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Impact of Relationship Marketing on Customer Loyalty - A Case of Banking Sector

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ABSTRACT

This study explores the impact of relationship marketing on customer loyalty in banking context. In particular, it will discuss the significance and influence of the underpinnings of the relationship marketing such as trust, commitment, values and empathy on customers' loyalty in the banking sector. The central thrust of the marketing activities of an organization is to develop, maintain and enhance customer loyalty towards its products or services. Relationship with loyal customers are typically less expensive to serve, and loyal customers contribute to the organization by buying more and paying premium prices, and engaging in behaviors that are beneficial to the organization such as acting as advocates of the organization, other benefits also accrue. Customers who enter a relationship with an organization as a result of a personal referral tend to be more loyal than those who buy because of an advertisement. This paper is an attempt to explore the dimensions of relationship marketing in context to banking sector.

Keywords: Relationship Marketing, Loyalty Customer, Service Quality, Empathy, Banking Sector

INTRODUCTION

Service quality offers a sustainable competitive advantage to a bank because it creates value and also customer satisfaction. However, service quality is reduced drastically by service breakdowns. The results of service breakdowns are customer dissatisfaction and possibly customer defection depending on the customer's trust, knowledge and the availability of alternative service provider. In the banking sector, to maintain and having a closer relationship with the entire or existing customers are very important.

The maintenance of consumer trust in the retail banking industry is of considerable importance as it can impact on the likelihood of retaining existing customers (Morgan & Hunt, 1994) and attaining new ones. Furthermore, trust in a bank can also be more important to a bank customer than price. So, each bank must make sure that their services fulfill their customers' needs and wants.

The focus of this research is to identify the common relationship marketing underpinnings such as trust, commitment, empathy, values and conflict handling on customer loyalty in banking sector. This research also looks whether all dimensions mentioned contribute equally or differentially towards the loyalty of the customer.

This study examines the concept of five underpinnings of the relationship marketing and the concept of customer loyalty. In particular, it aims to explore the nature of relationship marketing underpinnings and how it will affect each of the customers to be loyal towards their bank.

In assuring that the above objectives can be achieved, there are few specific objectives that need to be accomplished. These specific objectives are: to determine whether trust influence the extent to which customer's loyalty towards their banks; to test whether commitment influence the extent to which customer's loyalty towards their banks; to identify whether empathy influence the extent to which customer's loyalty towards their banks; and to determined whether values influence the extent to which customer's loyalty towards their banks; to test whether conflict handlings influence the extent to which customer's loyalty towards their banks.

OBJECTIVES

Even though a solid foundation of customer loyalty research exists (Tranberg & Hansen, 1986; Jacoby & Kyner, 1973; Oliver, 1999, Ganesh, Arnold, and Reynolds 2000; Jones & Sasser 1995; Zethaml, Berry, and Parasuraman 1996) there is inconsistent evidence that any of the Customer Loyalty and Relationship Management research can be effectively integrated into banking industry practice or provide sustainable performance improvements (Reichheld & Schefter, 2000). It thus becomes important to analyze the degree to which this industry is contributing to this fact. More specifically, the objective of the research is to assess the impact of relationship marketing on the bank's customer loyalty. In order to meet this objective, the following propositions are proposed:

H_1: There is no relationship between "trust" with customers' loyalty in banking sector.

H_2: There is no relationship between "commitment" with customers' loyalty in banking sector.

H_3: There is no relationship between "values" with customers' loyalty in banking sector.

H_4: There is no relationship between "empathy" with customers' loyalty in banking sector.

H_5: There is no relationship between relationship marketing and customers' loyalty in banking sector.

RESEARCH METHODOLOGY

The theoretical framework is the foundation on which the entire research project is based. It developed, described and elaborated network of associations among the variables that are deemed relevant to the problem situation that have been identified, through few process such as interviews, observations and a literature survey (Cavana, 2001). There are five basic features that should be incorporated in any theoretical framework: First, the variables considered relevant to the study should be clearly identified and labeled in the discussions; Second, the discussion should state how two or more variables are related to one another. This should be done for the important relationships that are theorized to exits among the variables; Third, if the nature and direction of the relationships can be theorized on the basis of the findings from previous research, then there should be an indication in the discussions as to whether the relationships would be positive or negative; Fourth, there should be a clear explanation of why we would expect these relationships to exist. The arguments could be drawn from the previous research findings; and Fifth, a schematic diagram of the theoretical framework should be given so that the reader can see and easily comprehend the theorized relationships.

