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Factors that influence customer defection: Analysis of the banking sector

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Abstract

The service sector, especially the ongoing ones, greatly depends on customer retention. Thus, in order to increase their profits, companies need to be as good at attracting new customers as they are to retain the customers they have already won. Researchers point out that, by avoiding even small defection from customers to competitors, companies can avoid declines in profitability and even increase it. In this scenario, the objective of this study is to analyze the main elements driving bank clients' dissatisfaction, as well as to evaluate the influence of dissatisfaction on bank customers' defection. The relevance of this study lies in the fact that it focuses on the study of bank customers defection and its consequence for the company's profits. For this purpose, we used a sample of 257 individuals who had some type of dissatisfaction, in the last 18 months, with banking institutions where they maintain or maintained their main account, in the city of Belo Horizonte, Brazil. The sample was of non-probabilistic type and was chosen by convenience. Data collection was done through the application of a structured questionnaire, using the Survey method, and Likert scale, ranging from 1 to 7. By the results, price and service recovery have no influence on either dissatisfaction or defection. The results pointed to service failures and inconvenience as the main elements that cause customer dissatisfaction, with a direct influence, along with competitors' attractiveness, on the customer defection in the banking sector. As academic contribution, we may cite the identification and measurement of the main drivers of dissatisfaction and defection in the banking sector. This is an unusual nomologic network, less studied in academic terms.

Keywords: Bank Customer; Service Failure; Dissatisfaction; Likelihood Defection; Defection Intention.

Introduction

The focus of most marketing activities until the 1990s was to obtain new customers, although there were also mentions about retention, as retaining existing customers was already important. The reason for this thinking is based on the knowledge that long-term customers compare offers and choose the ones that seem best fit their needs (Hundre, Kumar, & Kumar, 2013). Nowadays, within the internet expansion, consumers are more and better informed. They are not willing to accept the first offer, so the maintenance of customers is imperative to all economic sectors.

Customer defection is an enlightening measure in business. First, it is the sign that customers are detecting deterioration in the company's value stream. Second, exit can be a sign of a declining flow of money from customers to the company, even if it replaces lost customers (Reichheld & Sasser Jr., 1989). What is certain is that in the long-term loyal customers buy more, consume less time of the company, because they already know the products and services, are less sensitive to the price and bring new customers with their referrals (Reichheld, 1996). Therefore, understanding and mapping the causes of customer exit emerges as a way for businesses to identify failures, as well as practices that need improvement.

Regarding the banking sector, several characteristics oblige financial institutions to adopt a posture of approximation with the customers, as a strategy to maintain profits (Zacharias, Figueiredo, & Almeida, 2008). Financial commodities, because they are virtually identical in the way they are offered by banks, cause customers to be predisposed to change their banking preferences (Campello & Costa Neto, 2003) and in fact, the banking sector is prone to behavior change due to competition and the homogeneity of products and services (Chakravarty, Feinberg, & Rhee, 2004). Given this, it is interesting to identify and seek ways to promote differentiation and decrease defection, even more as losing customers constitutes a problem in corporate income (Sathish, Kumar, Naveen, & Jeevanantham, 2011).

Additionally, satisfaction only does not guarantee the permanence, much less consumer loyalty (Reichheld, Markey Jr., & Hopton, 2000; Caruana, 2004; Ball, Coelho, & Vilares, 2006). The banking sector is an example of activity in which satisfaction and repurchase are not strongly related. Customer satisfaction, while desirable, is not required to ensure loyalty, translated in the form of repeat purchases – for example, loans and financing –, or business continuity – for example, investments and applications (Zacharias, Figueiredo, & Almeida, 2008). Such evidence may be even stronger when it comes to banking products and services that are so similar and with little variation from one bank to another. Sometimes, even satisfied, customers switch banks driven by competitors' marketing efforts, friends' persuasion, among other advantages perceived as more beneficial. The opposite is also true, the dissatisfied customer will not necessarily switch banks (Hirschman, 1970; Oliver, 2010; Piha & Avlonitis, 2015).

The identification of the determinants of defection and its implications for business is important in order to know the reasons that lead bank customers to break the relationship, totally or partially, with their main bank, justifying the importance of this study, since the evasion of influence profitability and profits (Reichheld, 1996; Reichheld, Markey Jr., & Hopton, 2000; Chan, et al., 2001). In addition, banks and the banking

sector are of interest to academic research (Henning & Rosin, 2014; Kappel, Arruda, & Pimenta, 2014; Xavier Jr., Sales, Kato, & Maffezzolli, 2014).

Since the 1990s, with the implementation of the Real Plan, the Brazilian banking sector has undergone adjustments. As a reflection of these changes, we observed foreign banks starting operations in Brazil and a series of mergers or even acquisitions of small and public banks by large private institutions, which consequently increased banking concentration (Brei & Rossi, 2005; Camargo, 2009). In this environment, competition has been increasing, so turns out relevant to investigate the factors causing dissatisfaction and even defection, such as: service failure and recovery, service price, infra-structure convenience, competitors' attractiveness, among others. Therefore, the present study seeks to answer the following question: what are the factors that influence customers defection in the Brazilian banking sector?

