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A STUDY ON THE LINKAGE BETWEEN SERVICE QUALITY, SERVICE LOYALTY AND CUSTOMER SATISFACTION IN COMMERCIAL BANKS IN MADURAI, TAMILNADU, INDIA

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ABSTRACT

This research work has studied the linkage between the service quality, service loyalty and customer satisfaction in commercial banks in Madurai, Tamilnadu, India. In the related reviews section concepts related to service quality, service fairness, Loyalty, satisfaction, banking and research background have been studied. The respondents of this study were the commercial bank customers who were at the time in the banks for their savings accounts or current accounts. Sample size was calculated using the formula: then an interview schedule was used to collect the data from the sample respondents, research hypothesis were frame and examined, 't' test, Pearson correlation coefficient testand structural equation model was used. Service loyalty is widely varied in accordance with the service quality, information, Functional Quality Technical Quality, Servicescape Quality and Service Convenience and satisfaction. The study provides more useful and practical suggestions for researchers and managers in improving service quality, creating and maintaining service loyalty and achieving customer satisfaction.

Keywords: Service quality; Service fairness; service loyalty, Customers' satisfaction; commercial Banking services.

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INTRODUCTION

Service industry is highly depends on the services of finance and Banking (F. S. Mishkin, 2001). The expectation of the global banking changes the structure of the world's banking industry by modifying the structure and technical aspects of banking services (M. G. Angur el al., 1999). Due to the increasing importance of service sector in the economy, the measurement of service quality became important. Banking is essentially a high contact service industry and there is close interaction between service provider and the customers in the traditional banking scenario. Service quality is increasingly recognized as being of key strategic value by organizations in both the manufacturing and service sectors (Lewis et al., 1994). According to Brown (1992), customers prefer organizations that deliver higher service quality, and suppliers can charge a premium for superior service qualities. Parasuraman et al. (1988) indicate that service quality has become a significant differentiator and the most powerful competitive weapon that all service organizations seek to possess. For an organization to gain competitive advantage in terms of service quality, it must use technology to gather information on market demand and exchange information between organizations for the purpose of enhancing service quality

Service Quality in Commercial Banks

Berry and Zeithaml (1990) define service quality as the gap between expectations and perception of service quality (SERVQUAL), and indicated five service quality dimensions. Service quality is the major factors that influence the success of any service industry. A bank can differentiate itself from its competitors by giving good service. Gronroos (2000, p.46) defined service as, "A service is a process consisting of a series of more or less intangibleactivities that normally, but not necessarily always, take place in interactions between the customer and serviceemployees and/or physical resources or goods and/or systems of the service provider, which are provided assolutions to customer problems". Fogli (2006, p.4) define service quality as "a global judgment or attituderelating to a particular service; the customer's overall impression of the relative inferiority or superiority of theorganization and its services. Service quality is a cognitive judgement".The service quality in commercial banks has been measured with the help of 5 dimensions to 10 dimensions (Zhon, 2004; and Bahia and Nautel (2000). The variables used to

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measure the service quality in commercial banks vary from 10 to 60 variables (Gani and Bhat, 2003;Sundar and Lakshmanan, 2005).

Service Loyalty:

The service loyalty is the ultimate aim of all the service providers. The service loyalty is an outcome of repeated customers' satisfaction on the service provided by their service provider. The service loyalty in the present study is examined with the help of cognitive, affective, intention and behavioural loyalty. Cognitive loyalty is influenced largely by the consumer's evaluative response to an experience, in particular to the perceived performance of an offering relative to price (= value). Consumers are likely to switch once they perceive alternative offerings as being superior with respect to the cost-benefit ratio (Kalyanaram and Little 1994; Sivakumar and Raj 1997). Affective loyalty relates to a favorable attitude towards a specific brand. Affective loyalty is caused primarily by an increased attractiveness of competitive offerings (Sambandam and Lord 1995). Conative loyalty implies that customer has to avoid considering alternative offerings(Oliver 1999). Customer's all intentions are not transformed into action (Kuhl and Beckmann 1985).

Customer Satisfaction:

Customer Satisfaction is defined as the consumers' fulfillment response (Oliver, 1997). It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption–related fulfillment (Andaleb, 1998). In other words it is the overall level of contentment with a service/product experience (Szymanski and Henard, 2001). According to Russell-Bennett, McColl-Kennedy and Coote (2007), when buyer consider the product is important and invests their time to seek information then it ultimately enhances the satisfaction level. Anderson, Fornell, and Mazvancheryl (2004), stated that any business can lose their market share, if it fails to satisfy the customers than their competitors.