Research Model

Drawing on the related concepts of Relationship Marketing, this research paper proposes the research model as shown in Fig-1 to identify the factors that affect Customer Loyalty.

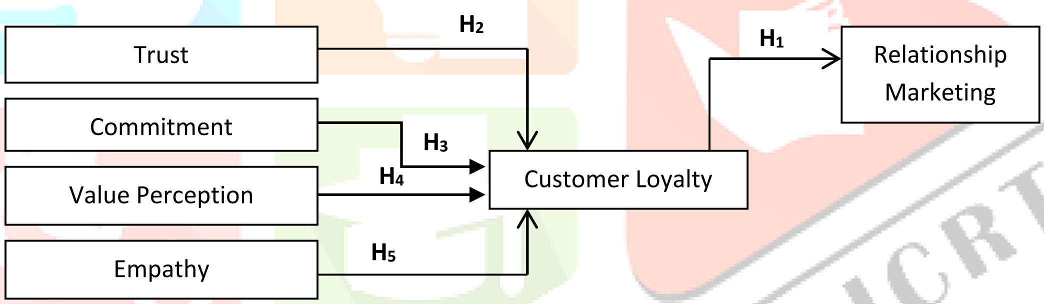

Fig-1: Factors Affecting Relationship Marketing (along with associated Hypothesis)

The definitions and sources of the constructs contained in the model are summarized in Table 1.

Constructs	Definitions	Sources
Trust	Trust is the willingness to rely on an exchange partner in whom one has confidence.	Moorman et al. 1992; Berry, 1996; Reichheld & Shefter, 2000; Morgan and Hunt, 1994.
Commitment	Commitment indicates that the level of trust customers invest in a firm correlates positively with the level of commitment maintained by both parties through shared values and relationship termination costs.	Morris et al. 1999; Morgan & Hunt, 1994; Wong & Sohal, 2002; Bowen & Shoemaker, 1998; Moorman et al, 1992; Morgan & Hunt, 1994; Amine, 1998.
Value Perception	The notion of customer value is dynamic because the criteria that consumers use to judge value are likely to change both over time and over the various stages of a customer's relationship with a company.	Slater, 1997; Parasuraman, 1997; Vandermerwe, 2003; Cronin & Taylor, 1992; Taylor and Baker, 1994; Cronin et al., 2000.
Empathy	Empathy is the 'capacity' to share and understand another's 'state of mind' or emotion. It is often characterized as the ability to "put oneself into another shoes", or in some way experience the outlook or emotions of another being within oneself.	Ndubisi, 2004; Raymond & Rylance, 1995; Kettinger et al., 1995; Kunyk & Olsen, 2001; Parasuraman et al., 1985, 1988; Buamann et al., 2007.
Customer Loyalty	Loyalty is a complex phenomenon that includes a range of behavioral, attitudinal and cognitive aspects of behavior.	Caruana, 2002; Fournier, 1998; Tranberg & Hansen, 1986; Jacoby & Kyner, 1973.

Table-1: Constructs, Definitions and Sources

Model Factors

There is considerable generic literature on consumer loyalty, and some researchers have defined loyalty in behavioral terms based on the volume of purchase for a particular brand (Tranberg & Hansen, 1986). Other defines loyalty as attitudinal, with loyalty being defined in terms of preferences or intentions (Jacoby & Kyner, 1973). There is consensus that there is distinction between repeat purchase behaviors, even if derived from customer satisfaction, and genuine loyalty. Behavioral loyalty is more important to an organization as actual purchase behavior is more relevant than attitudinal. This reflects recognition that behavioral loyalty derives from many sources, including attitudinal loyalty as well as other reason, such as convenience and lack choice and that an attitudinal loyal consumer may be behaviorally disloyal for similar reason (Oliver, 1999).