The objective of the research is to identify the factors that cause defection from dissatisfaction with banking products and services. The article has six sections with this introduction. The second section contextualizes the issue of dissatisfaction in the banking sector. The third section addresses defection and its determinants. The fourth section describes methodological procedures. The fifth section analyzes the results. Finally, the sixth section presents the final considerations and the suggestion of future studies.

Dissatisfaction in Banking Sector

The dissatisfaction leads to low loyalty as well as defection of customers in all sectors and in particular, retail banks (Holmlund & Kock, 1996; Reichheld, Teal, & Smith, 1996; Feinberg, 2001). Intuitively, we may think that the behavior of the dissatisfied customers is to immediately switch bank, so dissatisfaction alone represents an immediate risk of disruption in the provision of banking services. However, the dissatisfied customer will not necessarily switch bank. This can happen for a variety of reasons, such as self-indulgence, inertia, switching costs, believe in improvements, tempting proposals, and so on (Jones, Reynolds, Mothersbaugh, & Beatty, 2007; Zacharias, Figueiredo, & Almeida, 2008).

The relationship between satisfaction and loyalty in the banking sector is even more complex (Caruana, 2004; Ball, Coelho, & Vilares, 2006), as the customers often maintains his relationship with the bank, even though he is dissatisfied. However, reducing customer satisfaction reduces the provider's evaluation, which in turn influences the relative evaluation in favor of alternatives, making defection more likely (Oliver, 2010). Thus, minimizing customer dissatisfaction and lack of commitment should be the focus of banks, due to their effect on customers defection (Piha & Avlonitis, 2015).

Faced with this and although, dissatisfaction influences the decision of the customers to switch one bank for another, it, alone, is not an exclusive determinant for a customer in the banking sector to migrate to the competitor. There are other determinants that will contribute to this decision. Even so, we suggest that the greater the dissatisfaction with the bank, the greater the likelihood of customers defection (H1).

Defection and its Determinants

Defection, exit, switching, exodus, abandonment, or outflow of customers happens when they migrate their business to another supplier. This migration can be total or partial. Total is when all relationships are terminated with a particular supplier at the expense of others. Partial is when customers begin to have some relationships with other suppliers, reducing the volume of partial is when customers begin to have some relationships with other suppliers, reducing the volume of transactions with the previous supplier (Stewart, 1994; Reichheld, 1996; Bejou & Palmer, 1998; Hocutt, 1998).

In the banking sector, defection means the end of the relationship, which may occur in full, with account and investments closure, implying the contract discontinuity, or partially, with less use of services, when customers may maintain a minimum balance and perform none or few transactions (Stewart, 1998; Athanassopoulos, 2000). In the bank context, several studies relate customer defection to service failure (Trubik & Malcolm, 2000; Garland, 2002; Brei & Rossi, 2005).

Competitiveness combined with the homogenization and lack of differentiation of products and services, makes the banking sector susceptible to switching behavior (Chakravarty, Feinberg, & Rhee, 2004). The understanding is that defection is a decision that can be determined by price, service failures, inconvenience and failures in service recovery, so that the switching behavior is linked to dissatisfaction, which includes the end of the relationship with a particular bank, for whatever reason, and the beginning of a relationship with another service provider due to the attraction of competing banks (Keaveney, 1995; Stewart, 1998; Colgate & Hedge, 2001; Gerrard & Cunningham, 2004; Clemes, Gan, & Zhang, 2010; Vyas & Raitani, 2014).

The conceptual model of Figure 1 is described by two distinct and sequential stages. First, regarding the influence of price determinants, service failures, inconvenience and failures in service recovery on dissatisfaction (black arrows). Second, in relation to the influence of dissatisfaction and competitors' attractiveness on defection, joined with the direct influence of dissatisfaction antecedents (gray arrow). The latter because antecedents can generate dissatisfaction without leading to defection, or, on the other hand, can lead to defection even though dissatisfaction has not occurred.

