Service Quality Provided To Non-European High Net Worth Individuals (HNWIS) By Banks, Legal And Accounting Offices In Cyprus

Dr. Angelos Vouldis[a], Eleni Zakchaiou Constantinou[b],

[a] Cyprus Institute of Marketing (CIM), Nicosia, Cyprus
[b] Cyprus Institute of Marketing (CIM), Nicosia, Cyprus

A B S T R A C T

Service quality leads to customers' satisfaction and gives a competitive advantage to the firms/organisations against their rivals. Furthermore, service quality by firms in a country gives a competitive advantage to the country against rival countries as well. The global financial crisis has affected Cyprus too. The National Strategy plan for economy recovery is included as a main point the attracting of direct foreign investments by non-European High Net Worth Individuals in the island. Banks, Accounting and Legal offices in Cyprus cooperate together in providing full services to them for their corporate and wealth management needs. The aim of this research is to investigate if Banks, Legal and Accounting firms in Cyprus concern about providing a high level of service quality to non-EU HNWIs and examines the ways of implementation based on the five dimensions of SERVQUAL model.It also researches the impact of different ethnicities on service quality expectations and illustrates how this matter is treated by the firms examined. The study also investigates the priority of importance of the different service quality dimensions and emits new service quality dimensions found important for this industry in Cyprus. After studying different service quality models and different ways of research through literature review and academic resources, this research adopted a qualitative methodology. It was conducted through face-to face semistructured interviews with the managers of ten firms and organisations involved. The conclusions of the study confirm that Banks, Legal and Accounting offices in Cyprus do concern about offering high level of service quality to non-EU HNWIs however the whole infrastructure of the industry has been built mostly on Russian speaking customers' needs. The firms are performing well in the five dimensions of SERVQUAL and ethnicity matters are taken into consideration with a different approach treatment. Responsiveness is found to be the most important dimension after reliability based again on Russians' demand for quick service while flexibility and transparency emitted to be new important dimensions apart of pricing.

A R T I C L E   I N F O

1. INTRODUCTION AND BACKGROUND

5.1. Aim and research objectives

This research investigates, corporate and wealth management services offered to HNWIs from the angle of "service quality" in an attempt to find out any existing gaps and give suggestions

for improvements. It is globally known, that HNWIs have the opportunity to travel around the world and being served by a large number of firms and organisations which are seeking to offer to them high quality of service. There is no doubt, that HNWIs are highly educated, sophisticated and they maintain high expectations. Therefore, service quality is a dimension which influences their buying behaviour. The aim of this research is to investigate whether Banks, Legal and Accounting firms in Cyprus are concerned with providing high level of service quality to non-Europeans HNWIs. This research is crucial for Cyprus as it seems that direct investments from non-EU HNWIs are crucial for the recovery of the Cyprus economy recovery. Research questions arise from this research: Do banks legal and accounting offices in Cyprus recognise that service quality, customers' satisfaction and business performance are interrelated concepts and that service quality offers a competitive advantage not only to their firms but to Cyprus as a whole country as well? How do these firms/organisations perform service quality for their HNWIS' customers? Do these firms/organisations have a strategy regarding service quality?

5.1. HNWIS' profile

HNWIs, are defined as persons or households with financial net assets (excluding the primary residential property) to at least US$1 million (Investopedia, 2014) .Statistics show that despite the global economy recession, HNWIs numbers are constantly increasing worldwide (Treenor, 2011). According to the World Wealth Report of 201 0, 9 million persons in 2010 were classified as HNWIs (Highnetworthindividualts.org, 2014). All HNWIs are seeking to increase their wealth through different kind of investments like stock markets, deposits, real estate investments and they are active all around the world, while at the same time they seek to protect their existing assets (Accenture, 2012). Americans prefer to invest in their country region while Asians and Europeans are attracted by international investments too .They have a talent in catching opportunities and have a good awareness of their strengths and weaknesses. They seek to cover their weaknesses by hiring qualified employees and experts with experience and knowledge in areas they lack. For their financial decisions they hire financial advisors who manage their wealth. Beyond financial advisors, due to the complexity of their investments and their strange residency situation, HNWIs need legal advisors too regarding mostly tax law. A lot of European countries offer residency incentives so called "golden visas" to encourage and attract investment in their countries. Most attractive incentives for "buying a European golden visa or even a passport" are being announced by Malta, Portugal, Cyprus and Greece in an attempt to raise funds for their countries. (Barrow, 2014).