Empathy also is very higher significant associated with willingness to recommend after allowing for the effects due to overall satisfaction and affective attitude (Buamann et al., 2007). In this case, we can say that once the customers feel satisfied with the services which provided to them, they will recommend to the others about the particular firm, especially in banking sector which really need high level of customer satisfaction to ensure that the bank can enhance their business. High satisfaction and affective attitudes is in turn strongly associated with customer's future behavioral intentions in terms of willingness to recommend and willingness to remain a customer. If the company needs to grow is a customer's willingness to recommend, as suggested by Reichheld (2003), then effective attitude, overall satisfaction.

In a hyper-dynamic and competitive marketplace, increasingly demanding consumers expect their firms to deliver ever-increasing value at lower process (Slater, 1997). Parasuraman (1997) contends that the notion of customer value is dynamic because the criteria that consumers use to judge value are likely to change both over time and over the various stages of a customer's relationship with a company (e.g., fist-time vs. long-term customers). Customer value perceptions is also regarded as a key determinant of overall satisfaction (Cronin et al., 2000), as well as customer loyalty (Parasuraman & Grewall, 2000). Bhatty et al. (2001) conclude that firms need to continuously seek ways to improve their value propositions in order to ensure customer satisfaction, loyalty, and to encourage repeat patronage.

Conceptually, commitment differs from loyalty in that it is though of in purely cognitive terms that describe a consumer's attitudinal attachment to a company (Pitchard et al, 1999). For example, Moorman et al, (1992) define commitment as "an enduring desire to maintain a valued relationship". Thus, commitment is enduring and implies a positive evaluation of a long-term relationship (Bowen & Shoemaker, 1998; Moorman et al, 1992; Morgan & Hunt, 1994). Consequently, commitment is often seen as a key to long-term customer retention (Amine, 1998). Empirical research by Bowen & Shoemaker (1998) identifies a strong and positive relationship between customer commitment and their willingness to perform such behaviors. Committed customers are also more willing to corporate with their firms to resolve problems that might occur, as opposed to exiting from the relationship, and to use such problem solving as a basis for new understanding (Bowen & Shoemaker, 1998).

Trust is considered to be a pre-requisite for loyalty, especially in the risk-dominated cyberspace where transactions are conducted at a distance (Reichheld & Shefter, 2000). The maintenance of consumer trust in the retail banking industry is of considerable importance as it can impact on the likelihood of retaining existing customers (Morgan and Hunt, 1994) and attaining new ones. Furthermore, trust in a bank can also be more important to a bank customer than price.

Instrument

The survey questionnaire contained two parts: (1) general demographic questions, and (2) perceptual scales of each construct in the research model.

In the first part, the respondent's demographic profiles were asked such as gender, age, religion, occupation and income. The second part consisted of 30 questions. The entire questions were based on the dimension of the relationship marketing. The questions in this part were so selected as to measure the impact of relationship marketing on customer loyalty. The structure of this part was as follows: The first dimensions, "trust", consists of six questions and were adopted from Ndubisi (2005). The second dimensions consists of four questions and measured "commitment" and were adopted also from Ndubisi (2005). The third dimension that measured "values" contained five questions and was adopted from Naceur & Azaddin (2005). The fifth dimension, "empathy", contained five questions which were adopted from Huseyin et al (2005). Customer loyalty dimension consists of five (5) questions, adopted from Ndubisi (2005) and Beerli et al (2004).

Each item in Part Two utilized a five point Likert scale that anchors from one (1) (strongly disagree), two (2) (disagree), three (3) (no opinion), four (4) (agree) to five (5) (strongly agree).

LITERATURE REVIEW

Customer loyalty has been well established as a key to profitability and long-term sustainability (Keating et al., 2003, Reichheld, 1996; Reichheld & Aspinal, 1993). Reichheld & Schefter (2000) maintained that, while it is important for a commercial enterprise to attract a large client, a sizeable customer-base by itself does not offer any assurance of long-term profitability unless the firm can earn loyalty from its customers. Consistent with this view, Kandampully (1998) argued that the ability of a service organization to create, maintain and expand a large and loyal customer base over a long-time horizon is critical to achieve and sustain a winning position in the marketplace. This indicates that in any business sector, customer loyalty is a major competitive advantage.