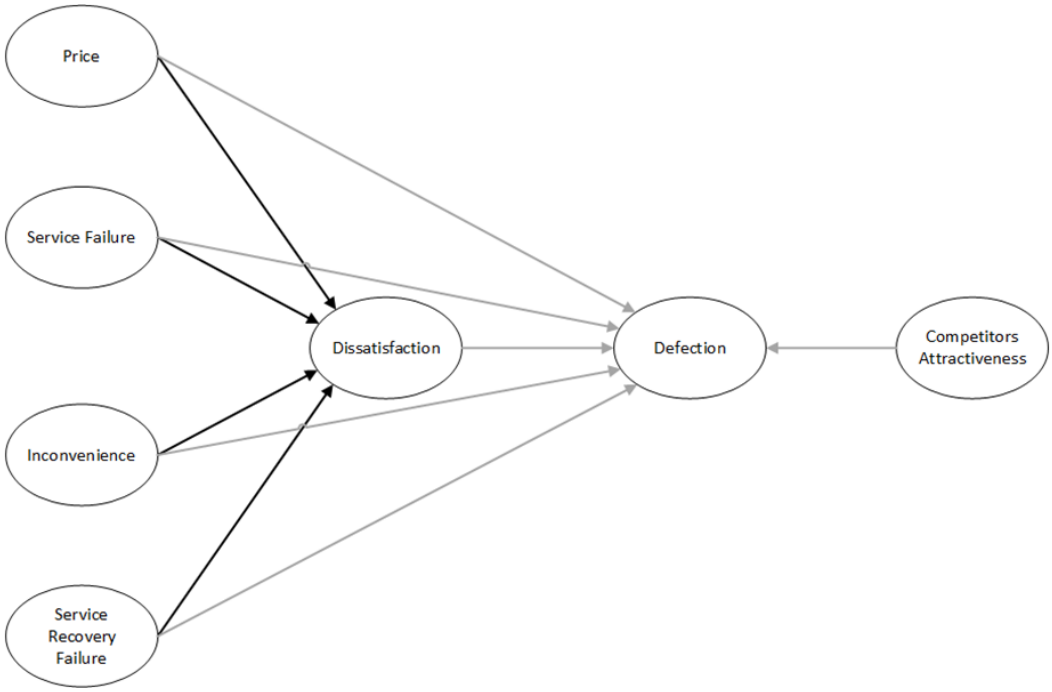

Figure 1. Conceptual Model
Source: The authors

In the consumer's view, price is what is given to get a product or service. The price-related problems refer to high prices, price increases, unfair and misleading prices, associated with interest rates and related tariffs (Colgate & Hedge, 2001). In this context, Colgate, Stewart and Kinsella (1996), Athanassopoulos (2000), Campbell (2000), Colgate and Hedge (2001), Gerrard and Cunningham (2004) and, Clemes *et al*. (2010) identified price-related factors as those that could explain the switch from one bank to another, being the main cause of change of suppliers among individual customers. In fact, the banking sector is not charging for their services only, but also on the burden of loans and interest on financial transactions, which leads banks to compete with each other (Gerrard & Cunningham, 2004; Brei & Rossi, 2005). Price has a broader meaning and thus, is a determinant that includes duties, charges, fees, surcharges, service charges, penalties, promotions, coupons among other elements that are associated with the execution of banking services (Mandal, 2017). *Thus, the greater the price problems, the greater the customer dissatisfaction* (H2a)*, such as, the greater the likelihood of customers defection* (H2b).

Service quality is relevant and leads customers to leave or remain with the financial institution (Colgate, Stewart, & Kinsella, 1996), since the breakdown in meeting the expectations caused by service failures affects the customers' dissatisfaction, that is, there is a performance inferior to the one advertised, so that the experience lived does not correspond to the expectations (Gelbrich, 2010). The determinant of service failures corresponds to staff failures and product failures. Regarding team behavior, they are: inefficiency; inadequate attitude; lack of knowledge of products; inflexibility; rudeness; and improper investment orientation to the customers profile,

among others. Concerning product: outdated technologies; inexpressive range of funds for investments; and internet banking with few resources, among others (Gerrard & Cunningham, 2004; Piha & Avlonitis, 2015). *Thus, the greater the severity of service failure, the greater the customer dissatisfaction* (H3a)*, such as, the greater the likelihood of customers defection* (H3b)*.*

The inconvenience may be geographical or temporal. When geographic refers to the physical location of the branches, the distribution of its agencies or service points, as well as the eventual closure of a branch. The disorder related to time is related to long queues and operation hours (Colgate & Hedge, 2001; Gerrard & Cunningham, 2004). The fact is that bank customers are not yet ready to give up a physical structure, although digital practice has expanded in recent years. As banking services migrate to internet banking, more customers are looking for a banking experience that perfectly combines the physical and the virtual (Accenture, 2017). *Thus, the greater the problems related to the inconvenience, the greater the customer dissatisfaction* (H4a), *such as, the greater the likelihood of customers defection* (H4b).

Service recovery includes all activities and efforts made to correct and restore the customer experience after the occurrence of service failures (Boshoff & Allen, 2000). Failures in service recovery are related to problems arising in the resolution of complaints, which are considered bad. So, they can be understood as any dissatisfaction a customer perceives when the service provider is unable to meet the expectations with the recovery (Lewis & Spyrakopoulos, 2001). When failure recovery occurs properly it is possible to turn dissatisfied customers into satisfied and even in loyalty customers (Matos, Henrique, & Rosa, 2013), however, defection intentions are also associated with non-resolution of problems (Ahmad, 2002; Michel, 2004). *Thus, the greater the service recovery failure, the greater the customer dissatisfaction* (H5a)*, such as, the greater the likelihood of customers defection* (H5b)*.*

Customers move to another service provider if they think this is better than the previous one (Keaveney, 1995), and more specifically, when dissatisfied, by being seduced by promises of incentives and or rewards from competitors (Gerrard & Cunningham, 2004). With this, competitors use advertising campaigns to attract new customers, associating the change with the potential benefits that will be acquired (Maícas, Polo, & Sesé, 2009). Finally, intense competition creates alternatives for consumers to choose, and as a result, bank customers become more demanding, more difficult to satisfy, and less loyal (Chuah, Rauschnabel, Marimuthu, Thurasamy, & Nguyen, 2017). *Thus, the greater the attractiveness of the bank's competitors, such as, the greater the likelihood of customers defection* (H6).