5.1. Cyprus Competitive Advantage

Cyprus provides an easy access to Europe, Africa and Asia and is a gateway for European Union and its twenty eight member countries. Cyprus is located on a perfect geopolitical point in the world. It offers a wide range of high quality diverse services for non-EU HNWIs and it is an International Business Centre with all necessary infrastructure in corporate services such as Financial, Legal and Accounting Services. Moreover, there is a double taxation agreement with forty eight countries, including China, United Arab Emirates and Russia (CIPA, 2014). It offers an attractive and transparent tax system which is compliant with European Union regulations. Profits from the sale of securities and share dividends are not taxable. Furthermore, Cyprus does not implement withholding tax on interests and dividends arising from domestic sources. In addition, VAT is not implemented to most international transactions. Cyprus Workforce is highly educated as up to 39, 2% of Cypriots have tertiary education (CIPA, 2014).

Cyprus in order to give more incentives to foreign investors offers Corporate and Wealth Management Services in high quality and relatively low cost. Cyprus within its new strategy in attracting Direct Foreign Investments, gives incentives to non-EU HNWIs through a permit of permanent residence status and/or through the acquisition of Cypriot citizenship. All relevant conditions follow. Cyprus citizenship has been acquired by more than 400 non-EU millionaires over the past few years. At the beginning of the scheme the citizenship was acquired mostly from the Russians and the Ukrainians but recently the Cyprus Citizenship was granted to Chinese millionaire entrepreneurs as well (Hadjistylianou, 2014).

ongoing construction projects.

2. LITERATURE REVIEW

It is commonly accepted that service quality is a matter of a big concern for temporary firms and organisations which seek to satisfy their customers (Kummari & Rani, 2011). It is found out that service quality and customers' satisfaction are interrelated concepts (Cronin & Taylor, 1992). Service quality and customers' satisfaction give a competitive advantage to the firms against their rivals and finally it has been proved that all these lead to higher business performance (Kaur et al, 2012). The buyers' behaviour is affected by the levels of service quality delivered to them, and their intention for re-buying is a result of service quality too (Kotler, 1991). Furthermore, all firms and organisation are seeking for higher performance and maximization of profits and it seems that service quality is the key to success. Moreover, HNWIs all over the world are used to a high standard of service quality, while at the same they

do not have much time for being served. Therefore, they are seeking for a special clients' service experience, which makes the matter more important for this research. Additionally, service quality should include ethnicity matters as firms have to produce na optimal experience for clients with diverse cultural backgrounds who have different service quality expectations and different perceptions (Snow et al, 1996)

5.1. Service quality and competitive advantage

Service companies from small businesses to large multinational corporations are continuously seeking to create competitive advantage through differentiation for their services offered (Johnson & Sikirit 2002). Service quality is a tool for competitive advantage, which distinguishes organisations from others (Kaur et al, 2012). Recent researches are focusing on measuring quality service in order to understand customers' perceptions in order to achieve a competitive advantage (Palmer & Cole, 1995). Parasuraman et al (1985) stated that quality service is a strategy which brings profits and attracts new customers and new business from existing customers. Thus companies which offer service quality are more profitable and they sustain competitive advantage against their competitors (Hampton, 1993). The comparison with rivals is helping companies to establish a strategy for service quality improvement. Furthermore, this comparison is helping companies to understand in which service quality dimension they should give more attention in order to enhance competitive advantage. (Johnson & Sikirit 2002). Finally , as it is stated by Seth et al, (2005) organisations maintain competitive advantage by gathering data through technology for the purpose of improving service quality and customers' satisfaction.