A clearly examination of the literature on customer loyalty revealed several differences in the conceptualization of this construct. For example, Shanker et al. (2003) view loyalty purely as an attitude, whereas Hofmeyr & Rice (2000) consider loyalty to be “the behavioral propensity to buy a brand repeatedly”. On a different note, Heskett (2002) suggest that loyalty exist when a customer dedicates an increasing “share of wallet” to repurchase from a firm. Knox and Walker (2001), however, argued that repurchase behavior is a behavioral construct that refers to the extent to which consumers repeatedly purchase from a firm, while loyalty is a more complex concept that involves both psychological and behavioral components.

Thus, consumers are generally considered to be loyal when they hold favorable attitudes toward a firm or its products or services, and when they repeatedly purchase from the firm (Amine, 1998; Wong and Sohal, 2003). On the other hand, Jones & Sasser (1995) considered customer loyalty to be “the feelings of attachment to or affection for a company’s people, products or services”. They further suggested that these feelings manifest themselves through many form of consumer behavior that will eventually reflect on the bottom line of business organizations. Hence, customer loyalty is reflected through numerous behavioral outcomes, not only repurchase behavior. It is generally recognized that there are linkages between service quality, customer satisfaction and loyalty Caruana, (2002). However Oliver (1999) stated that the suggestion that satisfaction generates loyalty in erroneous, with between 65% and 85% of satisfied customers defecting to other suppliers. There have been a number of studies that have looked at the antecedents of loyalty, including value, levels of functional and emotional risk, and brand reputation, trust, effect and preference. A number of studies by various researchers (Caruana, 2002; Oliver, 1999) have contributed to the understanding of the relationship between the consumer and provider.

Banking and financial services are an important part of services industry Mishkin, (2001). He also conducted that who are satisfied and also complained with the service recovery efforts of the bank are three times more likely to recommend the bank to someone else and to do increased business with the bank.

Now, banks managers knew that delivering quality service to customers is major important for success and survival in today’s global and competitive banking environment. Customer-seller relationship is recognized as pervasive, inescapable and high interdependent, with ties between consumer and business vital to the interest of both parties.

Both parties which are customer and form will gain mutual reward by having a customer relationship. Consumer's benefit in terms of enhanced value, better quality and increased satisfaction with their purchased (File & Prince, 1993). While the other parties which are firm will gain benefit from greater sales volume, better operating efficiencies, positive word of mouth publicity, improved customer feedback, and decreased marketing expenses (Reichhheld & Sasser, 1990; Vavra, 1992).

Now days, there are many variety of new banking products such as automated teller, machine, phone banking, tele-banking, Internet banking and many others. All these products were developed for the purposed to accommodate the increased of the customer needs, giving a clear direction regarding the changes of the banking industry has going through during the last two decades. Cost of transaction has been reduced and at the same time can increased the speed of service substantially. Growing applications of these technologies especially the computerized networks to banking has led to more usage of electronic banking.

In order to achieve success in such a technology driven, complex and competitive market of today, there are few key areas that need to be considered if banks want their customer to be loyal. One of the keys areas is gaining the information about customers and thereby better understanding their needs and serves them satisfactorily. Hence, there are more and more firms spending a lot on strong firm-customer relationship for the purpose in gaining invaluable information on how best way in serving customers and keep them from turning to the other firms or organizations. Therefore, nowadays customer relationship marketing becomes the key factor in determining a firm's profit.

DATA COLLECTION AND SAMPLE ANALYSIS

A questionnaire was used as the main form of data collection in this research. The questionnaire was distributed to the Students of School / College / University around Jammu and the employees of J&K State stationed in Jammu using convenience method. A covering letter was attached together with the questionnaire by explaining the purpose of this research, assuring the confidentiality of their response and instructing them to complete the questions. The questionnaire consists of two parts. Part-one was related to the demographic measurement while Part-two asked questions related to the dimension of relationship marketing underpinnings towards customer loyalty in banking sector.

