EFFECT OF SERVICE QUALITY ON CUSTOMER LOYALTY IN NIGERIAN BANKING SECTOR: EVIDENCE FROM WEMA BANK WITH CUSTOMER SATISFACTION AS A MEDIATOR

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ABSTRACT

The purpose of this study is to examine the influence of electronic banking service quality on customer loyalty in Nigeria's banking industry, with customer satisfaction as a mediating variable, with specific reference to Wema Bank. This research design was quantitative in nature, and 400 questionnaires were distributed to bank customers through a structured questionnaire from 10th January 2016 to 2nd March 2016. 373 returns were received and were suitable for the analysis. Path analysis structural equation modeling (PA-SEM) was used for the analysis of data. Results obtained in the direct path analysis showed that all the components of electronic banking service quality, namely: reliability, assurance, tangibility, empathy, and responsiveness, were all positively related and contributed significantly to customer loyalty. Reliability had the most direct influence on the variables, followed by assurance and tangibility, although empathy and responsiveness contributed significantly to customer loyalty. The indirect path analysis (mediation analysis) shows that customer satisfaction mediated significantly the relationship between service quality dimensions and customer loyalty. The most indirectly influential component is reliability, which is followed by assurance, tangibility, empathy, and responsiveness in sequence. The study concluded that customer satisfaction will enhance the relationship between service quality and customer loyalty significantly; therefore, the banks should ensure that they strengthen all aspects of service quality.

Keywords: *Reliability, Assurance, Tangibility, Empathy, Customer satisfaction, Customer loyalty*

INTRODUCTION

Banks play a vital role in driving economic growth by mobilizing savings, providing credit facilities, transferring money/payment systems, implementing monetary policies, and generating employment and inclusion of the masses financially. The advent of globalization, technology disruption, and higher customer expectations has challenged service quality delivery in the banking industry for consistent and excellent service provision. According to the World Bank (2026), the sector's contribution to economic growth dropped drastically from 21.83% in 2021 to 6.40% in 2024, a fact that exposed the growing inefficiency of the sector in terms of service provision. Frequent service failure, which includes network failure, failed transactions, poor response to customers' calls for alternative means to manage money rather than using the banks, leading to the rejection of the cashless banking system and search of alternative service providers to banking industry (Achmad et al., 2021; Harazneh et al., 2020).

In response, the banking institutions such as Wema Bank located in the Southwestern part of Nigeria have initiated processes that will help to enhance the service quality, including modernization of service channels, staff training, and customer care support to meet customers' needs. However, poor response and lack of excellent attention towards customer satisfaction with the bank through delays, ineffectiveness, and system downtime will deter customers' satisfaction level and loyalty. A loyal customer tends to use more products offered by the bank, give positive referrals, and stick with the bank irrespective of competitors. Service quality is widely considered to be a predictor of customer loyalty in the banking industry (Supriyanto et al., 2021). It consists of five dimensions, which include reliability, responsiveness, assurance, empathy, and tangibility (SERVQUAL). Reliability is characterized with accurate and consistent services rendered in order to build trust and loyalty in the customers (Adebisi & Akinruwa, 2019). Assurance is the ability to communicate assurance through competency, tact, and knowledge that will instill confidence and an emotional bond in the customers (Adekeye, 2022).

Tangibility relates to the appearance of physical facility, equipment, personnel, and communication materials like well-designed banking halls, modern information technology, and well-dressed bank officials, thereby increasing the level of perception towards excellent service delivery. Empathy is the ability to care and provide individualised attention and carefulness to customers and responsiveness to handling customer enquiries, complaints, and problems, reducing the level of frustration to the customers, and developing loyalty in customers (Agarwal & Dhingra, 2023).

Although most research confirmed a direct relationship between service quality and customer loyalty, there is limited evidence to support this assertion in the Nigerian banking industry in terms of the underlying mechanism of the relationship, that is, the role of customer satisfaction as a mediating factor for the impact of service quality on customer loyalty. Examining this mediation is essential for banks aiming to improve retention, enhance service delivery, and gain a competitive advantage. Therefore, this research sought to examine the impact of service quality on customers' loyalty in Wema Bank in Southwestern Nigeria. Specifically, this study aimed to investigate the effect of service quality on customers' loyalty in Wema Bank, examine the effect of service quality on customer satisfaction in Wema Bank, and determine the mediating role of customer satisfaction in the relationship between service quality and customer loyalty in Wema Bank. The findings of the study will be of immense benefit to bankers and policymakers for effective strategic policy development.

