Revisiting the Inter-relations of Service Quality & Customer Loyalty: An Empirical Examination of Effects on Two Dimensional Model of Loyalty

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Abstract

The extensively researched and refined relationship between service quality and customer loyalty has found recognition under a wide variety of colloquiums and contexts. Service quality is conspicuous for its eminence in customer loyalty formulation in marketing literature rich with both relevant theoretical and empirical evidences (Boulding et al., 1993; Parasuraman et al., 1991; Zeithaml et al., 1996). Studies have primarily investigated and established its impact over various dimensions of loyalty manifesting into repurchases, revisits, recommendations, etc. However, investigations into the association of service quality with individual dimensions of customer loyalty and the probable interaction effects affecting the shape or strength of such associations are clearly sparse.

The present paper aims at exploring and establishing the link between service quality and a two dimensional model of customer loyalty with reference to the life insurance industry in India. Further, it intends to review the relationship of customer loyalty with its prominent precursors - trust and customer satisfaction with a new perspective. A conceptual research proposition encompassing the effect of service quality on attitudinal and behavioral dimensions of customer loyalty along with the potential interaction effects of trust and customer satisfaction in these relationships has been tested and presented by the study with intent to bring in fresh propositions and perspectives. The findings support the presence of these effects and call for approaching the goal of customer loyalty development with due consideration to the desired outcomes and the conditions required for cultivating them.

Keywords: service quality, customer satisfaction, trust, attitudinal loyalty, behavioral loyalty

Introduction

The hunt for the bond that can tie the customer to the brands, services or service providers has found a fresh vigor with the alluring advantages reaped by the brands capable of retaining, managing and turning customers into apostles. With equity markets becoming more capricious and venture investors getting more chastened, a loyal base of customers is the best hope any company has for fetching capital for the business. In contrast to stock appreciation which remains volatile over short as well long term, loyal customers bring in solidity to the business in terms of growing revenues and expanding markets. Growth in any form is fundamentally driven by change and in order to have a consistent and consequential impetus foundations should be secured with a strong and stable support system. Business growth in every industry is driven by customers or

suppliers' loyalty as companies with greater customer loyalty enjoy repurchases, referrals and reputation. Repurchases contribute to the profits whereas referrals enhance market share and both of them hold equal importance for a balanced growth in long term.

Formation of customer loyalty involves several company and customer related factors among which service quality stands with greatest prominence and potential. Marketing makes sales superfluous by enabling the service provider to understand the quality desired by target customer groups as the core product or service hold utmost importance in a customer's post consumption evaluation and no amount of marketing can do the wonders in the presence of an unworthy or uncalled for product or service. Thus, service quality is fit to directly affect customers' loyalty at various levels and make a significant impact on its nature and structure.

Financial services like life insurance are at a greater risk of fake or proxy loyalty than any other business due to the longer binding periods, higher tendency of risk aversion and lower level of awareness. Quality of service in this context may be forced to take a back seat as the primary consideration of continuing business with a particular service provider is dominated by concerns about having to bear minimum loss and finding maximum security. Thus, the extensively researched and established service quality - customer loyalty relationship needs to be tested in the context of services with pecuniary repercussions at the levels of attitude and action in order to gauge the true essence of the aforementioned relationship. Moreover, it seems but natural to investigate the possible effects of customer satisfaction and trust in this regard as both of these variables are greatly in a position to affect the choices and decisions of life insurance customers.

Sharma et al. (1981); Baron and Kenny (1986); McMullan (2005) emphasize upon the idea and importance of moderating variables which has found great significance in the field of marketing research related to consumer behavior. Investigating the possibility of moderating or interaction effects which are capable of altering the form or strength of a relationship opens up new avenues in the understanding of a presumably established relationship. Several studies have explored and explained the direct relationship of customer satisfaction and trust with customer loyalty. However, there is a definite dearth of literary perspectives or the empirical evidences on their indirect or interactive effects in relation to customer loyalty.

