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A STUDY ON INFLUENCE OF SERVICE QUALITY DIMENSIONS ON CUSTOMER LOYALTY WITH SPECIAL REFERENCE TO RETAIL BANKS IN CHENNAI

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ABSTRACT

The purpose of this research is to look into the link between service quality and client satisfaction and employee satisfaction and the ways through which service firms can improve and oversee the operation of delivering quality standards to their clients. For this function, the study analyses the issue of service quality on customer satisfaction and employee satisfaction by discussing their relationship. The client service is seen as an inbuilt component of any aspect of the industry and it determines the future of any governing body. The rapid advances in engineering based systems related to internet are leading fundamental ways in how different organizations interact. This applies same in relation of the banks with its client. In different services industries the relationship between client satisfaction and service attributes have been hard to identify because services nature is intangible. This article describes the influencing factor on customer loyalty in the selected area. The influence of the service quality dimensions on customer loyalty is estimated through the Linear multiple regression analysis.

Keywords: Service Quality, Customer loyalty, Retail Banks.

1. INTRODUCTION

A client will have an expectation of service defined by elements such as passports, personal needs and past experiences. The expectation of service and the perceived service result may not be equal, therefore passing on a break. Ten determinants which may determine the appearance of a gap were described by Parasuraman, Zeithaml and Berry:

- „Tangibility" refers to the physical appearance of the banks such as equipments, materials used by the banks, location and working hours of the money boxes.
- „Reliability" is the ability to do the promised service in a reliable and accurate way.

- „Responsiveness" refers to the willingness of employees to facilitate customers and to provide prompt timely service.
- „Assurance" states that the knowledge and courtesy of employees inspire trust and assurance.
- „Empathy" refers to the personalized care paid to clients
- „Technology" means easy access of services
- „Confidence Building" states that the Service is free from risk and chances.

2. INFLUENCE OF TANGIBILITY ON CUSTOMER LOYALTY

The four variables of tangibility are considered as independent variables and the total average score of customer loyalty considered as the dependent variable. The influence of these four tangibility variables is estimated through Linear multiple regression analysis as shows below.

Table - 1

Model Summary of Tangibility on Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.475[a]	.225	.220	.66655

a. Predictors: (Constant), TA4, TA1, TA3, TA2

From the above table it is found that the R square value is equal to.225, standard error of the estimate is.66655. This implies that tangibility variables create 22.5% variance over the estimate loyalty. The regression fit and their relationship with the customer loyalty is estimated through the following table.

Table - 2

ANOVA - Tangibility on Loyalty

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1.	Regression	69.162	4	17.290	38.917	.000[b]
	Residual	237.698	535	.444		
	Total	306.859	539			

a. Dependent Variable: CLL

b. Predictors: (Constant), TA4, TA1, TA3, TA2

From the above table it is found that F= 38.917, p=0.00 is statistically significant to prove that the tangibility is very much related to create customer loyalty of banking services. The individual influence of tangibility variables is presented in the following coefficient table.

Table - 3

Coefficients of Tangibility on Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1. (Constant)	1.658	.183		9.052	.000
Modern Equipment	.054	.031	.075	1.749	.081
Bank Materials	.130	.033	.161	3.943	.000
Bank Location	-.023	.031	-.029	-.719	.472
Working Hours	.313	.029	.419	10.895	.000

a. Dependent Variable: CLL

From the above table it is found that the Bank materials (Beta=. 161, t=3.943, p=0.00), and Convenient working hours (Beta=. 419, t=10.895, p=0.00) are statistically significant at 5% level. This implies that the customers of commercial banks are strongly satisfied with the appealing of bank materials in the bank and also satisfied with the working hours of the bank. It is found that the customers are very loyal to their selected banks.

3. INFLUENCE OF RELIABILITY ON CUSTOMER LOYALTY

The four variables of reliability are considered as independent variables and the total average score of customer loyalty considered as the dependent variable. The influence of these four reliability variables is estimated through Linear multiple regression analysis as shows below.