Research Design

The study, with quantitative approach and descriptive nature, adopted the survey method. Data collection was performed through the internet, using a seven-point interval scale questionnaire. The construct dissatisfaction (DISS) was measured with the questions proposed by Zacharias, Figueiredo and Almeida (2008). The constructs price (PRIC), service failure (SEFA), inconvenience (INCO), service recovery failure (SERF) e competitors' attractiveness (COAT) were measured with the questions proposed by Vyas and Raitani (2014). Defection (DEFE) was measuring by a binary

indicator (q31), which 0 representing 'staya' e 1 representing 'defection', Figure A1, Appendix, shows the statements used in the research.

The non-probabilistic and convenience sample is formed by 257 respondents. Those, in the past 18 months, have experienced one or more elements that have generated dissatisfaction with banking institutions in which they maintain or have held their account. In this case, it is considered that the event of dissatisfaction caused defection or even, although it has experienced events not so pleasant, the option was to remain customers. No outliers were identified in the sample. This has statistic power, according software G*Power: *f-test* fixed model of multiple linear regression to increase R^2 with 4 effects and 7 constructs; $\alpha = .05$; $f^2 = .15$, average effect; $1 - \beta = 100\%$ (Cohen, 1992; Faul, Erdfelder, Buchner, & Lang, 2009).

Data analysis was performed using Structural Equation Modeling (PLS-SEM), with SmartPLS® 3 software, as the objective was to maximize the explained variance in the dependent variables, and also due to the existence of multiple relationships between variables, non-normal data and prediction contrast after the research problem (Hair Jr., Ringle, & Sarstedt, 2011). Structural Equation Modeling allows to simultaneously analyze the cause and effect relationships between the latent variables. It contains two models, the measurement model, which describes the relationships between the constructs and their indicators; and the structural model, which describes the relationships between the constructs (Hair Jr, Hult, Ringle, & Sarstedt, 2017). In order to obtain the level of indicators importance-performance related to the DEFE construct, the algorithm Importance-Performance Map Analysis (IPMA) was also performed in SmartPLS 3 (Hair Jr, Hult, Ringle, & Sarstedt, 2017; Streukens, Werelds, & Willems, 2017).

Findings

The sample is as follow: 52% were males and 48% were females. Related to the period as customers of the banks, they indicate, 19% under 2 years, 25% from 2 to 5 years, 23% from 5 to 8 years, 10% from 8 to 10 years and 23% with more than 10 years. Regarding the defection decision, 57% chose to remain customers and 43% decided to change. The negative experience occurred in 0.39% in Safra Bank, 1.17% in Sicoob Bank, 2.33% in Mercantil do Brasil Bank, 3.50% in Banrisul Bank, 12.84% in Caixa Bank, 13.23% in Itaú Bank, 15.56% in Brasil Bank, 16.73% in Bradesco Bank and 34.24% in Santander Bank.

In the structural equations modeling, the model is described from two dimensions: the external model (measurement model), relating the observed variables with the corresponding constructs; and the internal model (structural model), on which it is possible to infer theoretical analyzes and to evaluate hypotheses about the research phenomenon (Oliveira, Marinho, & Dias, 2016). Figure 2 shows the measurement model results.