Literature Review

Anderson and Sullivan (1993); Parasuraman et al. (1994); Anderson et al. (1994); Fornell et al. (1996); Athanassopoulos (2000); Cronin et al. (2000) reviewed several empirical researches and concluded that service quality acts as a major precursor of customer satisfaction which is another key antecedent of loyalty. However, Oliver (1999, p.33) pointed that satisfaction "becomes less significant as loyalty begins to set through other mechanisms". Various research studies such as Zeithaml et al., (1996), Zeithaml (2000),Anderson and Mittal (2000), Wong and Sohal (2003), Adil and Khan (2013), Izogo (2015) reported that attitudinal and behavioral dimensions of customer loyalty are heavily influenced by service quality whereas other researches (Lau and Lee, 1999; Reichheld and Schefter, 2000) underlined the relationship between trust and loyalty. Furthermore, Johnson et al. (2001) and Olsen (2002) confirmed positive link of behavioral loyalty with customer satisfaction.

In order to render a base and structure to the study, it is imperative to reach at a conceptual research

model capable of being tested empirically. Imminent sections offer a succinct review of literature relevant to the concepts under testing for the purpose of hypotheses development:

Service Quality

Parasuraman et al. (1988) argued that service quality can be explained as the gap between customer's expectations from the service he is to receive and perceptions of the actual service he receives. Parasuraman et al. (1985, 1988) defined service quality as a universal verdict on the supremacy of the service. Bolton and Drew (1991) argued that service quality is a type of attitude that takes place out due to comparison of expectations and performance. Zeithaml and Bitner (1996) opined that service quality can be understood as the exceptional service delivery with customer expectations as reference point. Cunningham and Young (2002) proposed service quality as a function of customers' perceptions about services. Ueltschy et al., (2004) suggested that service quality can be viewed as consumer's opinion about the overall quality or preeminence of the service. Gefan (2002) argued that customers compare the desired quality and actual quality of the service that they receive in a subjective fashion and such comparison is known as service quality. Petridou et al. (2007) considered service quality as a path to building competitive advantage and commercial success in the context of service organization. Fogli (2006) perceived service quality as "a global judgment or attitude relating to a particular service; the customer's overall impression of the relative inferiority or superiority of the organization and its services. Service quality is a cognitive judgment" (p.4).

Grönroos (1983); Parasuraman et al. (1985) pointed that service quality has two principal components namely, technical quality and functional quality. Sharma and Patterson (1999) proposed that "technical quality refers to the competency of the adviser in achieving the best return on investment for their client, at acceptable levels of risk, thus assisting the clients to achieve their financial goals" (p. 156). They opined that technical quality is the nucleus of service in relation to monetary planning. Grönroos (1978) pointed that functional component of quality is linked to the service provider's interaction with the customer. Sharma and Patterson (1999) stated that delivery of technical serviceis accomplished through the processes shrouded by functional quality.

Attitudinal Loyalty

LaBarbera and Mazursky (1983); Anderson and Sullivan (1993); Bloemer and de Ruyter (1998); Mittal et al. (1998); Mittal et al. (1999); Ngobo (1999); Croninet al.(2000);Anderson and Mittal (2000); Homburg and Giering (2001); Liang and Wang (2004); Gustafsson and Johnson (2004); Lam et al. (2004);Agustin and Singh (2005); Seiders et al. (2005); Homburg and Furst (2005); Johnson et al. (2006); Chandrashekaran et al. (2007); proposed that attitudinal loyalty can be referred to as the probability to recommend and repurchase or in case of other contexts, the probability to visit or re-buy from the firm. Oliver (1997) recommended that development of attitudinal loyalty takes place through three conceptual stages - cognitive, affective and conative:

Figure 1. Conceptual Phases of Attitudinal Loyalty
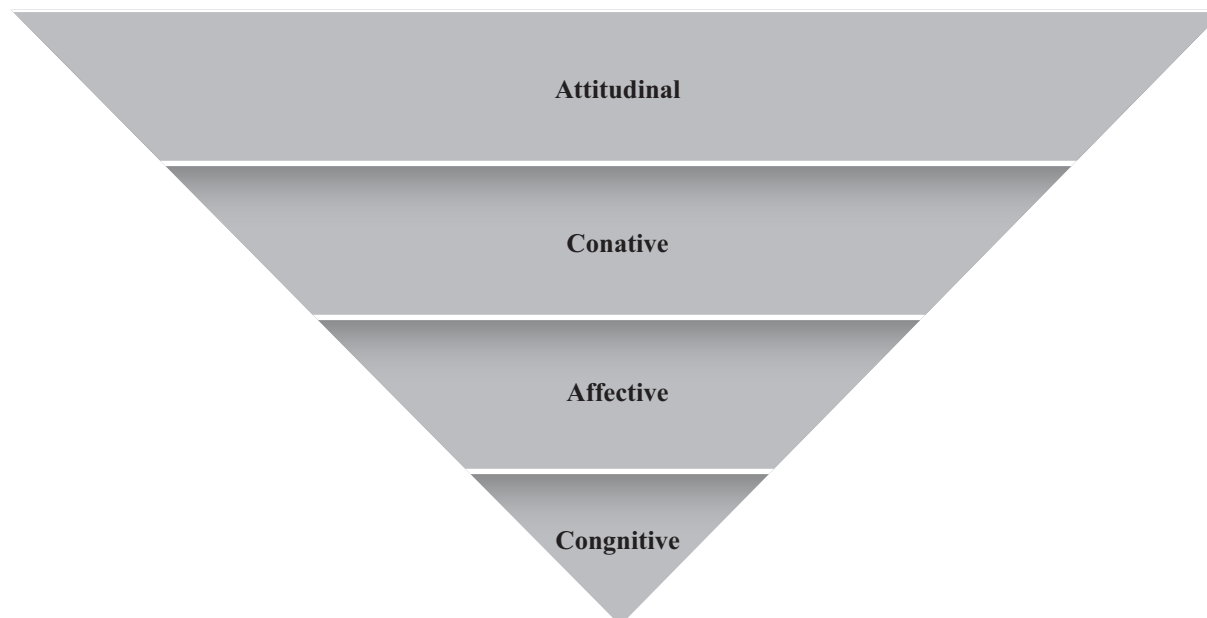
Source : Oliver (1997)

Getty & Thompson (1994) postulated that the attitudinal dimension's ability to gauge customer loyalty adequately stems from the fact that genuine commitment and strong repurchase or recommend intentions of a customer are likely to lead to a decision of sticking with the brand or store. Kandampully & Suhartanto (2000) described attitudinal dimension as a psychological commitment toward the brand or store.

Jones and Taylor (2007) pointed that relative attitude refers to an affective assessment of the brand and has been explained in different ways such as:

I. Giving the 'first choice' status to a particular service provider among all the available alternatives (Zeithaml et al., 1996; Mattila, 2001),

ii. Readiness to recommend a particular service provider to others (Javalgi and Moberg, 1997; Butcher et al., 2001),

iii. Strong preference towards a particular service provider (Mitra and Lynch, 1995),

iv. Feeling a sense of connection with a particular product, service or organization (Fournier, 1998), and

v. Altruistic actions such as helping the service organization and fellow customers (Price et al., 1995; Patterson and Ward, 2000).

Behavioral Loyalty

According to Jamieson and Bass (1989); Bemmaor (1995); Chandon et al. (2005), behaviors of the customers hold more interest for the companies in comparison to their intentions as former' effect on revenues and profitability can be directly traced. Bolton et al. (2004) posited that the length and depth of a relationship can be gauged from measures such as retention, duration and usage whereas cross buying and share of wallet can be referred to as the measures of relationship breadth. Cunningham (1956); Farley (1964) perceived

loyalty as an offshoot of the portion of total purchases and Tucker (1964); Sheth (1968) found it to be a function of frequency or pattern of purchasing. Harary et al. (1962); McConnell (1968); Wernerfelt (1991) found buying probability to be an appropriate explanation of loyalty. Tellis (1998) considered relative purchase volume of a brand as asign of loyalty or as put by Kandampully and Suhartanto (2000), behavioral dimension is simply incidences of repetitive purchasing by the customer.

Guadagni and Little (1983); Tellis (1998) asserted that behavioral approach has been used by assessment of behavioral variables in order to prognosticate customer's buying behavior in future. Tepeci (1999) disagreed with this stance as he noted that psychological (decision making or evaluative) commitment to the brand or store does not always lead to repeat buying and this poses a major limitation to this approach. Bowen & Chen (2001) approved the above stand saying that the recurring purchases do not always represent customer's continued recommendation or maintaining a positive mind-set about the service provider. As put by Dick and Basu (1994), the behavioral approach fails to appreciate customer's

decision-making processes as it signifies undifferentiated concepts of brand loyalty and repetitive buying.