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RESEARCH METHODOLOGY

Objectives:

To find out the linkage between service quality, service loyalty and customer satisfaction in commercial banks in Madurai, Tamilnadu.

Research Design and Sampling Procedure:

The research design for the study is descriptive. The methodology of the study is based on the primary data as well as secondary data. The study depends mainly on the primary data collected from the respondents through an interview schedule. The study is confined to Madurai town. Simple random sampling method was used in the study to select the sample. From the selected 22 banks, 25 customer respondents were interviewed using a structured questionnaire. Purpose of this study is first explained to the respondents before interviewing them. Survey questionnaires and interview was in the prime language (Tamil)of Tamilnadu.Hence the sample size came to 550 respondents. The data were analysed using SPSS; Descriptive and factor analysis were used. A structural model was developed using AMOS 21 and the results were analysed and interpreted.

Period of the study:

The study was conducted in the period of July 2015 to November 2015 at Madurai.

Limitations:

Chances of the respondents' bias are involved in the research. As the research is restricted with Madurai city of Tamilnadu, India, the results are not applicable to other parts of the District or State or Country.

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ANALYSIS AND INTERPRETATION

Table 4.1 shows the socio economic profiles of the respondents

S.No.	Factors	Attributes	Frequency	Percent
1	Age of The Respondents (in years)	Below 20	68	12.36
		20-30	165	30
		30-40	290	52.73
		40-50	20	3.636
		50 and above	7	1.273
2	Gender	Male	318	57.8
		Female	232	42.2
3	Marital status	Married	339	61.64
		Unmarried	211	38.36
4	Education of the respondents	Below 10th standard	35	6.364
		+2	167	30.36
		UG	156	28.36
		PG	79	14.36
		Diploma/Certificate	60	10.91
		Others	38	6.909
5	Occupation of the respondents	SHG	97	17.64
		entrepreneurs	177	32.18
		Beauticians	57	10.36
		Govt employee	44	8
		Nurse	26	4.727
		Private employee	47	8.545
		Lab Technician	32	5.818
		Doctor	18	3.273
		Receptionist	43	7.818
		others	9	1.636
6	Family Monthly Income (in Rs)	Below 10000	88	16
		10000-15000	177	32.18
		15000-20000	195	35.45
		20000-25000	55	10
		25000 and above	35	6.364
7	Frequency of visit to bank	every day	134	24.36
		once in a week	165	30
		once in a fortnight	146	26.55
		once in a month	63	11.45
		occasionally	42	7.636

The table 4.1 shows the socio economic profiles of the women respondents in Madurai.52.73 % of the respondents are in the age group of 30-40 years.57.8 % of the respondents are Male. 61.64 % of the respondents are married. 30.36% of the respondents are in studied upto +2. 32% of the

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respondents are entrepreneurs. 35.45 % of the respondents are 15000-20000 rupees. 26.55 % of the respondents are visiting bank once in a fortnight.

Table 4.2 -Service Quality Variables

Service Quality Variables	Mean	't'	Standardized factor loading	Composite reliability	Average variance extracted
Tangibles (four items)	***Cronbach alpha -0.8816***				
.....Bank has modern-looking equipment	3.61	27.587	.914	**0.7817**	**58.23**
The physical facilities are visually appealing	3.71	25.072	.913		
Employees are neat-appearing	3.86	10.220	.900		
Materials associated with the service are visually appealing	3.96	21.607	.885		
Reliability (five items)	***Cronbach alpha -0.8367***				
When the .....Bank promises to do something by a certain time, it does so	3.91	31.837	.869	**0.8108**	**66.19**
When a customer has a problem, the .....Bank shows a sincere interest in solving it	3.97	46.050	.860		
The .....Bank performs the best service.	3.81	29.218	.856		
Services are provided at the time the .....Bank promises to do	3.67	14.958	.854		
The records are error-free	3.86	20.237	.839		
Responsiveness (four items)	***Cronbach alpha -0.8144***				
Employees tell customers when services will be performed	4.13	12.136	.914	**0.7808**	**64.16**
Employees give prompt service to customers	4.25	20.837	.913		
Employees are willing to help customers	4.15	23.660	.900		
Employees are never too busy to respond to customer's requests	4.16	32.441	.876		
Assurance (four items)	***Cronbach alpha -0.7991***				
The behaviour of employees instill confidence in customers	3.45	35.272	.953	**0.7654**	**61.48**
Customers feel safe in their transactions	3.57	44.887	.951		
Employees are consistently polite	3.30	29.538	.946		
Employees have the knowledge to	3.45	19.431	.938		