Theoretical Framework

The research is rooted in the Customer Satisfaction-Loyalty Theory and the SERVQUAL model, which together form a significant and widely applicable framework to analyze the impact of service quality on customer loyalty in the banking industry. The customer satisfaction-loyalty theory states that customer satisfaction (formed when service delivery exceeds service expectations) determines customer loyalty in both attitudinal and behavioral ways (Dey et al., 2020; Feyera, 2024). Customers who are satisfied with the bank are likely to be loyal, carry out other related banking transactions with Wema Bank, give positive word of mouth, and do not switch to competitors (Gopi & Samat, 2020; Gyapomaa, 2018).

SERVQUAL was established by Parasuraman et al. (1988) and represents service quality through five dimensions: tangibility (physical facilities, websites, staff appearance), reliability (accuracy, consistency of service provision), responsiveness (bank's readiness to serve customers quickly), assurance (staffs' competence, politeness and confidence), and empathy (provision of individual attention to customers) (Supriyanto et al., 2021; Tee et al., 2018). Within Wema Bank, these five factors are significant since it will shape customers' perception towards the services offered by the bank and thus affect satisfaction, which then drives loyalty.

Combined, the SERVQUAL model identifies service quality dimensions as antecedents of customer satisfaction, which acts as a mediator towards customer loyalty. The quality of service along five dimensions will affect customer satisfaction, as customers would feel satisfied if these dimensions meet their service expectations and create satisfaction through trust, emotion, and perceived value (Willott, 2020; Usman, 2020). Since satisfied customers will likely show loyalty behavior towards the banks, they will be able to create transactions repeatedly, make referrals, and remain in the bank (Ugbomhe & Osagie,

2018; Hakim, 2021). In the study, the dimensions in SERVQUAL are therefore utilized as factors that would determine satisfaction, and customer satisfaction would thus be a mediating factor to the loyalty construct of Wema Bank's customers.

Empirical Review and Hypotheses Development

Quality of service has been identified as the most dominant factor for customer loyalty in the banking, telecommunication, utilities, and hospitality industries. In the banking industry, studies show that quality of service is associated with both a direct and indirect impact on customer loyalty via customer satisfaction. Some authors, such as Supriyanto et al. (2021) and Achmad et al. (2021) suggest that quality of service dimensions have a significant impact on customer loyalty in the Indonesian banks, whereas Harazneh et al. (2020) suggested a positive direct relation. Further support for the influence of service quality on customer loyalty is found in studies from Bangladesh (Arupa & Amima, 2023), Ethiopia (Zebrga & Zaveri, 2020), Vietnam (Dam & Dam, 2021), and Nigeria (Obananya, 2020; Renner et al., 2022). Similar trends are found in the telecom, utilities, and hotel industries. Research from the Nigerian telecom industry (Usman, 2020; Ozoh, 2023) found service quality to be an important factor, with the most influential service quality dimensions being reliability, assurance, and empathy. Within the utilities and hotel industry (Mahmud, 2022; Hakim, 2021; Hariani et al., 2021; Gontur et al., 2022; Yum & Yoo, 2023), the studies revealed that service quality significantly influences satisfaction, which mediates its direct effect on loyalty.

However, a significant gap still exists; only very few of these studies were designed to incorporate all five dimensions of SERVQUAL (tangibility, reliability, responsiveness, assurance, and empathy) in the banking industry of Nigeria, while assessing both their direct and indirect effect on customer loyalty with the mediating effect of satisfaction. Most of the studies carried out used only a few dimensions or a cross-sectional study design. This study seeks to contribute to the existing literature by exploring the direct effect of service quality dimensions on customer loyalty with the mediation effect of customer satisfaction at Wema Bank in Southwestern Nigeria.