5.1. Service quality and Consumer behaviour

Hartl (2006) pointed that customers' behaviour cannot be predicted as customers' preferences are differentiated through the years. Customers are never the same and they perceive service quality in different ways (Smith, 2009). Two factors that influence customers' behaviour are culture and social factors (Wilson et al 1992). A subculture variation according to Wilson et al (1992) are the ethnic taste, religion and geographical region. Furthermore, Kotler and Keller (2006) state that social class defines a customer segment with the same values, attitudes and behaviour. Wilson et al (1992); Solomon et al (1999) indicated that factors which determine social class are income, power, prestige and wealth. All these attributes characterise HNWIs who have the same influence from their social class point of view who will be considered as one customer segment for the purposes of the present research. However, ethnicity is one

attribute which still distinguishes HNWIs who come from different places of the planet and maintain different ethnicity culture background.

5.1. Service quality and ethnicity

It seems that researches only recently began to assess service quality according to clients' ethnicity attributes in organisations including service providing sector. Due to the fact that non-EU HNWIs are coming to Cyprus from countries with different cultures and different ethnic background, ethnicity should be taken in consideration in service quality. As being observed by Snow et al, (1996) cultural factors arising from ethnicity is one of the factors affecting service quality expectations. Furthermore, recent studies found that people coming from different cultures have different perceptions of service quality. This is because either they have different expectations or because they weigh differently the criteria of service quality (Donthu et al, 1998; Mattila, 1999). Furrer et al (2000) added to this by finding out that consumers coming from different cultures weigh differently the importance of the five dimensions of SERVQUAL model (Parasuraman et al 1988). However, it is important to say that if service providers do not meet the expectations of customers based on their different culture background, this will lead to their dissatisfaction (Strauss & Mang, 1999). Furthermore cultural factors are fundamental factors formatting a person's perceptual lens and influence consumers buying behaviour (Furrer et al, 2000). Therefore firms and organisations dealing with different ethnicity customers and with particular ethnic segments, should identify these different expectations and design their services in order to match expectations with service delivery. This will lead to their competitive position (Snow et al, 1996).

5.1. Customer's satisfaction and the Financial Service Sector

Rust & Zahorik (1993); Trubik & Smith (2000) declared that high customer satisfaction has as a result high customer retention especially in financial industry sector which is a high competitive and saturated industry. In our days organisations in financial industry more or less offer similar products in similar prices. The only way for differentiation is the providing of high service quality (Seonmee and Brian, 1996; Barnes and Howlett, 1998; Naser et al., 1999; Wang et al., 2003). Service quality improvement in financial services organisations is very crucial for their business success (Allred & Addams, 2000) .The major benefits of delivering service quality in financial and corporate services are noticed by a lot of authors (Crosby, 1991; Adil 2012; Reichfeld & Sasser, 1990) and are summarised as

1. Cross selling opportunities

2. Loyalty of customers

3. Customers' relationships enhancement

4. Increase of market share

5. Attraction of new customers

6. Increase of profit margins.

Because of the importance of service quality which is apparent that leads to higher business performance for the services sector industry and especially for the financial sector, managers are seeking to measure service quality from their customers' point of view and find ways to meet their expectations and fulfil their perceptions by using service quality measurement instruments/models.

5.1. Service quality models, SERVQUAL

Due to the importance of service quality, there is a substantial and continuous creation of service quality measurement models or better saying an updating of the existing ones. Gronroos (1984), noticed that (WOM) word of mouth has a big impact on potential customers' buying decision and pointed out that research should take in consideration potential customers' perceptions too. Later, Parasuraman et al (1985; 1988; 1991) designed the SERVQUAL model which assesses the differences between prior consumers' expectations and final performance perceptions as a guide for service quality. The same SERVQUAL model was used as a base by Cronin and Taylor (1992), in the creation of the SERVPERF model which used the same five dimensions of SERVQUAL with a difference in assessing consumers' perceptions only on service delivery. SERVQUAL was once again used as a base by Frost and Kumar (2000) to support their internal service quality model. However later, Brogowicz et al (1990) used attributes from both SERVQUAL and Technical and functional quality model (Gronroos, 1984) in developing their synthesised model. SERVQUAL gives more details in its results for service quality, measuring both expectations and performance perceived and determines the gap between them by trying to reach customers' expectations and satisfying them. According to Cronin et al (2000) service quality perceptions influence feelings regarding satisfaction which in turn affects purchasing behaviour in the future. Moreover, feelings are aligned with expectations. Finally, Asubonteng et al, (1996) gives a definition for service quality: ''the difference between customers' expectation for service prior to the service encounter and the perception of the service received'' which definitely leads to SERVQUAL. Despite the fact that there are a lot of criticisms for the SERVQUAL, it is still very useful in measuring service quality (Ladhari, 2009). The