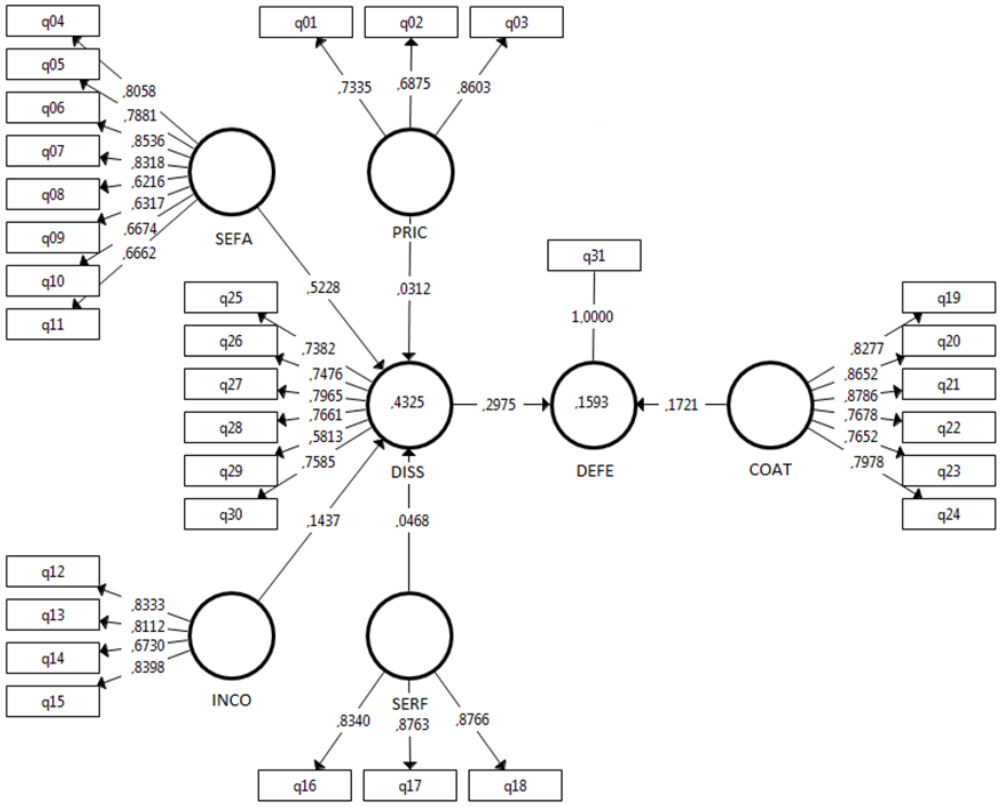

Figure 2. Measurement Model Results.
Source: research data

The PLS-SEM analysis takes place in two phases, first to evaluate the measurement model and second, the structural model. In the first phase, the questionnaire was validated by examining reliability (Cronbach's alpha and composite reliability), convergent validity (indicators' reliability and Average Variance Extracted) and discriminant validity (Fornell-Larcker and Cross Loadings criteria) of indicators and constructs. All results were adequate and satisfactory. In the second phase, the structural model was analyzed to understand the effects and their respective relevance (Henseler, Hubona, & Ray, 2016). The evaluation of the structural path that considers the direct effect and size of the effect, as well as the total effect of the relationships proposed in the model are presented in Table 1.

Table 1. Evaluation of the structural path

Hypotheses	Constructs	Path	p	Significance Level	f^2	Effect Size
H1	DISS → DEFE	.2975	.0000	***	.0883	small
H2a	PRIC → DISS	.0312	.5216	NS	.0016	none
H2b	PRIC → DEFE	.0093	.5239	NS	-	-
H3a	SEFA → DISS	.5228	.0000	***	.1635	medium
H3b	SEFA → DEFE	.1555	.0002	***	-	-
H4a	INCO → DISS	.1437	.0161	**	.0253	small
H4b	INCO → DEFE	.0428	.0334	**	-	-
H5a	SERF → DISS	.0468	.5734	NS	.0015	none
H5b	SFRR → DEFE	.0139	.5832	NS	-	-
H6	COAT → DEFE	.1721	.0048	***	.0295	small

NS = not significant. *** p < .01. ** p < .05. * p < .10.
Source: research data.

The construct dissatisfaction obtained a value of R^2 = .4325 (moderate) and the construct defection obtained a value of R^2 = .1593 (weak). This indicates that the severity of service failures and the inconvenience problems explain the variation corresponding to approximately 43% of the dissatisfaction with the bank, in this case the corresponding likelihood of customer defection approximately 16%. Figure 3 shows the synthesis of the results.

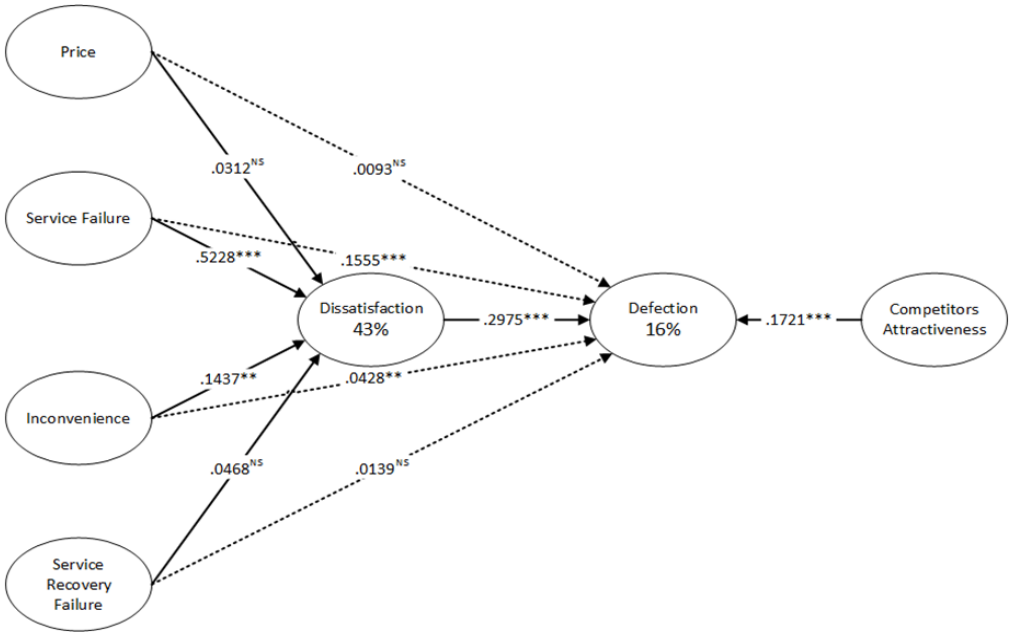

Figure 3. Results Synthesis.
NS = not significant. *** p < .01. ** p < .05. * p < .10.
The solid line refers to the direct effect. The dotted line refers to the total efect.
Source: research data