The Mediating Effect of Customer Satisfaction

Customer satisfaction is often considered the primary mediator through which service quality impacts customer loyalty. In relation to the SERVQUAL framework, service quality is generally viewed in five dimensions: tangibility, reliability, responsiveness, assurance, and empathy (Parasuraman, Zeithaml, & Berry, 1988). These five dimensions encompass the instrumental and emotional components of service provision that influence the customer's perception of value and experience. The influence of service quality on loyalty may not be direct but through satisfaction. For instance, Alafeshat and Alola (2018) demonstrate that all five SERVQUAL dimensions affect customer satisfaction, and satisfaction mediates between service quality and loyalty in Jordanian banks. Similarly, Supriyanto et al. (2021) found that service quality influences loyalty through customer satisfaction in Indonesian banks. Thus, customers who have high service quality perception develop high satisfaction that leads to loyalty. This is underpinned by expectancy-disconfirmation paradigm which argues that satisfaction emerges when perceptions meet or exceed expectations (Oliver, 1980). When customers experience high service quality across dimensions such as reliability and assurance, it could induce trust, empathy helps in building relationship, responsiveness ensures that problem are promptly resolved, while tangibles reinforce a professional image. All these contribute to increase satisfaction that leads to repeat purchase, advocacy and lasting loyalty (Oman et al., 2020; Obananya, 2020).

Supporting this indirect effect through customer satisfaction, empirical researches across different sectors consistently support the mediator role of customer satisfaction. In the telecommunication sector, Usman (2020) showed that reliability and tangibility had significant effect on customer satisfaction which then leads to loyalty. In the hospitality industry, Hakim (2021) and Gontur et al. (2022) also discovered that customer satisfaction mediates fully between the dimensions of service quality and loyalty. This means that customers that enjoy good service quality lead to higher customer satisfaction and thus, loyalty. This implies that customer satisfaction is the psychological and behavioral bridge between service quality efforts and customer loyalty. Organizations that strive to improve all aspects of service quality are thus more likely to increase customer satisfaction and consequently promote long-term loyalty and advocacy.