Characteristic	Category	Frequency	Percentage (%age)
GENDER	Male	57	41.3
	Female	81	58.7
AGE (in years)	21-30	8	5.8
	31-35	101	73.2
	36-40	28	20.3
	> 40	1	0.7
LEVEL OF EDUCATION	Matriculation	1	0.7
	Hr. Sec. Part-II	13	9.4
	Graduation	30	21.7
	Master's Degree	78	56.5
	Doctoral Degree	14	10.1
RELIGION	Hindu	95	68.8
	Muslim	31	22.5
	Budhist	12	8.7
OCCUPATION	Govt. Service	3	2.2
	Private Service	80	58
	Own Business	8	5.8
	Student	44	31.9
	Others	3	2.2
INCOME (in Rupees per Month)	Below 3000	70	50.7
	Between 3001 & 10000	56	40.6
	Between 10001 & 20000	10	7.2
	Above 20000	2	1.4

Table-2: Demographic Characteristics of the Samples

DATA ANALYSIS AND DISCUSSION

Construct Validity and Reliability

Based on Cavana et al. (2001), the reliability of a measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set. Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. Cronbach's alpha is computed in terms of the average inter-correlations among the items measuring the concept. This coefficient can hold a value of 0 to 1. Generally an alpha coefficient of 0.60 are considered to be poor, those in the 0.70 range acceptable, and those over 0.80 are considered good. The results of the reliability test of the pilot instrument fall between 0.92 and 0.47.

First, an Exploratory Factor Analysis (EFA) was used to examine the construct validity. Principal components analysis with Varimax rotation revealed that all items loaded on their expected constructs greater than the threshold loading of 0.45 for more than 100 samples (Hair, Anderson, Tatham, & Black, 1998). Cronbach's alpha coefficient was assessed to examine the internal consistency of the items in each construct, and exceeded the threshold of 0.6 recommended by Nunnally and Bernstein (1994) for all six constructs. As indicated in Table-3, all constructs in the model exhibited adequate construct validity and reliability.

Items	No. of Constructs	Cronbach's Alpha Value
Trust	6	0.708
Commitment	4	0.468
Values	5	0.734
Empathy	5	0.814
Customer's Loyalty	5	0.919

Table-3: Reliability of Constructs

In this research, independent samples test was used to test whether 'gender' is significant towards customer loyalty in banking sector. The result of the t-test is shown in Table-4 below. As shown, the difference in the mean of 3.93 and 3.83 with standard deviation of 0.755 and 0.765 for male and female on customer loyalty in banking sector were insignificant. Therefore, we can assume that there is no significant different of customer loyalty between male and female respondents.

	Gender	Mean	Std. Deviation	t-value	Significant
Customer Loyalty	**Male**	3.9333	0.75530	0.713	0.477
	Female	3.8395	0.76513		

Table 4: Independent samples test between Gender and Customers' Loyalty

Hypothesis Testing

Analysis of variance (ANOVA) is used to compare differences between more than two means at a time. Before conducting ANOVA, the necessary assumptions must be met. The assumptions for ANOVA are the same as those for the t-test. The two assumptions of concern are; a) Population normality- Populations from which the samples have been drawn should be normal. Check this for each group using normality statistics such as skewness and Shapiro-Wilk and b) Homogeneity of variance-the scores in each group should have homogeneous variances. As with the t-test, Levene's test determines whether variances are equal or unequal (Coakes & Steed, 2007).

The results of ANOVA are shown in Table-5. In the case of age factor, the F value 2.339. This F value is not significant at the level 0.076. This implies that there is no significant different between customers' loyalty in banking sector and age factor. Similar result is show when the test was conducted on the religion of the respondents. The F value of 3.578 is significant at the level 0.031. Furthermore, there is a significant difference in the mean of religion and customers' loyalty in banking sector.