SERVQUAL has been used by a lot of researches for different kind of organisations including financial services and banking (Nyeck et al ,2009). One of the purposes of SERVQUAL is to determine the level of service quality according to its five key dimensions and to recognise if there are any gaps in service and to what extend (Kaur et al, 2012). The SERVQUAL model separates the concept of service quality into five dimensions which derived after five years of service quality research using qualitative and quantitative data (Parasuraman et al, 1991). According to Parasuraman et al (1991), reliability is more concerned with the outcome of service while the rest dimensions (responsiveness, assurance, tangibles and empathy) are more concerned with the service process. Furthermore, the developers of SERVQUAL, found out that reliability is the most important dimension for meeting customers' expectations while the rest dimensions are more important in helping companies exceeding those expectations. However, the weighting of importance of the five dimensions varies between the different kinds of services (Chowdhary & Chowdhary, 2005). According to Chowdhary and Prakash (2007) ,Tangibles are more important at services with bigger action in tangibles. Reliability is more important to services dealing with the possessions of customers while Assurance is more important to services involved with clients rather that their possessions. Responsiveness is the least important for all kind of services while empathy is more important to services dealing with people and information. Finally, researches have added an extra dimension, the one of the price which is important more to customers with possessions.

5.1. Literature Summary

Through a study of the existing literature in regards to service quality it is obvious that this is of great concern for managers and researches. In recent years, service quality became of major importance for managers and organizations. Customers can never be the same and their expectations and perceptions are subjective and vary among them. Customers' satisfaction is the outcome of a high level of service quality which meets or exceeds their expectations. Customer' satisfaction leads to customers' loyalty, re-buying decisions and high returns for organisations. Conclusively service quality allows high business performance for firms and organisations adopting a service quality strategy. Service quality gives to the firms a competitive advantage against their rivals and through this, they attract new customers and keep existing ones while at the same time high service quality may give opportunities for higher margins as well. There is no doubt that service quality finally leads to business performance. Business performance is one of the main tasks that should concern all organisations and firms, all around the world even for those which are non-profit organisations. Business performance

is compatible with the traditional theory of the firm which indicates that a firms exists in order to maximise profits and its value (Salvatore, 2012). And because of the importance of business performance which is positively affected by the service quality, a lot of instruments/models have been developed for measuring customers' expectations and perceptions around service quality. In conclusion, despite the fact that there are a lot of such models, basically there are only two schools of thought about service quality measurement: Measuring the gap between customers' expectations and customers' perceptions based on SERVQUAL model. Measuring the customers' performance perceptions only, based on SERVPERF model. Both schools of thought try to identify the problem and suggest ways for improvement. Nevertheless, SERVQUAL model is the most widely used model measuring service quality in the service sector industry. This model, using the five gaps, examines five dimensions. These are responsiveness, reliability, tangibles, assurance and empathy. Furthermore , despite the fact that HNWIs may be concerned as one market segment based on their wealth ,ethnicity matters will be examined too as there is no doubt that people's expectations and or perceptions are influenced by their different cultural background as well.

3. RESEARCH METHODOLOGY

3.1 Research aim and research questions

To investigate whether banks, legal and accounting offices in Cyprus are providing high level of service quality to non-Europeans HNWIs. This investigation matters as this kind of firms and organisations are the backbone of the corporate and wealth management services industry in Cyprus which provide services to non-EU HNWIs. Furthermore, direct investments by these customers seems to be the key for Cyprus' economy recovery. In conclusion providing high level of service quality by these firms/organisations to non-EU HNWIs is crucial for Cyprus as it gives to the country a competitive advantage supporting economic recovery. Research questions arise from this research aims and objectives in combination with what has been found in the literature review in chapter two, regarding what is important in service quality, what dimensions are measured in service quality models and where does high level of service quality lead: Do banks, legal and accounting offices in Cyprus realise that high level of service quality gives a competitive advantage not only to them but to their country as well? Do banks legal and accounting offices in Cyprus recognise that service quality, customers' satisfaction and business performance are interrelated concepts? How do they perform in the five dimensions of Service Quality as described by SERVQUAL model? What do they do to satisfy Non-EU HNWIs regarding their different ethnicity/culture background? In order to answer the

aforementioned questions we need to follow a research approach and a research collection of data method.