Conceptual Framework for the Study

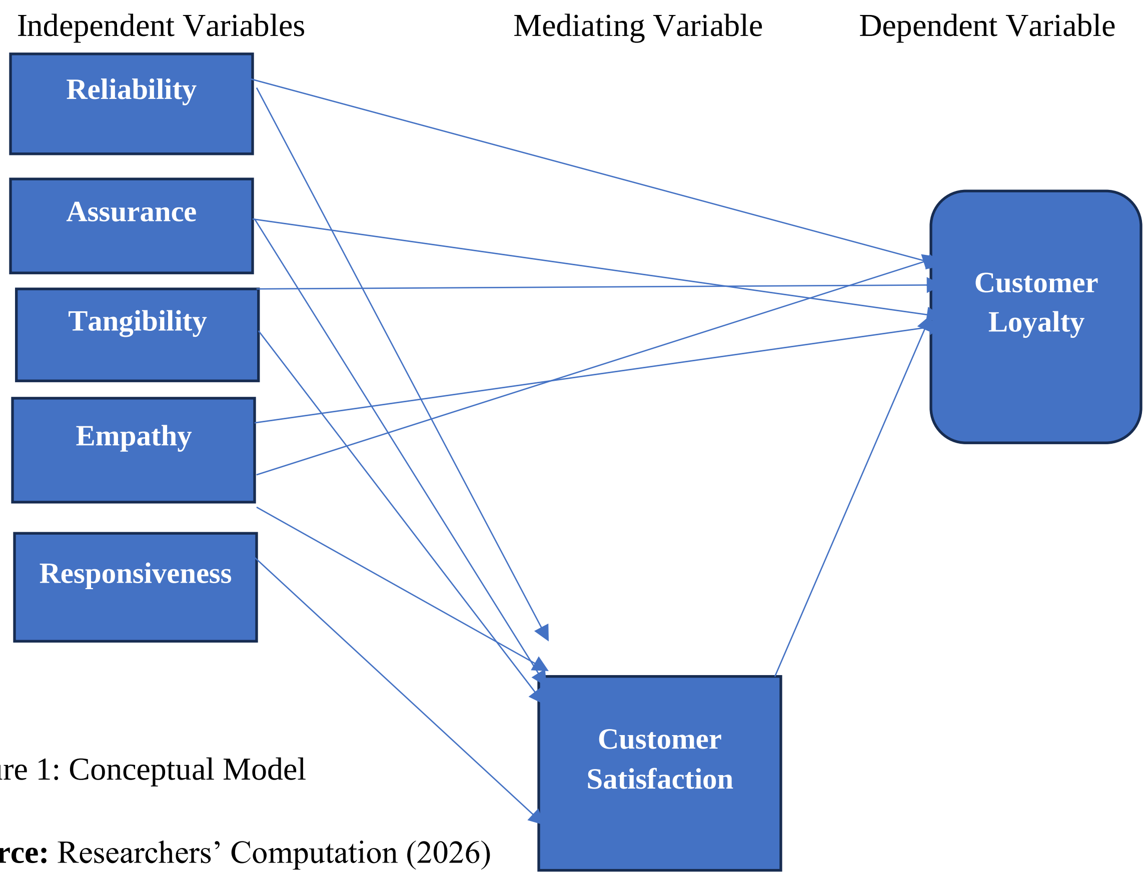

Figure 1: Conceptual Model

Source: Researchers' Computation (2026)

Customer loyalty can be predicted through a conceptual model (Figure 1) with key parameters such as reliability, assurance, tangibility, empathy and responsiveness. A conceptual model is applied to predict customer loyalty in the banking sector by integrating service quality dimensions such as reliability, assurance, tangibility, empathy, and responsiveness. This conceptual framework emphasizes that customer satisfaction plays an important role as a mediator for service quality dimensions and customer loyalty. Service quality is regarded as a strategic factor to influence loyalty, competitive advantage, efficiency and profit. With the customers expecting instantaneous, individualized, and integrated interactions from organizations, customer satisfaction becomes very significant and will influence customer loyalty (directly or indirectly).

Hypotheses of the Research

The proposed hypotheses (as shown in Figure 1) from the literature review are as follows:

H1: Reliability is significantly related to customer loyalty
H2: Assurance is significantly related to customer loyalty
H3: Tangibility is significantly related to customer loyalty

H4: Empathy is significantly related to customer loyalty.
H05: Responsiveness is significantly related to customer loyalty.
H6: Customer satisfaction has the mediating role between dimensions of service quality and customer loyalty.

Methodology

The population of this study consists of all customers in Wema Bank, South-West Nigeria. This consists of users of all products and services, such as accounts, current accounts, loans, digital banking products offered by Wema Bank, etc. Due to the widespread nature and vast population of Wema Bank customers in the Southwest, it is reasonable to consider the population as infinite for this study. The data used in this study were obtained from the population above, in order to get a true reflection of customers' perspectives towards the mediating role of customer satisfaction between service quality and customer loyalty within the bank. The researcher developed and administered 400 questionnaires to the willing customers. The questionnaire was administered online from January 10, 2026, to March 2, 2026. At the end of the data collection period, 373 questionnaires were returned. Thus, the return rate was high (93.25%). This can be attributed to previous meetings of the HR department in each branch, and a brief talk to customers in the bank about the nature and importance of the study before issuing the questionnaire. Also, research assistants had to assist customers in filling out the ambiguity in the questionnaire, and this may have improved the return rate of the questionnaire.

The study consists of seven constructs: (1) reliability (2) assurance (3) tangibility (4) empathy (5) responsiveness (6) customer satisfaction, and (7) customer loyalty. Each construct is measured with more than one item using a 5-point Likert Scale varying from 1 (strongly disagree) to 5 (strongly agree) were constructed and validated by Supriyanto et al. (2021), Achmad et al. (2021), Harazneh et al. (2020), Zebrga and Zaveri (2020), Oman et al. (2020), Obananya (2020), and Dam and Dam (2021), respectively. The study measured seven constructs, reliability, assurance, tangibility, empathy, responsiveness, customer satisfaction, and customer loyalty, using multiple items on a 5-point Likert Scale, with scales validated by various researchers:

Reliability Scale: The reliability of the construct was measured using a five-item scale adapted from Achmad et al.1 The instrument was used to investigate the consistency and reliability of service provision at Wema Bank. Sample item includes: Wema Bank provides services exactly as promised, transactions are processed without error by Wema Bank, service is performed the first time correctly, etc. The reliability of the scale, as reported by Cronbach's alpha, is 0.837, and the composite reliability is 0.841.

