

Satisfaction As A Mediator in The Link Between Service Quality And Service Loyalty

Albert Caruana, University of Malta, Malta
Leyand F Pitt, Curtin University of Technology
B Ramasashan, Curtin University of Technology

ABSTRACT

Service loyalty with its final effect on repurchasing by customers appears to have received relatively little attention. This study starts by first delineating the concept of service loyalty and proceeds to distinguish between service quality and service satisfaction. A mediational model that links service quality to loyalty via satisfaction is proposed. Appropriate measures are identified and a postal survey is undertaken among one thousand retail banking customers. A response rate of 20.5% is obtained. Results indicate that satisfaction does play a mediating role in the effect of service quality on loyalty. The effect of a number of demographic indicators on service loyalty is also reported. Implications are discussed, limitations of the study are noted and possible areas for further research are indicated.