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answer customer's questions					
Empathy (five items)	***Cronbach alpha -0.8648***				
.....Bank gives individual attention to the customer	3.32	46.090	.967	**0.8281**	**63.34**
Employees give personal attention to customers	3.51	36.235	.963		
.....Bank understands specifics needs of its customers	3.65	51.434	.952		
.....Bank has customer's interest at heart	3.41	43.877	.939		
Operating hours are convenient to all customers	3.52	25.569	.925		
Information	***Cronbach alpha -0.8411***				
Correct information on services	3.23	25.130	.891	**0.7929**	**55.93**
Readiness to provide information	3.39	19.574	.831		
Error free records	3.43	17.838	.816		
Functional Quality	***Cronbach alpha -0.8662***				
Personalisation	3.35	31.066	.888	**0.7403**	**62.93**
Customization	3.34	33.835	.857		
Service Orientation	3.31	44.154	.850		
Trust	3.63	25.502	.842		
Confidentiality	3.29	22.631	.795		
Technical Quality	***Cronbach alpha -0.8349***				
Professionalism	3.53	24.508	.883	**0.7844**	**59.27**
Knowledgeable staff	3.36	26.448	.826		
Breadth of the service portfolio	3.41	20.130	.794		
Servicescape Quality	***Cronbach alpha -0.8584***				
Facilities in instruments	3.36	46.043	.853	**0.8041**	**66.84**
Aesthetics in instruments	3.43	42.051	.832		
IT environment	3.35	35.876	.814		
IT based service option	3.51	32.076	.793		
Service Convenience	3.55	45.695	.767		
Access Convenience	***Cronbach alpha -0.8382***				
Transaction Convenience	4.14	16.109	.886	**0.8464**	**61.91**
Benefit Convenience	3.48	27.872	.851		
Post-benefit Convenience	3.29	25.647	.806		
Online Banking	***Cronbach alpha -0.8717***				
easy to book for information	3.30	10.861	.905	**0.8276**	**69.27**
well organized web site	4.06	6.878	.874		
protects the information about customers	3.96	12.602	.837		

Adequate guidelines in the website	3.30	16.333	.786		
Fast clearing and collection facilities	3.44	19.418	.861		
Immediate entry of debt and credit	3.52	26.637	.814		

The scores of the variables in each service quality factor have been included for Confirmatory Factor Analysis. Table 4.2 shows the standardized factor loading of the variables in each SQ factor, composite reliability and average variance extracted by each factor.The content validity of the factors has been confirmed since their respective standardized factor loadings are greater than 0.60. The 't' statistics of the standardized factor loading of the variables in each SQ factors are significant at five per cent level which indicates the convergent validity. The composite reliability and average variance extracted by each SQ factor are greater than 0.50. It also supports the convergent validity of the factors. The Cronbach Alpha of SQ is varying from 0.767 to 0.953. It also indicates that the included variables in each SQ explain it to a reliable extent since respective Cronbach alpha of SQ factors are greater than 0.60.

Table 4.3 - Variables in Service Loyalty

Variables	Mean	't'	Standardized factor loading	Composite reliability	Average variance extracted
Cognitive Loyalty	***Cronbach alpha -0.9012***				
Consider this hotel as my first choice in next visit	3.49	22.744	.961	**0.7263**	**70.16**
Consider this hotel as my primary choice in next visit	3.42	11.761	.953		
Service of this hotel is better than the service of others	3.61	18.963	.942		
Willing to pay more at this hotel in next visit	3.35	12.597	.925		
Affective Loyalty	***Cronbach alpha -0.8759***				
Liking to stay in this hotel	3.40	34.729	.899	**0.7083**	**60.43**
Enjoying the most in this hotel	3.31	23.947	.875		
Preferring the hotel more than others	3.48	37.377	.866		
Appreciating this hotel in the city	3.24	24.170	.856		
Intention Loyalty	***Cronbach alpha -0.8274***				
Intend to stay in this hotel again	3.49	19.160	.834	**0.7740**	**66.25**
Intend to recommend this hotel to others	3.28	17.443	.814		
Say good things about this hotel to others	3.47	27.079	.768		
Intend to give feedback about this	3.56	18.669	.759		