Assurance Scale: The assurance construct was measured using a five-item scale adapted from Alafeshat and Alola2 The instrument was used to investigate the level of trust conveyed through the service delivery. Sample item includes: Employees understand specific needs of customers, bank employees' prompt response to customers' problems, bank staff treat customers with courtesy, etc. The reliability of the scale, as reported by Cronbach's alpha, is 0.817, and composite reliability is 0.809.

Tangibility Scale: The tangibility construct was measured using a five-item scale adapted from Mahmud (2022)3 The scale was used to assess the tangibility component of service quality, especially the physical facility and technology within the bank. Sample items include: Tangible facilities are visually attractive, the bank is aesthetically appealing, the bank facilities are clean, etc. The authors reported Cronbach's alpha as 0.811, and the composite reliability is 0.822.

Empathy Scale: The empathy construct was measured using a scale adapted from Ositadimma and Okeke. The instrument was used to examine the provision of personalized and customer-oriented services. Sample items include: the bank is providing the services the customers want and expect, the bank is looking at each customer's problems individually, employees make customers feel special, etc. The authors reported Cronbach's alpha is 0.809 and composite reliability is 0.816.

Responsiveness Scale: The responsiveness construct was measured using a scale developed by Supriyanto et al.5 It investigates the promptness and timely delivery of service. Sample item include: I received quick customer service when complaining to the Wema Bank's staff, I get prompt response to my inquiries, bank's services are available when needed, etc. The author reported Cronbach's alpha as 0.801 and composite reliability is 0.807.

Customer Satisfaction Scale: The customer satisfaction construct was measured using a scale adapted from Tee et al.6 The instrument was used to examine the level of satisfaction derived from the services that customers received. Sample items include: The service I received meets my expectations, my experience with the bank is satisfying, my overall relationship with the bank is very satisfying, etc. The authors reported Cronbach's alpha is 0.818 and composite reliability is 0.825.

Customer Loyalty Scale: The customer loyalty construct was measured using a scale adapted from Kumar et al.7 The instrument was used to examine the level of commitment towards the bank. Sample item include: I am going to remain Wema Bank customer for a long time, Wema Bank is my first choice for financial needs, other customers recommended Wema Bank to me, etc. The authors reported Cronbach's alpha is 0.813 and composite reliability is 0.819.

Reliability and Validity of the Measures: The research used validated measures to gauge service quality, customer satisfaction, and customer loyalty among Wema Bank customers. To check the reliability of the scales used, Cronbach's alpha and composite reliability (CR) are used and their measures are above 0.70 in all cases as seen below; reliability (= 0.837; CR = 0.841), assurance (= 0.817; CR = 0.809), tangibility (= 0.811; CR = 0.822), empathy (= 0.809; CR = 0.816), responsiveness (= 0.801; CR = 0.807), customer satisfaction (= 0.818; CR = 0.825), customer loyalty (= 0.813; CR = 0.819). This implies a good internal consistency. Content validation was ensured by drawing items from previous studies and using expert judgments, whereas construct validity was established through confirmatory factor analysis. Factor loading is above 0.60 for all the items.

Furthermore, the model yielded chi-square probability = 0.0730, Comparative Fit Index (CFI) = 0.96, Tucker-Lewis Index (TLI) = 0.98, Root Mean Square Error of Approximation (RMSEA) = 0.0578, and Standardized Root Mean Square Residual (SRMR) = 0.0569. Green and Yang (2015) suggest an acceptable model fit should yield chi-square probability > 0.05, CFI & TLI >=0.95, and RMSEA & SRMR <= 0.06. Thus, based on these cut-off points, the model shows a good fit and implies that the hypothesized relationships between service quality, customer satisfaction, and customer loyalty is well captured in the data.