Jones and Taylor (2007) noted that the early researches on service loyalty were cluttered around the behavioral upshots covering intentions of recurring purchases or series of purchases by the customer. Behavioral effects of loyalty are:

i. Repeat buying from a particular service provider (Zeithaml et al., 1996; Jones et al., 2000),

ii. Lower intentions of changing a particular service provider (Bansal and Taylor, 1999; Dabholkar and Walls, 1999), and

iii. Going to a particular service provider for making purchases that belong to a single category (Reynolds and Beatty, 1999; Reynolds and Arnold, 2000).

Rai (2013) presented the dimensions of customer loyalty and their respective manifestations in the following table which has been used as the basis for assessment in the present study:

Table 1. Dimensions of Customer Loyalty

Outcomes of Customer Loyalty	Manifestations	Definition	Literature Source
Attitudinal	Strength of Preference	Customer's degree of predilection for a service based upon its affective evaluation.	Mitra and Lynch (1995); de Ruyter et al. (1998); Chaudhuri and Holbrook (2001)
	Advocacy/ Willingness to Refer	Customer's willingness to commend and advocate a service into his social group at the risk of his own reputation.	Rust and Zahorik (1993); Boles et al. (1997); Anderson (1998); Bloemer et al. (1999); Naylor (1999)
	Altruism	Customer's readiness to support the service provider by providing feedback or helping co-customers in order to ensure successful service delivery.	Price et al. (1995)
Behavioral	Re-patronage Intentions	Customer's willingness to sustain a relationship with his service provider and repurchase from the same provider in a particular category.	Zeithaml et al. (1996); Bolton and Lemon (1999); Jones et al. (2000)
	Resistance to Change	Customer's imperviousness against substitutes available in the market	Hozier and Stern (1985); Zeithaml et al. (1996); Walker and Knox (1997); Narayandas (1999); Ganesh et al. (2000)
	Share of Wallet/ Exclusive Purchasing/ Share of Category	Customer's relative willingness to allocate all his purchases in a category to a particular service provider.	Day (1969); Reynolds and Beatty (1999); Reynolds and Arnold (2000); White and Schneider (2000)
Cognitive	Price Indifference/ Price Insensitivity	Customer's apathy towards the disparity between the price charged by his service provider and that of others charging in the same category.	Anderson (1996); Zeithaml et al. (1996); de Ruyter et al. (1998)
	Exclusivity/ Top of Mind	Customer's set of consideration exclusively consisting of one and only one service provider for a specific service.	Dwyer et al. (1987); Ostrowski et al. (1993); Gremler and Brown (1996)
	Identification	Customer's feeling of possession over the service, his association with the service provider or the analogy of his values with that of service provider.	Iacobucci (1992); Gremler and Brown (1996); de Ruyter et al. (1998); Butcher et al. (2001)

Source: Rai (2013)

Zeithaml et al. (1996) proposed that the cost of selling an insurance policy is recovered only when the policy is put up for renewal repeatedly. Moore and Santomero (1999) argued that insurance providers in USA regard retention as a significant determinant of economic achievement. Diacon and O'Brien (2002) opined that greater retention has strong ties with economic performance of insurance companies. In the context of general insurance, Peppers and Rogers (2004) pointed that the duration of customers' stay with the company is inversely related to the possibilities of them claiming against their property and casualty insurance. Tsoukatos and Rand (2006) stated that research has enunciated the crucial importance of quality of services, customer satisfaction and loyalty for insurers' survival.