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hotel					
Behavioural loyalty	***Cronbach alpha -0.8495***				
Stay in this hotel when I come here	3.33	15.720	.872	**0.7154**	**63.07**
Like to spend more to stay in this hotel again	3.37	12.363	.856		
Stayed more at this hotel compared to others	3.59	19.662	.840		
Used more of the services in this hotel compared to others	3.46	12.532	.816		

Table 4.3 shows the standardized factor loading of the variables in each service loyalty factor, composite reliability and average variance extracted by each factor. The content validity of the factors has been confirmed since their respective standardized factor loadings are greater than 0.60. The 't' statistics of the standardized factor loading of the variables in each SL factors are significant at five per cent level which indicates the convergent validity. The composite reliability (Cognitive Loyalty -0.7263; Affective Loyalty- 0.7083; Intention Loyalty-0.7740 and Behavioural loyalty-0.7154) and average variance extracted by each SL factor are greater than 0.50. It also supports the convergent validity of the factors. The Cronbach Alpha of SL is varying from 0.759 to 0.961. It also indicates that the included variables in each SL explain it to a reliable extent since respective Cronbach alpha of SL factors are greater than 0.60.

Table 4.4 -Variables in Customers Satisfaction (CS)

Variables	Mean	't'	Standardized factor loading	Composite reliability	Average variance extracted
Customers Satisfaction	***Cronbach alpha – 0.8953***				
Convenience	3.66	16.719	.955	**0.7936**	**0.6821**
Online Functional Elements	3.78	12.237	.938		
Service Process	3.93	10.226	.902		
Core Service	3.36	8.958	.865		
Interaction with other customers	3.42	8.564	.821		
Speed	3.73	13.637	.787		
interaction with you	3.58	17.098	.733		
Value addition services	3.84	14.862	.694		
Online services	3.39	18.746	.677		
Customization	3.64	12.975	.636		
Work hours	3.81	14.299	.605		

Table 4.4 shows the standardized factor loading of the variables in each customer satisfaction factor, composite reliability and average variance extracted by each factor. The content validity of the factors has been confirmed since their respective standardized factor loadings are greater than 0.60. The 't' statistics of the standardized factor loading of the variables

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in each CS factors are significant at five per cent level which indicates the convergent validity. The composite reliability(0.7936) and average variance extracted(0.6821) by each CS factor are greater than 0.50. It also supports the convergent validity of the factors. The Cronbach Alpha of CS is varying from 0.605 to 0.955. It also indicates that the included variables in each CS explain it to a reliable extent since respective Cronbach alpha of CS factors are greater than 0.60.

Table 4.5 –Correlation among SQ, CL,CS with OSQ

	Tang	Relia	Respo	Assur	Empa	Infor	FUNC QUA	TECH QUAL	SERV SCAP E	SERV CONV	ONLIN E BANK	OVER ALLS Q
Tang	1	.571**	-.095*	.029	.040	.030	-.011	-.033	.015	.028	-.035	.235**
Relia	.571**	1	-.038	-.024	-.023	-.016	-.041	-.014	-.002	.025	-.023	.249**
Respo	-.095*	-.038	1	.455**	.007	.059	.080	.061	.034	.032	.020	.266**
Assur	.029	-.024	.455**	1	.478**	.400**	.286**	.035	.052	-.041	-.013	.483**
Empa	.040	-.023	.007	.478**	1	.791**	.497**	-.066	.041	.043	-.074	.594**
Informa	.030	-.016	.059	.400**	.791**	1	.705**	.040	.073	.074	-.016	.668**
FUN CQUA	-.011	-.041	.080	.286**	.497**	.705**	1	.640**	.382**	.048	.003	.728**
TECH QUAL	-.033	-.014	.061	.035	-.066	.040	.640**	1	.523**	-.025	.035	.406**
SERV SCAPE	.015	-.002	.034	.052	.041	.073	.382**	.523**	1	.343**	.063	.485**
SERV CONV	.028	.025	.032	-.041	.043	.074	.048	-.025	.343**	1	.080	.370**
ONLINE BANK	-.035	-.023	.020	-.013	-.074	-.016	.003	.035	.063	.080	1	.335**
OVER ALLSQ	.235**	.249**	.266**	.483**	.594**	.668**	.728**	.406**	.485**	.370**	.335**	1