Table - 4
Model Summary of Reliability on Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.150a	.022	.015	.74879

a. Predictors: (Constant), RE4, RE3, RE2, RE1

From the above table it is found that the R square value is equal to .022, standard error of the estimate is .74879. This implies that reliability variables create 2.2% variance over the estimate loyalty. The regression fit and their relationship with the customer loyalty is estimated through the following table.

Table - 5
ANOVA - Reliability on Loyalty

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.892	4	1.723	3.073	.016b
	Residual	299.968	535	.561		
	Total	306.859	539			

a. Dependent Variable: CLL
b. Predictors: (Constant), RE4, RE3, RE2, RE1

From the above table it is found that F= 3.073, p=0.00 is statistically significant to prove that the reliability is very much related to create customer loyalty of banking services. The individual influence of reliability variables is presented in the following coefficient table.

Table - 6
Coefficients of Reliability on Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1. (Constant)	2.795	.205		13.628	.000
On time Services	.071	.050	.073	1.414	.158
Accurate Records	.093	.044	.097	2.131	.034
ATM facility	-.039	.029	-.060	-1.342	.180
Continuous Services	.021	.039	.029	.544	.587

a. Dependent Variable: CLL

From the above table it is found that the Accurate records (Beta=.097, t=2.131, p=0.00) are statistically significant at the 5 % level. This implies that the customers of retail banks are satisfied with the maintenance of accurate records made by the banks. Previous study also claimed that satisfaction comes from quick services, Affordable service charge, easiness of depositing and withdrawing money, ATM booths, Account statement over SMS/ e-mail services and error free records (Alam and Soni, 2012). It reveals that the customers are very loyal to their selected banks.

4. INFLUENCE OF RESPONSIVENESS ON CUSTOMER LOYALTY

The four variables of responsiveness are considered as independent variables and the total average score of customer loyalty considered as the dependent variable. The influence of these four responsiveness variables is estimated through Linear multiple regression analysis as shows below.

Table - 7
Model Summary of Responsiveness on Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.455[a]	.207	.201	.67444

a. Predictors: (Constant), RS4, RS2, RS1, RS3

From the above table it is found that the R square value is equal to .207, standard error of the estimate is .67444. This implies that responsiveness variables create 20.7% variance over the estimate loyalty. The regression fit and their relationship with the customer loyalty is estimated through the following table.

Table - 8

ANOVA - Responsiveness on Loyalty

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	63.501	4	15.875	34.900	.000[b]
	Residual	243.359	535	.455		
	Total	306.859	539			

a. Dependent Variable: CLL

b. Predictors: (Constant), RS4, RS2, RS1, RS3

From the above table it is found that F= 15.875, p=0.00 is statistically significant to prove that the responsiveness is very much related to create customer loyalty of banking services. The individual influence of responsiveness variables is presented in the following coefficient table.

Table - 9

Coefficients of Responsiveness on Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1. (Constant)	1.802	.158		11.429	.000

a. Dependent Variable: CLL

From the above table it is found that the Prompt Services (Beta=.247, t=5.793, p=0.00), and Easily Approachable (Beta=.230, t=5.272, p=0.00) are statistically significant at 5% level. This implies that the customers of public and private sector banks are satisfied with the prompt services provided by their banks. It is followed by the customers are satisfied due to the managers are easily approachable in their banking organization. It is found that the customers are very loyal to their selected banks.

5. INFLUENCE OF ASSURANCE ON CUSTOMER LOYALTY

The four variables of assurance are considered as independent variables and the total average score of customer loyalty considered as the dependent variable. The influence of these four assurance variables is estimated through Linear multiple regression analysis as shows below.

Table - 10

Model Summary of Assurance on Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.453[a]	.206	.200	.67503

a. Predictors: (Constant), AS4, AS3, AS1, AS2

From the above table it is found that the R square value is equal to .206, standard error of the estimate is .67503. This implies that assurance variables create 20.6% variance over the estimate loyalty. The regression fit and their relationship with the customer loyalty is estimated through the following table.

Table - 11

ANOVA - Assurance on Loyalty

	Model	Sum of Squares	Df	Mean Square	F	Sig.