One cannot make inferences about the effects and variation of bank dissatisfaction and the likelihood of customer defection regrading price and service recovery failures, since the relationships (direct effect and total effect) do not were statistically significant, therefore, this implies rejecting the hypotheses H2a, H2b, H5a and H5b. With regard to price, the result contradicts the findings of Colgate, Stewart and Kinsella (1996), Athanassopoulos (2000), Campbell (2000), Colgate and Hedge (2001), Gerrard and Cunningham (2004) and, Clemes *et al.* (2010). Perhaps the explanation for such an outcome is based on the similarity observed in the banking sector (Zacharias, Figueiredo, & Almeida, 2008), imagining that tariffs and fees are also similar, which makes bank customers indifferent about this. In the same way, Ahmad (2002) and Michel (2004) postulate that failure to recover from failures can lead to defection, which has also not been proven. For Hirschman (1970), after an episode of failure there will not necessarily be a defection of the customers, perhaps other factors weigh more in this decision, among them the switching costs, inertia or indifference.

As the relationships were positive and statistically significant, the hypotheses H1, H3a, H3b, H4a, H4b and H6 were confirmed. Thus, the greater the dissatisfaction with the bank, the greater the likelihood of customers defection (H1, DISS → DEFE = .2975, $p < .01$), so that the greater the severity of service failure (H3a, SEFA → DISS = .5228, $p < .01$) and the problems related to the inconvenience (H4a, INCO → DISS = .1437, $p < .05$), the greater the customer dissatisfaction. Similarly, the greater the severity of service failure (H3b, SEFA → DEFE = .1555, $p < .01$) and the problems related to the inconvenience (H4b, INCO → DEFE = .0428, $p < .05$), the greater the likelihood of customer defection. In addition, the greater the attractiveness of the bank's competitors, the greater the likelihood of customer defection (H6, COAT → DEFE = .1721, $p < .01$). Service failures, inconvenience and competitors' attractiveness are among the factors listed by Keaveney (1995) as determinants for customer defection and are also sources of dissatisfaction. This confirms the propositions of Colgate, Stewart and Kinsella (1996), Gerrard and Cunningham (2004), Gelbrich (2010) and, Piha and Avlonitis (2015), concerning the importance of quality of services for customer retention; of Colgate and Hedge (2001) and, Gerrard and Cunningham (2004), about geographical and temporal inconvenience; and, Gerrard and Cunningham (2004), Maícas, Polo and Sesé (2009), concerning the competitors' attractiveness.

The important factors for the customers' decision to defection can be observed by the magnitude of the total effect. The higher the average value of the coefficient, the greater the contribution of the indicator to the likelihood of customer defection. Table 2 shows the indicators' coefficients ($p < .01$) that indicate the level of importance and the level of performance according to the customers defection intentions and the likelihood of customer defection.

The importance-performance map of the structural model contrasts the total effects (importance) with the coefficient average value (performance). The objective is to identify indicators and constructs that have a high level of importance for the construct under analysis, that is, those predecessors with standing out total effect; but also, with a low level of performance, i.e., an area that may become the focus of managerial attention (Martilla & James, 1977). For example, in Table 2, the indicator q02 is equal to 80.8690, that is, has the highest value of the coefficient average value (e.g., likelihood). This means that *The bank charges high fees* (see Appendix) is the factor

that most contributes to the likelihood of customer defection, even though, the indicator q27 has the highest value of total effect (e.g., expressiveness), that is, equal to .0786, which means that *Teller services* (see Appendix) is the most important factor for customer defection.

Table 2. IPMA coefficients of the indicators for the defection.

Indicator	Total Effect	Coefficient Average Value	Indicator	Total Effect	Coefficient Average Value
q01	.0032	79.8962	q16	.0049	57.0039
q02	.0021	80.8690	q17	.0052	60.4410
q03	.0064	73.9300	q18	.0060	50.9728
q04	.0315	45.7198	q19	.0278	46.4332
q05	.0276	52.9183	q20	.0400	48.8975
q06	.0303	48.7030	q21	.0385	46.0441
q07	.0319	49.1569	q22	.0334	46.5629
q08	.0201	56.6148	q23	.0350	46.1089
q09	.0181	63.2296	q24	.0355	52.4643
q10	.0274	51.7510	q25	.0766	60.5058
q11	.0206	59.4034	q26	.0737	56.9390
q12	.0152	47.2114	q27	.0786	57.1336
q13	.0142	44.1634	q28	.0652	52.5292
q14	.0098	50.0649	q29	.0480	62.5162
q15	.0142	44.7471	q30	.0599	56.0960

Source: Research data.

Additionally, the other indicators (see Appendix) can also be understood about this light. The higher the coefficient average value, the greater the likelihood of customer defection, such as, the higher the total effect, the greater the importance for defection intentions. Figure 4 shows the indicators according to the customers defection intention.