** Correlation is significant at the 0.01 level (2-tailed) * Correlation is significant at the 0.05 level (2-tailed)

Table 4.5 shows the correlation between overallSQ (OSQ) and SQ variables. Empathy(r=.594,P=0.01), Information(r=.668, P =0.001) and Functional quality(r=.728.P=0.01) are positive and strongly correlated with OSQ. Assurance(r-.483,P=0.01), Technical quality(r=.406,P=0.01), Servicescape (r=.485,P=0.01),service convenience (r=.370,P=0.01)and online banking (r=.335,P=.01) are positive and moderately correlated with OSQ. Tangibility(r=.235,P=0.01), Reliability(r=.249,P=0.01) and Responsiveness(r=.266,P=0.01) are positive but poorly correlated with OSQ.

Table 4.6 –Correlation among SL and OSL

	Cognloyal	affectloyal	Intenloyal	Behavloyal	OSL
Cognloyal	1	.599**	.066	.046	.624**
affectloyal	.599**	1	.110*	.095*	.649**
Intenloyal	.066	.110*	1	.709**	.733**
Behavloyal	.046	.095*	.709**	1	.681**
OSL	.624**	.649**	.733**	.681**	1

** Correlation is significant at the 0.01 level (2-tailed) * Correlation is significant at the 0.05 level (2-tailed)

Table 4.6 shows the correlation between overallSL (OSL) and SL variables. Cognitive Loyalty(r=.624,P=0.01),Affective Loyalty(r-.649,P=0.01), Intention Loyalty(r=0.733,P=0.01) and Behavioural loyalty(r=.681,P=0.01) are showing strong and positive correlation with Overall service Loyalty.

Table 4.7 –Correlation among OSQ,OSL and CS

Correlations				
		OVERALLSQ	**OSL**	**CS**
OVERALLSQ	Pearson Correlation	1	.164**	.634**
	Sig. (2-tailed)		.000	.000
	N	550	550	550
OSL	Pearson Correlation	.164**	1	.718
	Sig. (2-tailed)	.000		.000
	N	550	550	550
CS	Pearson Correlation	.634**	.718	1
	Sig. (2-tailed)	.000	.000	
	N	550	550	550
**. Correlation is significant at the 0.01 level (2-tailed).				

Table 4.7 shows the correlation between overallSQ (OSQ), OSL and CS variables. OverallSQ And OSL are showing positive but poor correlation(r=0.164,P=0.01). OSQ and CS have a strong and Positive correlation (r=0.634, P=0.01). OSL and Cs are having astrong and Positive correlation(r=0.718, P=0.01).

SEM Model shows the linkage between SQ, CL and CS

Table 4.8-Model Fit Indices

Fit Indices	Results	Suggested values
Chi-square	19.603 (0.418)	P-value >0.05
Chi-square/degree of freedom (x2/d.f.)	1.0317	≤ 5.00 (Hair et al., 1998)
Comparative Fit index (CFI)	0.9993	>0.90 (Hu and Bentler, 1999)
Goodness of Fit Index (GFI)	0.9971	>0.90 (Hair et al. 2006)
Adjusted Goodness of Fit Index (AGFI)	0.9855	> 0.90 (Daire et al., 2008)

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Normated Fit Index (NFI)	0.9796	≥ 0.95 (Hu and Bentler, 1999)
Incremental Fit Index (IFI)	0.9993	Approaches 1
Tucker Lewis Index (TLI)	0.9979	≥ 0.95 (Hair et al., 1998)
Root mean square error of approximation	0.0073	< 0.08 (Hair et al., 2006)
Parsimony goodness-of-fit index (PGFI)	0.2054	Within 0.5 (Mulaik et al., 1989)

Table 4.8 shows the estimates of the model fit indices from AMOS structural modeling. The GFI of this study was 0.997 more than the recommended value of 0.95; the other measures fitted satisfactorily; AGFI=0.9855, CFI=0.9993, TLI=0.9979, IFI=0.9993 and NFI=0.9796 with x2/DF < 5 at 1.0317 and RMSEA=0.0073 (Bagozzi and Yi, 1988) indicate a good absolute fit of the model. Goodness of fit indices supports the model and these emphasized indices indicate the acceptability of this structural model.