Moderating Roles of Trust & Customer Satisfaction

Ball et al. (2004) conducted a study in telecommunication industry and found that the explanatory power of trust weakens in the presence of high switching barriers. Kuikka and Laukkanen (2012) undertook a study in the chocolate market of Finland and reported trivial significance of trust for attitudinal loyalty. Richard and Zhang (2012) also revealed similar findings. In order to evaluate the possible moderating roles of trust and customer satisfaction in relation to service quality's relationship with various dimensions of customer loyalty, a succinct account of relevant researches and their findings have been presented in the imminent sections:

Service Quality – Attitudinal Loyalty Relationship

Kassim and Abdullah (2010) emphasized that customers' buying intentions become stronger with the increase in favorable attitude towards products and services. Wong et al. (1999); Wong and Sohal (2003); Hazra and Srivastav (2009) explored the

sphere of service quality and established a positive relationship between service assurance and the loyalty construct in general. However, Izogo (2015) contended that there is still a dearth of studies investigating a direct positive link between service assurance with the attitudinal dimension of loyalty. He reviewed Fullerton (2005), Vesel and Zabkar (2010), Wang (2010) and argued that although the studies verifying and validating service assurance – attitudinal loyalty link are largely non-existent, the relationship between general service quality construct and customer loyalty has been found to be positive by numerous researches. Another dimension of service quality i.e., reliability has been found to be sharing a positive relationship with customer loyalty by Dick and Basu (1994). Manimaran (2010); Lonial et al. (2010); Martinelli and Balboni (2012); Lin (2012) contended that service reliability does not exercise a positive effect over customer loyalty whereas findings of Wong et al. (1999); Yuen and Chan (2010) supported a positive relationship between the two. Wong and Sohal (2003)also established a positive link between attitudinal loyalty and service reliability. Adil and Khan (2013) posited that in the rural banking set-up, service reliability leads to positive word of mouth. Izogo (2015)in their study, corroborated to these findings by suggesting that service reliability shares a positive link with commitment and attitudinal loyalty and posited that such loyalty could be triggered by creating a combination of improved service quality and commitment as well as using them independently. He stated that "attitudinal loyalty is a process-based construct that starts from service assurance and service reliability which all lead to customer commitment that finally triggers attitudinal loyalty".

Anderson and Mittal (2000) asserted that the degree of a product's quality influence a customer's choice to advocate it through positive word of mouth. Service quality is found to be positively

related to willingness to recommend the company (Parasuraman et al., 1991; Boulding et al., 1993), openness to pay more as well as other loyalty related behaviors (Zeithaml et al., 1996). A positive link between service quality, readiness to pay higher prices and customer loyalty was also reported (Baker and Crompton, 2000).

H_{01}: Service Quality has no relationship with Attitudinal Loyalty

Service Quality – Attitudinal Loyalty Relationship: Moderating Role of Trust

Gundlach and Murphy (1993, p. 41) acknowledged that "the variable most universally accepted as a basis of any human interaction or exchange is trust". Dwyer et al. (1987); Morgan & Hunt (1994) pointed that the significance of trust in a consumer and industrial market scenario involving buyer and seller has further been underscored the surfacing of relational paradigm. Researchers like Sirdeshmukh et al. (2002); Verhoef et al. (2002) projected trust as a fundamental feature of commencement, creation and continuation in varied exchange scenarios. Reichheld and Schefter (2000, p. 107) asserted that "to gain the loyalty of customers, you must first gain their trust". Lau and Lee (1999) studied the association of trust in a brand and brand loyalty only to find a significant positive link. Chaudhuri and Holbrook (2001) also confirmed strong support for the considerable correlation between brand trust, purchase and attitudinal loyalty. Sirdeshmukh et al. (2002) acknowledged the direct relationship of trust with loyalty.

H_{02}: Trust has no moderating role in the Service Quality – Attitudinal Loyalty relationship.

Service Quality – Behavioral Loyalty Relationship

Zeithaml et al., (1996); Zeithaml (2000) concluded

that perceived service quality affects the behavioral intentions such as repetitive buying. Brady et al. (2002); Carrillat et al. (2009) argued that the cognitive appraisal of various dimension of service quality educe customer's positive behavioral response. Lertwannawit and Gulid (2011), in their study of medical tourism in the context of Bangkok Metropolitan area and the private medical services available there, found that there is an indirect effect that service quality exercises on behavioral loyalty.

H_{03}: Service Quality has no relationship with Behavioral Loyalty.