3.2 Research Approach

This research conducts interviewees with a semi-structured interview method through a mixture of closed structured questions and open ones while flexibility characterise conversations, allowing interviewees to apply their feelings, opinions and thoughts. Closed questions include a small selection of possible answers making the data analysis easier. Furthermore, questions are based on the five dimensions of SERVQUAL model, reliability, responsiveness, tangibles, assurance and empathy. Ethnicity is added as sixth dimension of service quality in our case as the research concerns service quality to HNWIs coming from all over the world other than Europe, whose perceptions on service quality are influenced by different culture background (Donthu et al, 1998; Mattila, 1999). As stated by Kumar (2005), interviews have advantages and disadvantages. As listed by Saunders et al (2007); Denscombe (2004) one of the most important advantage of interviews is that an interviewer may collect comprehensive detailed and relevant primary data which can be analysed immediately. Although, face-to-face interviews are very difficult to be arranged and they take time to be conducted, the fact that they include the possibility for the interviewer to control the flow of primary data collection process in order to cover the research issues in-depth, overshadows its disadvantages. Furthermore, Bryman & Bell (2011) argue that interviews are more appropriate for complex researches and can be used by collecting indepth information while on the other hand some of the disadvantages are that they are time-consuming and that interviewer may be biased. Interviewees are managers of Banks, Legal and Accounting offices in Cyprus servicing Non-EU HNWIs. All managers are highly educated with extensive experience. All speak fluent English and all are familiar with the present research problem.

3.3 Limitations

Because of confidentiality and limitations on access it is understandable that the author could not collect data directly from customers (service receivers) apart from data collected by the providers of the services and therefore triangulation is not possible to be achieved in order to have a clearer comparison of the results. Managers of the service providing firms are the only who have been interviewed for primary data. In the opening of the interview there is always a reassurance that all the procedure and information selected are treated as confidential, the interviewees remain anonymous and there would be no connection between data collected and

interviewees. It is also clarified that collected data will be used only for the academic research. The interviewees are told that their participation is voluntary, they have the right not to answer a question and they can withdraw any time if they feel uncomfortable.

ANALYSIS AND FINDINGS

4.1 General Findings

A whole industry has been emerged in Cyprus around corporate and wealth management services, servicing mostly Russian speaking HNWIs (Russians and Ukrainians) over the last decades. Most firms maintain representative offices in Russia and Ukraine and some maintain just associates through which they "fish" customers. When they are asked or referred to non-EU HNWIs everybody's mind goes to Russians and Ukrainians. Among the managers who have been interviewed, seven of them were men and three women, which makes the percentage of women interviewed in managerial positions to 33% which exceeds the international average of 25% (Grant Thornton, 2013). Two of them were aged between 30-35, three of them were aged 40-45, two of them 50-55 and the remaining three were aged between 50-60. It is observed that managers in this kind of firms and organisations are in their late fifties. These firms and organisations serve non-Eu HNWIs for a period between 10 to 25 years. It is found that 9, 93% on average of non-Eu HNWIs being served by these firms/organisations come from Russia and Ukraine, 5% on average from Arab countries while only 2% come from Asia and more specific from China. As one interviewee explained: "Our non-Eu HNW customers come mostly from Russia and Ukraine. Over the last two years customers started to come from Saudi Arabia and United Emirates too. Nevertheless Russian speaking customers prefer Cyprus for the following reasons: For tax incentives, For the corporate services infrastructure development, For service quality, For the sun and warm weather .They combine business with holidays, For the strict political situation of their countries, For the opportunity of acquiring Cyprus citizenship and enter freely in all European Union member countries for residency or business purposes. On the other hand Arabs prefer Cyprus: For its geopolitical position. Cyprus is the nearest European Country to their countries, For the feeling of safety. They acquire Cypriot citizenship or the right for permanent residency in order to have an option to move with their family in a safe place to avoid possible hostilities in or near their countries due to the so called "Arab Spring".