Variable	F-value	Significant
Age	2.339	0.076
Religion	3.578	0.031
Education	0.680	0.639
Occupation	0.360	0.836
Income	0.950	0.418

Table-5: One-way ANOVA between age, race, religion, education, occupation and income with customers' loyalty

Furthermore the education factor shows that, the F value is 0.680 and it is not significant at the level of 0.639. This implies that there is no significant different between education and customer loyalty in banking sector. The occupation factor shows similar results. The F value of 0.360 is not significant at the level 0.639. That is, there is no significant difference in the mean of education and customers' loyalty in banking sector. Finally, in the case of income factor, the F value 0.950. This F value is not significant at the level 0.418. This implies that there is no significant different between customers' loyalty in banking sector and income factor.

Furthermore, One way-ANOVA and t-test were used to determine if there were statistically significant differences in the respondents' loyalty towards their bank when grouped by four underpinnings of the relationship marketing. Now, let us discuss each of the hypotheses:

Hypotheses-1: There is no significant relationship between trust dimension and customers' loyalty.

Since both variables are interval, Pearson Correlation test was conducted and the results are shown in Table-6. There is a significant positive correlation between trust dimension and customers' loyalty with a significant value of 0.000. Hence we reject the hypothesis H_2. In other words trust dimension and customers' loyalty are related with a high relationship (r = 0.720).

Construct	Pearson Correlation (r)	Significant
Trust	0.720**	**0.000**

**Correlation is significant at the 0.001 level (2-tailed)

Table-6: Correlations between trust dimension and customers' loyalty

Hypotheses-2: There is no significant relationship between commitment dimension and customers' loyalty.
Since both variables are interval, Pearson Correlation test was conducted, the results of which are shown in Table-7. There is significant positive correlation between commitment dimension and customers' loyalty with significant value of 0.000. Hence we reject the hypothesis H_3. In other words commitment dimension and customers' loyalty are related with moderate relationship (r = 0.674).

Construct	Pearson Correlation (r)	Significant
Commitment	0.674**	**0.000**

**Correlation is significant at the 0.001 level (2-tailed)

Table-7: Correlations between commitment dimension and customers' loyalty

Hypotheses-3: There is no significant relationship between values and customers' loyalty.
Since both variable are interval, Pearson Correlation test was conducted, the result of which are shown in Table-8. There is significant positive correlation between values and customers' loyalty with a significant value of 0.000. Hence we reject the hypothesis H_5. In other words values dimension and customers' loyalty are related with a moderate relationship (r = 0.689).

Construct	Pearson Correlation (r)	Significant
Value Perception	0.689**	**0.000**

**Correlation is significant at the 0.001 level (2-tailed)

Table-8: Correlations between values dimension and customers' loyalty

Hypotheses-4: There is no significant relationship between empathy and customers' loyalty.

Since both variable are interval, Pearson Correlation test was conducted, the result of which are shown in Table-9. There is significant positive correlation between empathy and customers' loyalty with a significant value of 0.000. Hence we reject the hypothesis H_6. In other words values dimension and customers' loyalty are related with a high relationship (r = 0.744).

Construct	Pearson Correlation (r)	Significant
Empathy	0.744**	**0.000**

**Correlation is significant at the 0.001 level (2-tailed)

Table-9: Correlations between empathy dimension and customers' loyalty

Hypotheses-5: There is no significant relationship between relationship marketing and customers' loyalty

The result from the regression analysis based on four independent variables which included in underpinnings of relationship marketing against customers' loyalty can be seen in Table-10. Based on the 'Model Summary' proof that the four independent variables that are entered into the regression model, the R (0.829), which is correlation of the four independent variables with the dependent variable. After taken all the inter correlations among four independent variable, the R square (0.687) and square of the multiple R $(0.829)^2$. In short, we can clarify that 68.7 percent of the four independent variables influence dependent variables which is customers' loyalty. Regarding the ANOVA table, we noticed that F value of 57.882 is significant at the 0.000 level. Therefore, the result can conclude that with 68.7 percent of the variance (R-Square) in customers' loyalty were significant. Therefore, we can conclude that H_1 is rejected.