1	Regression	63.079	4	15.770	34.608	.000b
	Residual	243.780	535	.456		
	Total	306.859	539			

a. Dependent Variable: CLL

b. Predictors: (Constant), AS4, AS3, AS1, AS2

From the above table it is found that F= 15.770, p=0.00 is statistically significant to prove that the assurance is very much related to create customer loyalty of banking services. The individual influence of assurance variables is presented in the following coefficient table.

Table - 12 Coefficients of Assurance on Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1. (Constant)	1.998	.148		13.457	.000
Employees Attitude	.192	.038	.262	5.050	.000
Polite Employees	.042	.036	.067	1.179	.239
Well Trained Staff	.192	.038	.227	5.054	.000
Handled Grievances efficiently	-.014	.034	-.017	-.403	.687

a. Dependent Variable: CLL

From the above table it is found that the Employee attitude (Beta=.262, t=5.050, p=0.00) and Well trained staff (Beta=.227, t=5.054, p=0.00) is statistically significant at the 5 % level. This implies that the customers of public and private sector banks are satisfied with the attitude of the bank employees and also the satisfied with the trained staff members in their selected banks. From this study it is found that the customers are very loyal to their selected banks.

6. INFLUENCE OF EMPATHY ON CUSTOMER LOYALTY

The four variables of empathy are considered as independent variables and the total average score of customer loyalty considered as the dependent variable. The influence of these four empathy variables is estimated through Linear multiple regression analysis as shows below.

Table - 13
Model Summary of Empathy on Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.516[a]	.266	.261	.64864

a. Predictors: (Constant), EM4,EM1, EM3, EM2

From the above table it is found that the R square value is equal to .266, standard error of the estimate is .64864. This implies that empathy variables create 26.6% variance over the estimate loyalty. The regression fit and their relationship with the customer loyalty is estimated through the following table.

Table - 14
ANOVA - Empathy on Loyalty

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	81.765	4	20.441	48.584	.000b
	Residual	225.094	535	.421		
	Total	306.859	539			

a. **Dependent Variable: CLL**

b. **Predictors: (Constant), EM4,EM1, EM3, EM2**

From the above table it is found that F= 48.584, p=0.00 is statistically significant to prove that the empathy is very much related to create customer loyalty of banking services. The individual influence of empathy variables is presented in the following coefficient table.

Table - 15 Coefficients of Empathy on Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1. (Constant)	1.399	.171		8.187	.000
Individual attention	.106	.036	.116	2.929	.004
Caring specific needs	.144	.033	.170	4.294	.000
Special services	-.041	.030	-.054	-1.355	.176
Transparency	.368	.030	.465	12.157	.000

a. Dependent Variable: CLL

From the above table it is found that the Individual Attention (Beta=.116, t=2.929, p=0.00), Caring specific needs (Beta=.170, t=4.294, p=0.00) and Transparency (Beta=.465, t=12.157, p=0.00) are statistically significant at 5% level. This implies that the customers of retail banks are satisfied with the individual attention given by the banks. It is followed by the customers are satisfied due to the caring of specific needs obtained from the banks and also transparency of the bank operations influenced the customer loyalty variable positively. It is found that the customers are very loyal to their selected banks.

7. INFLUENCE OF TECHNOLOGY ON CUSTOMER LOYALTY

The four variables of technology are considered as independent variables and the total average score of customer loyalty considered as the dependent variable. The influence of these four technology variables is estimated through Linear multiple regression analysis as shows below.

Table - 16
Model Summary of Technology on Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.271[a]	.074	.067	.72890

a. Predictors: (Constant), TE4, TE1, TE3, TE2

From the above table it is found that the R square value is equal to .074, standard error of the estimate is .72890. This implies that technology variables create 7.4% variance over the estimate loyalty. The regression fit and their relationship with the customer loyalty is estimated through the following table.