4.2 Findings around SERVQUAL model five dimensions and ethnicity

All the managers strongly agreed that service quality is associated with Reliability, Responsiveness, Assurance, Empathy and Tangibles, dimensions which are firstly referred by Parasuraman et al (1985) in the development of their SERVQUAL model. All managers declared that their firm/organisation performs well or very well regarding Reliability for this kind of customers. All the managers agreed with Parasuraman et al (1988) about reliability concepts and all declared that they provide services as promised and they are dependable on the handling of customers' service problems. They all try to provide services in specific time and they get customers informed about when the services will be performed. They try to perform services right from the first time and they try hard for error free records. All the aforementioned are compatible with the guides of SERVQUAL model. All managers declared that their firm/organisation perform well regarding Responsiveness as they provide quick service , their staff shows willingness to help customers and they are always ready to respond to HNW customers' requests. All the firms respond to their HNW customers' emails within 24 hours. All these are compatible with what was reported as Responsiveness by Parasuraman et al (1988) in their SERVQUAL model. All managers answered that they perform well in Assurance too in the way that Parasuraman et al (1988) indicated. They try to instil confidence to customers, they make customers feel safe for their transactions, are courteous and their staff are able to answer customer' questions. All the firms declared that they respond well in Empathy. They identify and understand customers' needs, they provide personalized service to them and they show caring attention. These dimensions for empathy have been instructed by Parasuraman et al (1988), in the development of their SERVQUAL model. Tangibles are important for this kind of firms and I can be a witness that they all perform well. They have a dress code for staff and all employees are dressed professionally. Their buildings are modern, very well equipped and all of them maintain a conference room where they meet and serve HNWIs. They also have convenient business hours for serving HNW customers. At a later stage managers beyond the dimensions of SERVQUAL, were asked if their firm/organisation takes into consideration the different ethnicity of HNWIs in their service quality strategy to them. As conclusion in different ethnicities matters it is obvious that firms and organisations servicing non-Eu HNWIs in Cyprus take much into consideration different habits, different cultures and different religion habits. It has also been proved that, as being observed by Snow et al, (1996) cultural factors arising from ethnicity is one of the factors affecting service quality expectations and they weigh differently the criteria of service quality (Donthu et al ,1998; Mattila, 1999). As observed by the developers of SERVQUAL model, reliability is the most important dimension for meeting customers' expectations (Parasuraman et al, 1991). The same results have been observed by Chowdhary

and Prakash (2007) who found out that reliability is quite significant to services dealing with the possessions of customers. As far as responsiveness is concerned Chowdhary and Prakash (2007), found out that it is the less important dimension while in the present research it is found out that responsiveness comes second after reliability. It could be argued that responsiveness is important in servicing HNWIs in Cyprus due to the fact that the whole industry is based on Russians for whom timing of service is very important. Assurance is the most important according to a firm's manager interviewed, who argued that assurance is very important for customers after the economic crisis and the bail in of the biggest bank in Cyprus in 2013. This is also observed in the WORLD WEALTH REPORT (2013) which reported that trust and transparency are important for HNWIs at a time of ongoing economic uncertainty. Empathy is also important for one firm whose manager argued that HNWIs need a personalised and customized service and it is compatible with the notion saying that HNWIs still find great importance on direct contact and personalised service (WORLD WEALTH REPORT 2013). In the next stage managers were asked to identify a service quality dimension beyond reliability, responsiveness, assurance, empathy, tangibles and ethnicity which is perceived as important. There were different answers. Pricing is also found as a dimension of service quality by Chowdhary and Prakash (2007). The remaining five argued that pricing is not a matter of concern for this segment of customers as they choose the biggest firms/organisations and/or with global presentation in Cyprus regardless pricing. However, they asserted that there were new findings according to which flexibility and transparency are dimensions which influence service quality for this kind of customers and they connected them with the prompt service and assurance respectively.