It is possible, with the visual analysis, to group the indicators in the perspectives that stand out. Regarding the importance for the defection decision, highlight the indicators of the dissatisfaction in the banking sector itself. First, the indicators q27 (tellers service), q25 (managers service) and q26 (services and products offered). Second, indicators q28 (ATMs) and q30 (internet banking). Third, the indicator q29 (telephone service), that is far away and acts as a separator of the other indicators, which apparently have a very similar effect on the bank customers.

In general, the other indicators can be grouped into three large blocks. The first block on the inconvenience (q12, q13, q14 and q15) and the failures in service recovery (q16, q17 and q18). The second block on products and services, specifically, customers' needs, unknown changes and non-contracting (q08, q09 and q11). The third block on service failures, precisely, with regard to the portfolio considered incomplete by customers (q10) and by employees (q04, q05, q06 and q07), as well as the attractiveness of competitors (q19, q20, q21, q22, q23, q24 and q25).

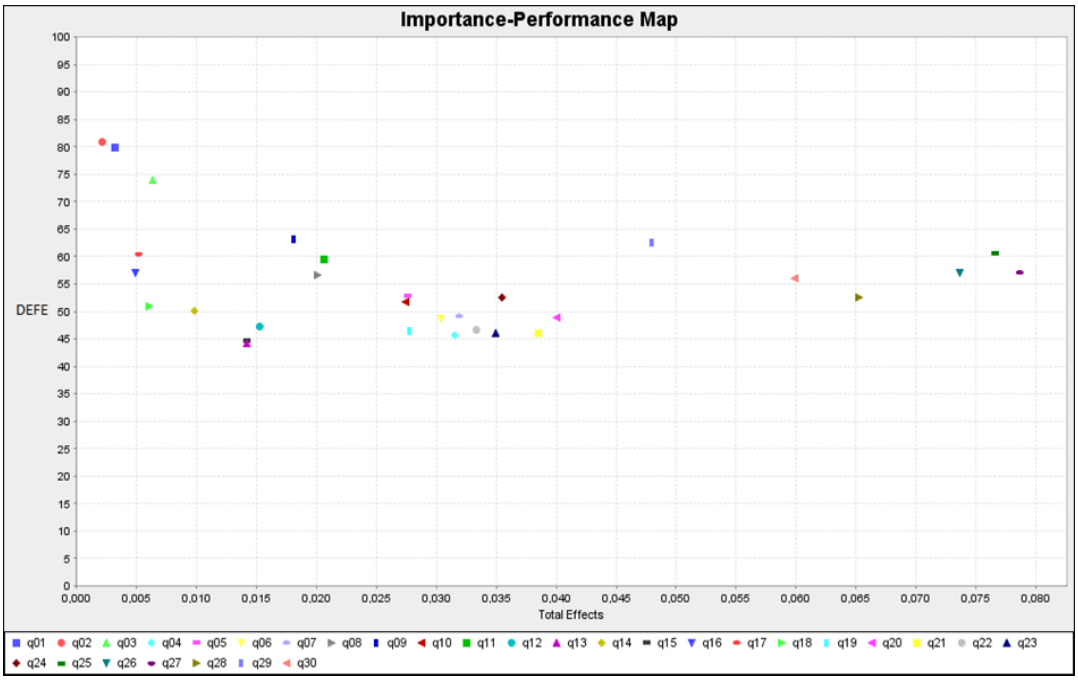

Figure 4. IPMA of the indicators for the defection intention.
Source: research data.

Regarding the likelihood of customer defection, the main indicators to be considered are those related to price. Even if this construct does not allow more accurate inferences (price in the dissatisfaction is not statistically significant), however, the price indicators are statistically significant. Hence, q02 (high tariffs), q01 (high interest rate for loans) and q03 (low interest rates on savings and other investments) are those that has the highest coefficient average value, although too they have fairly small coefficients in the total effect for the defection intentions.

As for the constructs, the importance-performance map in order of decreasing magnitude of the total effect is first observed for dissatisfaction (.2975, 57.4480), second, for the attractiveness of competitors (.1721, 47.7842), third, for service failures (.1555, 52.2782), fourth, for the inconvenience (.0428, 46.2823), fifth, for failures in service recovery (.0139, 55.8430) and sixth, for the price (.0093, 77.0486). Figure 5 summarizes the constructs according to the customers defection intention.