Figure 4.1 – Shows the linkage between the service quality, service loyalty and customer satisfaction

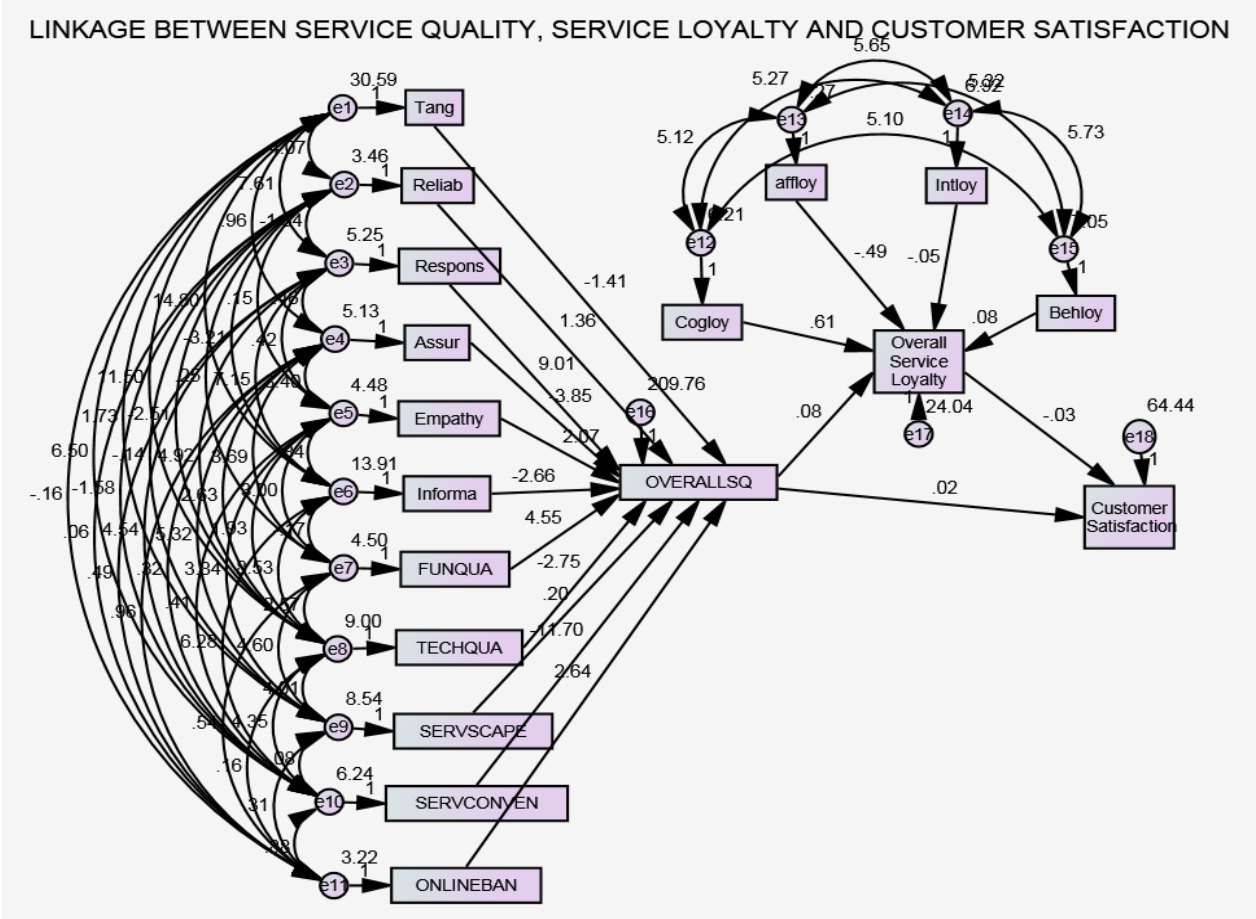

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Table 4.9- Model fit assessment -Standard Estimation of the Model

