provides the regression results of the model predicting service quality through five items related to customer loyalty, which include question 26, the main subject of this study. The results show a significant and positive association of questions 23, 25, and 27 with service quality.

Regression analysis results of questions 24 and 26 show an insignificant association with service quality, which suggests that customers are unsatisfied with the expense they paid. But in general, the sample respondents are satisfied with the service quality provided by the bank.

TABLE16. Regression Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.748	.141		5.320	.000
Loayltyq23	.552	.072	.621	7.654	.000
Loayltyq24	.133	.071	.158	1.867	.064
Loayltyq25	.107	.051	.132	2.086	.039
Loayltyq26	-.021	.048	-.028	-.442	.659
Loayltyq27	.105	.044	.136	2.411	.017

a. Dependent Variable: Service Quality

4. Conclusion and Discussion

The study's primary goal was to evaluate the Kuveyt Turk Bank Imes branch's service quality and how it affected client loyalty and satisfaction. Customers are generally satisfied with bank service quality, as indicated by the mean score values for service quality and

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

customer satisfaction being better than 3.79. The five service quality characteristics, with mean score values greater than 4.78, made this evident.

The examination of the customer loyalty elements in the questionnaire reveals why the mean score value for customer loyalty was 2.96, which is low in comparison to other scores. In this context, customer satisfaction with high bank services quality does not prevent bank customers from seeking for another alternative competitor, that provide better services related to the expenses paid of external, and internal transactions.

Additionally, the study attempted to investigate the link between client happiness and the cost of the bank's internal and external transfer services. The insignificant result of question 26 ($P=.659$) indicates that the sample research is not satisfied with the values paid for internal and external transactions. The mean score values for questions 26 and 27 in the questioner were 2.17 and 2.05, respectively, which affect the value of customer loyalty at a low level.

Additionally, this study discovered a strong correlation between customer loyalty and service quality as well as a favorable correlation between customer satisfaction and service quality. Despite this, this study shows distinct relationships between customer happiness, customer loyalty, and service quality parameters.

In order to adapt to the changes in the banking sector, banks must continue to focus on customer service. Future studies could focus on overall banking service quality, compare SERVPERF scores across various bank types, and compare SERVQUAL and SERVPERF ratings within the banking sector.

5. Future Research

In order to adapt to the changes in the banking sector, banks must continue to focus on customer service. New technologies such as smart digital banking applications and artificial intelligence technologies, should be included as new independent variables in future research to evaluate the quality of contemporary banking services.

Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
Services of Kuveyt Turk Bank

<http://www.doi.org/10.62341/istj-vol39-2-hh23>

The customer's new banking needs must also be taken into account in studies and associated surveys. Better consumer targeting with limited marketing resources can be ensured by having a better grasp of the relationship between service quality, client loyalty, and customer happiness.

More studies, and investigations should be considered in the future with different Kuveyt Turk Bank branches in different regions, as well as in different banking activity, such as Islamic, and commercial banks.

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Impact of Service Quality on Customer Satisfaction, Customer
Loyalty, and Expenses Paid for Internal and External Transfer
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