Model Summary			
Model	**R**	**R-Square**	**Durbin-Watson**
1	0.829	0.687	1.772
ANOVA			
Model	**F**	**Significant**	
1	57.882	0.000	

Table-10: Multiple Regression Analysis

The next table, title Coefficients, helps us to see which among the four independent variables is the most important in explaining the variance in customers' loyalty. If we look at the column Beta under Standardized coefficients, we see that the highest number in the beta is 0.266 for trust dimension, which is significant at the 0.001 level. It may also be seen that three independent variables were significant which is trust, values and empathy dimension.

Model	b	Beta	t	Significant
Constant	-0.212		-0.849	0.397
Trust	0.327	0.266	3.515	0.001
Commitment	0.108	0.109	1.433	0.154
Values	0.172	0.163	2.101	0.038
Empathy	0.273	0.243	2.834	0.005

Table-11: Coefficients

Conclusion and Discussions

Banking and financial services are an important part of services industry. Usually satisfied customers will also complain about the services provided by the particular bank. Now, banks managers knew that delivering quality service to customers is very important for success and survival in today's global competitive banking environment. In this relation, the bank must prepare invaluable information to build strong relationship with the customers for the purpose of gaining their loyalty and hence preventing them from switching to other banks. Berry (1983) viewed relationship marketing as a strategy to attract, maintain and enhance customer relationships. In this relation, customers can be loyal towards a bank for a number of reasons. This research have identified four dimension of relationship marketing that will affect the customers loyalty in banking sector namely, trust, commitment, values and empathy.

In the correlations results, "trust dimension" is positively and highly (correlation coefficient = 0.720) correlated towards customers' loyalty. This means that customers will be loyal to a bank if they trust the bank. This finding was supported by the findings of Bhatty et al. (2001) and Pressey & Mathews (2000). They explain that business organizations gain their customers by offering or providing benefits. Thus, a firm should be able to promise and deliver each promise which had been done in order to encourage repeat patronage and to develop customer relationship and loyalty. In addition, trust only will exist if customers have confidence in a firm's ability to perform satisfactorily. Trust is a major determinant of relationship quality. Therefore, a firm perceived by its customers as honest in its performance is more likely to enjoy strong and lasting relationship with their entire customers.

"Commitment" is another factor taken into consideration to assure the customers loyal towards their bank. In this research "commitment dimension" is found to be positively and moderately related towards customers' loyalty in banking sector. The correlation coefficient is 0.674. This indicates that the respondents whenever they deal with their banks, they will consider the commitment of the bank employees towards their services. Wong & Sohal (2002) mentioned that commitment is an important dimension of customer-service provider relationship quality. Commitment is one of good predictor of customer future patronage intentions and loyalty. Now we look on the context of the bank employees. Once they have a responsible or commitment towards their job, they will perform their job without making any mistakes and can fully concentrate to entertain the customers. Then, if customers received great services, they will remain loyal to that particular bank. Similarly, commitment has also been found to be influenced by consumers' perceived differences among competing alternatives observes that customers' who are loyal to a firm hold a strong belief that the firm continues to represent the best alternative (Amine, 1998; Oliver, 1999). To this extent, we can consider commitment as the degree to which a firm represents the best available choices it has.

The result of this research also indicate that "values dimension" is positively correlated (correlation coefficient = 0.689) towards customers' loyalty in banking sector. This shows that bank customer are also looking for the "value dimension" while dealing with their banks. Each customer expects their firm to deliver high value services. Customer value perceptions are also regarded as a key determinant of overall customer satisfaction, and customer loyalty. In the point view of the value is the benefits, such as caring service that they receive from the bank. This finding was supported by the findings by Naceur & Azaddin (2005). They found that personal skills and values are the only significant service quality dimension among the customers of Islamic banks.

"Empathy dimension" is also found to have positive and high relationship (correlation coefficient = 0.744) towards customers' loyalty. Empathy is important in order for services providers to build long-term relationships with their customers'. Every customer likes to be treated nicely by the bank employees. In other words, bank employees must treat their customers' in the way they would like to be treated. If this happens, it will result in customers' satisfaction and will make customers' loyal to the bank. Empathy also is very highly associated with willingness to recommend after allowing for the effects due to overall satisfaction and affective attitude. Therefore, local banks need to understand their customers' better and continuously evaluate their service quality in order to maintain their market share.

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