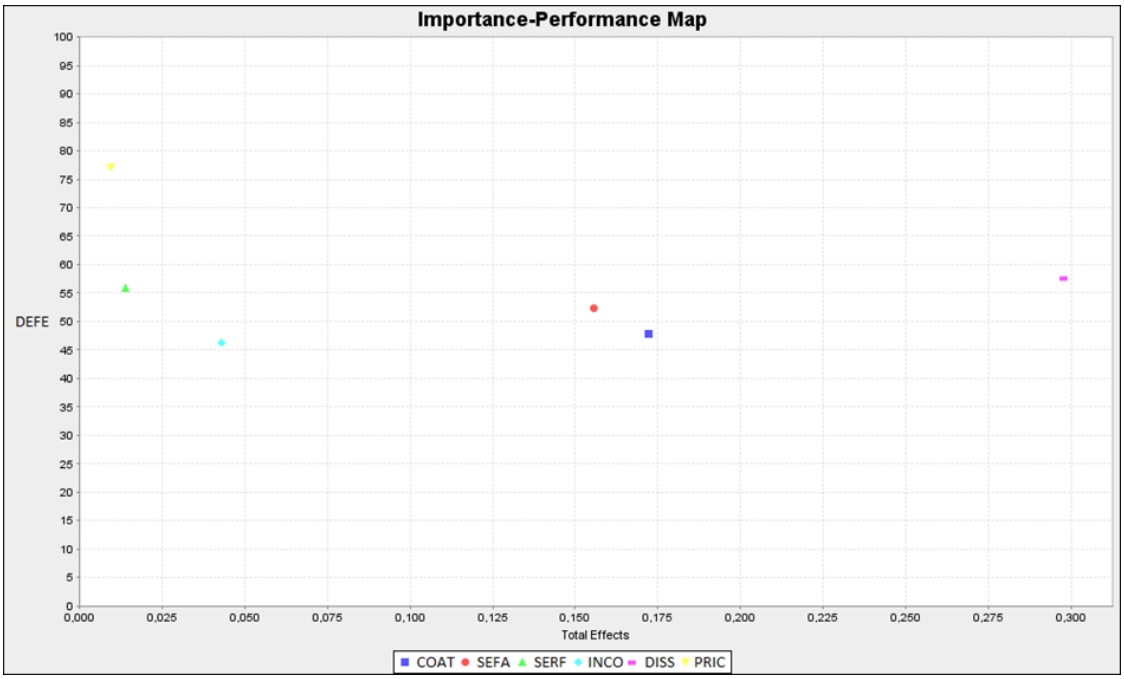

Figure 5. IPMA of the constructs for defection intention.
Source: research data.

The price and failures in service recovery do not have a significant direct effect, but must be considered with regard to the likelihood of customer defection (Campbell, 1999; Athanassopoulos, 2000; Gerrard & Cunningham, 2004). The visual analysis shows that the dissatisfaction is preponderant, so that the attractiveness of competitors and the service failures constitute the customers mental grouping that exercises relative importance for the defection decision, in this case, the inconvenience, even if considered by them, will not be relevant to the provider switching.

Final Remarks

The study had as premise to answer the following question: what are the attributes that influence customers defection in the Brazilian banking sector? In this way, when identifying the factors that cause defection from dissatisfaction with banking products and services, we demonstrated that the severity of service failures and inconvenience problems are able to explain approximately 43% of dissatisfaction with the bank, in this case, the likelihood of customer defection is approximately 16%.

Such findings are in line with the literature. This points out that the inconveniences related to the physical location of the banks, the distribution of their branches or the customer service points, as well as to the closure of a branch and time disorders, related, with long queues and hours of operation (few hours of operation or hours of operation not suitable), joined with service failures, are attributes that can lead to customers defection in the banking sector.

With regard to price and service recovery failures, no further inferences can be made. although the charging high tariffs is the attribute that most contributes to the likelihood of customer defection of bank. Moreover, when analyzed independently, the

price, with compositions, has not been shown statistically significance to infer that it is an attribute that has considerable effect, at least from a statistical perspective, for the defection of customers in the banking sector.

The results indicate that the greater the dissatisfaction with the bank, the greater the likelihood of customers defection, thus confirming H1 hypothesis**.** When identifying the constructs that may be related to customer dissatisfaction, it was pointed out that the severity of service failures and problems related to the inconvenience are those that influence the likelihood of customers defection. The competitors' attractiveness is also a factor that influences defection in the banking sector. When measuring the relative importance of the indicators that contribute to the defection decision, we identified the teller service (q27) as the most important in causing defection.

As an academic contribution, one can list the application of the constructs suggested by Keaveney (1995) to the Brazilian banking sector, with the confirmation of three of them. In addition, the research measured the total effects of the defection factors according to the dissatisfaction and of the latter, about the exit of the customers, nomological chain not usual in the literature. In managerial terms, this study points out elements to be observed by banking managers in order to maintain their customer base and prevent them from defecting and or migrating to the competition. Among the attributes that have been pointed out as having a total effect that stands out is customer dissatisfaction, thus increasing the likelihood of defection, including aspects related to inconvenience and service failures. Such attributes must be taken into account by managers, as they can minimize or even avoid customer defection and consequently the organization's profits fall.

It is now important to highlight what is understood as limiting the research. This is the fact that a convenience non-probabilistic sample was used and therefore, the presented results cannot be extended or generalized to the Brazilian population. As suggestions for future studies, with the adaption of the questionnaire the research model can be used in new studies, which can be performed in other sectors and segments, such as gyms, health services, personal services, among others. On a more specific context in the banking sector, there is also possibility of future studies, for example, involving other cities and states, in order to verify the possibility of generalization of such findings. Finally, in the research model, it is suggested to include new constructs, especially switching costs and trust.

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