Mathematical model

Customer Loyalty = $\beta_1(RBT) + \beta_2(ASR) + \beta_3(TGT) + \beta_4(EMP) + \beta_5(RPS) + \varepsilon$…….. (1)

Customer Satisfaction = $\alpha_1(RBT) + \alpha_2(ASR) + \alpha_3(TGT) + \alpha_4(EMP) + \alpha_5(RPS) +$.. (2)

Customer Loyalty = $\gamma_1(RBT) + \gamma_2(ASR) + \gamma_3(TGT) + \gamma_4(EMP) + \gamma_5(RPS) + \gamma_6(CS) + \varepsilon$ ……(3)

where;
RBT = Reliability
ASR = Assurance
TAG = Tangibility
EMP = Empathy

RPS = Responsiveness
CS = Customer Satisfaction
β_1-β_5 = The estimated coefficients
γ_1, - γ_5 = The direct contribution
γ_6 = The mediating effect of CS.

Equation (1) examines the direct effect of each service quality on customer loyalty.

Equation (2) examines the service quality on customer satisfaction; thus, CS can be considered as the mediator.

Equation (3) examines the service quality and CS on customer loyalty. Therefore, the combined effects (direct effect and mediate effect) of service quality on customer loyalty can be tested; in particular, it will provide an insight into the direct and mediate effects on customer loyalty.

Method of Data Analysis: Data were analyzed with the aid of Path Analysis Structural Equation Modeling using STATA version 15.

Results and Discussion

Table 1: Path Analysis without Mediation (Direct Effect)

Relationship between variables	Estimates	t-value	p-value	Hypothesis	Remark
RBT →CL	.890	17.51	0.000	H1	Supported
ASR→CL	.649	7.99	0.000	H2	Supported
TAG →CL	.545	6.89	0.000	H3	Supported
EMP→CL	.493	5.93	0.000	H4	Supported
RPS→CL	.367	4.87	0.001	H5	Supported

Note: RBL = Reliability, ASR= Assurance, TAG = Tangibility, EMP = Empathy, significance RPS = Responsiveness, p = ≤ 0.05.

The table below shows path analysis results for the direct influence of service quality dimension on Customer Loyalty (CL). Variables tested were Reliability (RBL), Assurance (ASR), Tangibility (TAG), Empathy (EMP) and Responsiveness (REN). Based on the path analysis without mediators results show that all five dimension of service quality i.e. Reliability, Assurance, Tangibility, Empathy and Responsiveness have positive and direct effect on Customer Loyalty. Reliability had a significant highest path value (= 0.890, t = 17.51, p < 0.001) which reveals that consistent and dependable service delivery influences Customer Loyalty the most. The second factor that influences customer loyalty significantly is Assurance (= 0.649, t = 7.99, p < 0.001) and Tangibility (= 0.545, t = 6.89, p < 0.001) as it indicate that staff competence and physical evidence enhance customer retention. While Empathy (= 0.493, t = 5.93, p < 0.001) and Responsiveness (= 0.367, t = 4.87, p = 0.001) influence Customer Loyalty less but in positive direction which reveals the importance of personal attention and timely service. The result are also supported by the previous researches stating that dimensions of service quality i.e. Reliability, Assurance, Tangibility, Empathy and Responsiveness have strong relationship with customer loyalty in all industry sector (Supriyanto et al., 2021; Achmad et al., 2021; Harazneh et al., 2020; Arupa & Amima, 2023; Zebrga & Zaveri, 2020). In general, Wema Bank should adopt a holistic approach toward service quality development, by ensuring reliability and assurance as the utmost importance and by increasing the tangibility, empathy and responsiveness aspect for greater customer loyalty.

This study has recommended that Wema Bank can increase customer loyalty by focusing on some dimensions. First, the bank should ensure that the service is reliable and consistent as this has highest implication in customer loyalty. Secondly, the bank should consider on the training of personnel and development of staffs since customers have considered it to have high positive relationship in influencing customers, it indicates that customers believe staff's service provision ability is very good, so, staff's professionalism, competence and courtesy will generate confidence and trust. Thirdly, it implies that physical appearance such as, physical facility and equipment also plays a role in affecting the customers, thus maintenance, cleanliness of facility, equipment appearance and bank lobby condition need to be improve. Furthermore, by giving customer attention to needs of customers individually, understand customers' needs and response quickly to inquiries and complaints, Wema bank will improve customers' satisfaction. Improvement on all of these dimensions (Reliability, Assurance, Tangibility, Empathy, and Responsiveness) altogether will keep the customers, encourage word of mouth and enhance competitiveness among rivalries.