Model fitness			Unstandardized Estimate	S.E	Standardized Estimate	C.R.	Hypothesis
OVERALLSQ	<--	Tang	-1.408	.181	-.218	-7.779	H1a: Accepted
OVERALLSQ	<--	Reliab	1.362	.391	.071	3.482	H1b:Accepted
OVERALLSQ	<--	Respons	9.014	.645	.578	13.971	H1c:Accepted
OVERALLSQ	<--	Assur	-3.848	.608	-.244	-6.331	H1d:Accepted
OVERALLSQ	<--	Empathy	2.070	.488	.123	4.245	H1e:Accepted
OVERALLSQ	<--	Informa	-2.664	.419	-.278	-6.362	H1f:Accepted
OVERALLSQ	<--	FUNQUA	4.545	.557	.270	8.157	H1g: Accepted
OVERALLSQ	<--	TECHQUA	-2.745	.567	-.231	-4.839	H1h:Accepted
OVERALLSQ	<--	SERVSCAPE	.197	.067	.016	2.9402	H1i:Accepted
OVERALLSQ	<--	SERVCONVEN	-11.697	.417	-.818	-28.032	H1j: Accepted
OVERALLSQ	<--	ONLINEBAN	2.642	.390	.133	6.773	H1k:Accepted
OSL	<--	OVERALLSQ	.079	.006	.490	13.400	H2:Accepted
OSL	<--	Cogloy	.606	.160	.264	3.786	H3a:Accepted
OSL	<--	affloy	-.492	.185	-.216	-2.664	H3b:Accepted
OSL	<--	Intloy	-.050	.177	-.023	-.282	**H3c:Rejected**
OSL	<--	Behloy	.075	.149	.035	.502	**H3d:Rejected**
CS	<--	OSL	-.034	.014	-.024	-2.428	H4:Accepted
CS	<--	OVERALLSQ	.028	.011	.092	2.545	H5:Accepted

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HYPOTHESES TESTING

Figure 4.1 depicts the full model. Out of the 18 paths of this hypothesized model, two paths were not significant at $p < 0.05$ and sixteen paths are significant. Service Quality variables have significant influence on over all service quality in selecting the commercial banking services. Therefore, H1a to H1k are accepted at 0.001 level of significance.Overall Service quality has a significant influence on overall service loyalty. Hence, this hypothesis (H2) is accepted at $p < 0.001$. Cognitive Loyalty and Affective Loyalty has a significant influence on overall service loyalty. Therefore this hypothesis (H3a, H3b) is accepted at $p < 0.001$. But, Intention Loyalty and Behavioural loyalty are not having any significant influence on overall service loyalty, hence this hypothesis (H3c, H3d) is rejected at $p < 0.001$. Overall service Loyalty and Overall Service quality has a significant influence on customer satisfaction at $P < 0.001$ level; hence H4 and H5 are accepted.

CONCLUSION

This study was undertaken to measure and examine the consumers' Service quality, service loyalty and satisfaction towards commercial bank service providers. 52.73 % of the respondents are in the age group of 30-40 years.57.8 % of the respondents are Male. 61.64 % of the respondents are married. 30.36% of the respondents are in studied upto +2. 32% of the respondents are entrepreneurs. 35.45 % of the respondents are 15000-20000 rupees. 26.55 % of the respondents are visiting bank once in a fortnight.

Service loyalty is widely varied in accordance with the service quality, information, Functional Quality Technical Quality, Servicescape Quality and Service Convenience and satisfaction. The study provides more useful and practical suggestions for researchers and managers in improving service quality, creating and maintaining service loyalty and achieving customer satisfaction. It is found that service quality has a positive and strong effect on customer satisfaction which may attract the customer towards the commercial banks.

It has been revealed that the customer satisfaction is the most significant predictor of the service loyalty. The outcome of this research shows relationships among several dimensions of service quality, information, Functional Quality Technical Quality, Servicescape Quality and Service Convenience and customer satisfaction with service loyalty. Furthermore, the competition in the bank industry will grow much more intense in the following years. Therefore,

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banks are expecting to build and maintain competitive advantages in this market must try their best to improve service quality, deliver superior services, reasonable price and frequent promotional measures, achieve higher customer satisfaction and service loyalty. The first limitation was based on the sample area for the study which is confined to Madurai and urban area only. Second, this study used purposive sampling procedure to collect the data. Further research is needed to examine rural area in Madurai with additional samples before generalizations can be made.

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