Table - 17
ANOVA - Technology on Loyalty

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.615	4	5.654	10.641	.000b
	Residual	284.244	535	.531		
	Total	306.859	539			

a. Dependent Variable: CLL
b. Predictors: (Constant), TE4, TE1, TE3, TE2

From the above table it is found that F= 10.641, p=0.00 is statistically significant to prove that the technology is very much related to create customer loyalty of banking services. The individual influence of technology variables is presented in the following coefficient table.

Table - 18
Coefficients of Technology on Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1. (Constant)	2.122	.208		10.187	.000
E-banking services	.090	.034	.111	2.613	.009
User friendly ATM	.029	.044	.032	.655	.513
Electronic fund transfer facility (EFT)	.129	.042	.156	3.047	.002

Secured bank‟s site	.065	.036	.089	1.813	.070

a. Dependent Variable: CLL

From the above table it is found that the E-banking services (Beta=.111, t=2.613, p=0.00) and EFT (Beta=.156, t=3.047, p=0.00) are statistically significant at the 5 % level. This implies that the customers of public and private sector banks are satisfied with the E-banking services provided by the banks It is followed by the customers are satisfied with EFT facilities offered by the banks. From the previous study it was also found that customer service and technology usage easiness and reliability have a positive and significant impact on customer satisfaction and loyalty (Ganguli and Roy 2010). It is evident that the customers are very loyal to their selected banks.

8. INFLUENCE OF CONFIDENCE BUILDING ON CUSTOMER LOYALTY

The four variables of confidence building are considered as independent variables and the total average score of customer loyalty considered as the dependent variable. The influence of these four confidence building variables is estimated through Linear multiple regression analysis as shows below.

Table - 19

Model Summary of Confidence Building on Loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.470[a]	.221	.215	.66859

a. Predictors: (Constant), CO4, CO1, CO3, CO2

From the above table it is found that the R square value is equal to .221, standard error of the estimate is .66859. This implies that confidence building variables create 22.1% variance over the estimate loyalty. The regression fit and their relationship with the customer loyalty is estimated through the following table.

Table - 20

ANOVA - Confidence Building on Loyalty

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	67.711	4	16.928	37.869	.000b
	Residual	239.149	535	.447		
	Total	306.859	539			

a. Dependent Variable: CLL

b. Predictors: (Constant), CO4, CO1, CO3, CO2

From the above table it is found that F= 37.869, p=0.00 is statistically significant to prove that the confidence building is very much related to create customer loyalty of banking services. The individual influence of confidence building variables is presented in the following coefficient table.

Table - 21

Coefficients of Confidence Building on Loyalty

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1. (Constant)	1.361	.190		7.175	.000
Safe transactions	.081	.037	.093	2.163	.031
Safe net banking	.024	.039	.029	.610	.542
Restricts unauthorized access	.154	.043	.162	3.601	.000
Multi-level security control	.271	.034	.339	7.875	.000

a. Dependent Variable: CLL

From the above table it finds that the Safe transaction (Beta=. 093, t=2.163, p=0.00), Restricts unauthorized access (Beta=. 162, t=3.601, p=0.00) and Multi level security control (Beta=. 339, t=7.875, p=0.00) are statistically significant at the 5 % level. This implies that the customers of retail sector banks are satisfied with the safety transactions of their

banking services. It is followed by the customers are satisfied while banks restricts the unauthorized access of their bank sites. And also the public and private sector customers are satisfied with the multi-level security services rendered by the banks. From the previous study supported that about 97% of respondents are quite satisfied with the online banking system as their bank does not allow any third person to access customer‟s personal information (Shiffu Abrol, 2014). In this study it is found that the customers are very loyal to their selected banks.

9. CONCLUSION

Customer satisfaction has long been found as playing an essential role for success in today‟s competitive environment. The findings of the study reveal that customers are highly satisfied with their respective bank. The findings indicate that the bank should improve in their infrastructure and facilities. It founds that the customers are strongly satisfied with safe and secured services, update the technology, cost and value added services, counter services, transparent services, friendly approaches, good staff-customer relationship, effective grievance mechanism and also satisfied with customer centric approach followed by the bank.

CONFLICT OF INTERESTS

None.

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