5. CONCLUSIONS AND IMPLICATIONS

The firms/organisations in Cyprus servicing HNWIs do concern for service quality and they realise that service quality leads to customer's satisfaction and business performance. They all declare that they perform well in the five dimensions of SERVQUAL model and they referred to several ways and procedures supporting their sayings. It is important to say that they take much into consideration the different ethnicity of HNWIs in service quality and they act accordingly while it is found out that the infrastructure of this industry is mostly based on Russian speaking HNW customers. Following reliability, responsiveness is found out as the most important dimension of service quality in Cyprus regarding HNWIs while pricing, lexibility and transparency have been identified as further important dimensions of service

quality to HNWIs. Personal meetings at the start point of cooperation is the way to identify customers' expectations while perceptions on final performance are mostly derived through the long term relations with customers' feedback requested from them, and through customers' complaints evaluation . There is always an ongoing procedure for improving service quality leading to filling the gap between expectations and perception on final performance based on customers' after sale feedback and complaints. This research is important for Cyprus because since the economy collapsed in 2013 the Government has been focusing on direct investments by Non-EU HNWIs in the island for recovery. These three kind of firms/organisations co-operate in providing full corporate and wealth management services to these customers. Service quality on the other hand has been proven through literature review as a tool for a competitive advantage (Kaur et al, 2012). This study has identified the level of concern of these firms and organisations in providing high level of service quality to HNWIs and furthermore identifies their performance through the five dimensions of SERVQUAL model which are reliability, responsiveness, assurance, empathy and tangibles (Parasuraman et al, 1988). In addition, this study has also sought to find out whether firms/organisations take into consideration the different ethnicities of customers in their strategy for providing service quality. The dimension of ethnicity was perceived as very important because HNWIs are coming to Cyprus from different countries. The study also puts in priority the importance of SERVQUAL dimensions for this industry in Cyprus and furthermore identifies new dimensions of service quality which are perceived as important for HNWIs. It has also outlined the strategies applied by these firms/organisations in finding out their customers' expectations and perceptions regarding service quality in order to proceed to improvements for their customers' satisfaction. A crucial research question was whether these firms/organisations treat different ethnicity HNWIs in a different way in an attempt to offer to them the maximum satisfaction. The results were a surprise. Even smaller firms do recognise this need and they understand that they show respect to their customers by having knowledge about their habits and beliefs. Furthermore, they do understand that HNWIs with different culture background have different expectations and/or perception regarding service quality and they act accordingly. As being observed by Snow et al, (1996) the culture factor arising from ethnicity is one of the factors affecting service quality expectations. This is because either they have different expectations or because they weigh differently the criteria of service quality (Donthu et al, 1998; Mattila, 1999). However, it is important to say that if service providers do not meet the expectations of customers based on their different culture background, this will lead to their dissatisfaction (Strauss & Mang, 1999). An additional research question was seeking to find out how these firms and organisations

perform in the five dimensions of SERVQUAL model which are reliability, responsiveness, assurance, empathy and tangibles. They all declared that they do perform well or they try to perform well in all dimensions as analysed by Parasuraman et al (1988). There was a limitation regarding comparing declarations with what customers believe as non-Eu HNWIs were inaccessible for this research. This research also showed that the infrastructure of this industry in Cyprus is based on Russian speaking HNWIs for whom quick timing of service is very important. For this reason despite the fact that responsiveness according to Chowdhary and Prakash (2007) is the least important dimension, in this case is found to be the second in importance following reliability. Reliability on the other hand in both observations, by Parasuraman et al, (1991) and by this research, is found to be the first in importance dimension. However, apart from the five dimensions of SERVQUAL and ethnicity new dimensions beyond pricing appeared to be important for HNWIs in Cyprus. Some of these are transparency and flexibility which match with Russians' expectations and demands for personalized, customised and tailored services.

Recommendations for Further Research

Cyprus is not the only country in Europe offering incentives to non-EU HNWIs to transfer their business or residential base. The main competitor country is Malta. A further research comparing the relative government incentives and service quality provided to non-Eu HNWIs by Malta and Cyprus would be useful to both State and firms such as Banks, accounting and legal offices involved. This recommended research would benefit Cyprus Economy as a whole, as the State and involved firms would have knowledge of what leads non-EU HNWIs to Malta instead of Cyprus. This would give the opportunity and the" know how" to the State and the Cyprus firms to attract more non-EU HNWIs.

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