Table 2 Path Analysis Structural Equation Modelling (PA-SEM) with Mediation (Indirect Effect of Customer Satisfaction)

Relationship between variables	Estimates	t-value	p-value	Hypothesis	Remark
RBT →CS→CL	.908	18.72	0.000	H6	Supported
ASR→CS→CL	.713	8.09	0.000		
TAG →CS→CL	.678	7.27	0.000		
EMP→CS→CL	.506	5.99	0.000		
RPS→CS→CL	.409	5.01	0.000		

Note: RBL = Reliability, ASR = Assurance, TAG = Tangibility, EMP = Empathy, significance RPS = Responsiveness, CS = Customer Satisfaction.

From the path analysis results, customer satisfaction has a significant mediation effect on the relationship between electronic banking service quality and customer loyalty. All five dimensions of service quality (reliability, assurance, tangibility, empathy, and responsiveness) also exert positive and significant indirect effects on loyalty through satisfaction (p=0.000). The highest indirect effect comes from reliability (estimate = 0.908; t = 18.72), suggesting that customers who consider reliability in electronic banking services will have a higher customer satisfaction that further translates into loyalty. Assurance follows with an estimate of 0.713 (t = 8.09), suggesting that the staff's capability and credibility is essential. Tangibility is also important, with an estimate of 0.678 (t = 7.27), showing that an appealing electronic service platform can influence loyalty through satisfaction. Empathy exerts a moderate indirect effect on loyalty through satisfaction (estimate = 0.506; t = 5.99). Finally, responsiveness gives the lowest indirect effect but is still significant (estimate = 0.409; t = 5.01).

The results from this study is in support of the findings of Dam and Dam (2021), Obananya (2020) and Okoroafor (2018), and confirmed that service quality dimensions have impacts on customer loyalty through customer satisfaction. It means that Wema Bank's improvement efforts on its electronic banking service quality dimensions should be focused on Reliability and Assurance dimensions which would increase customer satisfaction and loyalty and improved levels of service quality dimensions on Tangibility, Empathy and Responsiveness would further increase satisfaction and loyalty, and customer satisfaction mediates customer loyalty.

Summary

The result of the direct path analysis confirmed that all dimensions of electronic banking service quality positively and significantly influence customer loyalty. Reliability has the strongest effect on loyalty (= 0.890, t = 17.51, p < 0.001), followed by assurance (= 0.649, t = 7.99, p < 0.001) and tangibility (= 0.545, t = 6.89, p < 0.001).Empathy (= 0.493, t = 5.93, p < 0.001) and responsiveness (= 0.367, t = 4.87, p = 0.001) also significantly positively influences on customer loyalty. Moreover, mediation analysis showed that customer satisfaction partially mediates the relationship between electronic banking service quality and customer loyalty. Reliability has the largest indirect effect (estimate = 0.908, t = 18.72), followed by assurance (0.713, t = 8.09), tangibility (0.678, t = 7.27), empathy (0.506, t = 5.99), and responsiveness (0.409, t = 5.01). In summary, customer satisfaction strengthens the influence of service quality on loyalty; thus, customer satisfaction plays a key role in the electronic banking service quality and loyalty relationship.

Recommendations

Based on these findings, Wema Bank could consider doing the following things to achieve greater customer loyalty:

1.Emphasize on reliability: Consistent and dependable service should be prioritized.
2.Improve assurance: Customers should feel assured and trustworthy toward staff.
3. Enhance tangibility: A user-friendly digital platform and easy-to-navigate site should be provided to facilitate transactions and improve service experience.
4. Promote empathy and responsiveness: Individual customer service should be designed. Quick response to inquiries or complaints should be guaranteed.

By applying these tactics, Wema Bank can attract and retain a larger customer base and eventually have repeat customers and increase recommendations. Sustainable competitive advantage can also be achieved in the digital banking sector.

Conclusion

The results proved that reliability, assurance, tangibility, empathy, and responsiveness, as all dimensions of electronic banking service quality, directly influence customer loyalty. Furthermore, customer satisfaction serves as a mediator that indirectly strengthens the relationship between electronic banking service quality and customer loyalty. In order to obtain higher and more stable customer loyalty, Wema Bank and similar financial institutions have to deliver high-quality e-banking service and make sure that their customers are satisfied with the service rendered.

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