

# Service Quality and Its Relationship with Customer Satisfaction, Loyalty, Commitment, and Trust in Indian Banking Industry

## Abstract

The study was designed to examine the relationship of service quality with customer satisfaction, customer loyalty, commitment and trust in banking sector from customer's perspective. A conceptual framework was developed based on a critical literature review. Data were collected from 300 customers using a structured interview schedule from public and private sector banks from the eastern part of India. The data were analyzed using correlation, ANOVA, and multiple regression analysis. The results showed that there were significant gaps between public and private sector banks with regard to customers' expectation and perception of service quality. The results also confirmed that service quality was positively associated with customer satisfaction, loyalty, commitment, and trust. It was observed that customer satisfaction had mediated the relationship between service quality and outcome variables. Furthermore, results also indicated differences across education and occupation of customers with regard to satisfaction, loyalty, commitment, and trust. The results are discussed and conclusions drawn based on these results. The major contribution of the study was the identification and measurement of customer's perception of service quality dimensions and their relative importance for public and private sector banks, and the importance of customer satisfaction as a mediator for increasing loyalty, commitment, and trust. They should pay attention to these variables to strengthen competitiveness in an extremely competitive market. Furthermore, in order to create customer satisfaction, banks should try their best to inculcate a feeling of trust and keep their customers loyal and committed. The implications and suggestions for future research are discussed.

**KEYWORDS:** Service Quality, Customer Satisfaction, Customer Loyalty, Customer Commitment, Customer Trust, Banking Industry.