Service Quality – Behavioral Loyalty Relationship: Moderating Role of Customer Satisfaction

Kumar et al. (2013) argued that satisfaction – loyalty relationship is a complicated one. Ngobo (1999); Anderson and Mittal (2000) pointed towards the inconsistency in the association of satisfaction with loyalty across different industries. Bloemer and de Ruyter (1998); Mittal and Kamakura (2001); Szymanski and Henard (2001) examined the relationship of satisfaction with perceived or actual buying behavior based loyalty and reported low to moderate strength of relationship when compared to intentions based attitudinal loyalty. Johnson et al. (2001); Szymanski and Henard (2001);Olsen (2002) suggested a positive linear relationship of satisfaction with repurchase loyalty with latter increasing gradually in response to increase in satisfaction. Seiders et al. (2005) established a strong positive predictive power of customer satisfaction in relation to repurchase intentions but vouched for the absence of a direct connection between satisfaction and repurchase behavior. On the other hand, Olsen (2007) reported the satisfaction - repurchase loyalty correlation with indirect role of involvement. Agustin and Singh

(2005), in the context of retail and aviation industries, contended that relational trust and value have stronger impact on loyalty intentions in comparison to customer satisfaction. Kumar et al. (2013) reviewed number of studies probing the effect of satisfaction on the customers of a company in various contexts such as B2B (Biong, 1993), hospitality (Bowen and Chen, 2001), services (Keh and Lee, 2006), DIY programs (Vesel and Zabkar, 2009), pre-purchase familiarity(Söderlund, 2002), product involvement (Suh and Yi, 2006), expectations (Yi and La, 2004) and argued there is lack of "generalizable empirical findings" pertaining to behavioral and attitudinal measures of loyalty as well as the possible effects of factors related to customers, relationships and marketplace with regards to satisfaction – loyalty link. Szymanski and Henard (2001)undertook a meta-analysis to explain that less than 25 percent of the variance in repurchase is explained by satisfaction.

Ittner and Larcker (1998); Mittal and Kamakura (2001) found nonlinear and asymmetrical link between satisfaction and behavioral loyalty. On the other hand, Bolton and Lemon (1999); Gustafsson et al. (2005); Perkins-Munn et al. (2005) reported a linear relationship between satisfaction and behavioural loyalty. Verhoef et al. (2001, 2002) reported that satisfaction does not have any significant impact over cross buying but Verhoef et al. (2001) contended that presence of relationship strength results in satisfaction affecting cross buying. Hallowel (1996) stated that satisfaction has positive impact on the rate of cross sell at the overall division level in terms of account cross sell or service cross sell. Loveman (1998) asserted that in the context of retail banking, cross selling has significant positive relationship with customer satisfaction. Kumar et al. (2013) opined that the positive relationship between customer satisfaction and cross sell seems to be an obvious one according to conventional wisdom despite the presence of contradictory empirical evidences. Bowman and Narayandas (2004) tested the aforementioned relationship in the context of SPC to business markets and revealed that the association between satisfaction and share of wallet is prone to positive effects of account manager's experience and client's satisfaction.

H_{04}: Customer Satisfaction has no moderating role in the Service Quality – Behavioral Loyalty relationship.

Methodology

Research Problem

Research (Parasuraman et al., 1991; Boulding et al., 1993; Zeithaml et al., 1996; Srivastava & Rai, 2013) conducted across the globe over time under the context of various commercial set ups acknowledged service quality as a significant precursor of customer loyalty and offered invaluable insights into their relationship through theoretical as well as empirical evidences. However, the aforementioned relationship is yet to be investigated on a broader level with a narrower focus in order to discover the specific effects of service quality on the most noted dimensions of customer loyalty, i.e., attitudinal and behavioral loyalty. Moreover, given the people intensive and sensitive nature of financial services like life insurance, it is important to assess the possible role of trust and customer satisfaction in the aforementioned relationships of service quality in order to gain right understanding of the real impact it exercises. Besides banking, life insurance is the most common service which finds place in almost every investor's financial planning and portfolio and despite being characterized with longer gestation period and lesser occasions for feedback, has larger reach thereby holding greater impact. Therefore, developing and testing a holistic model of the relationships of service quality with

attitudinal and behavioral loyalty and the possible roles of trust and customer satisfaction in this regard is called for.

Figure 2. Conceptual Research Model
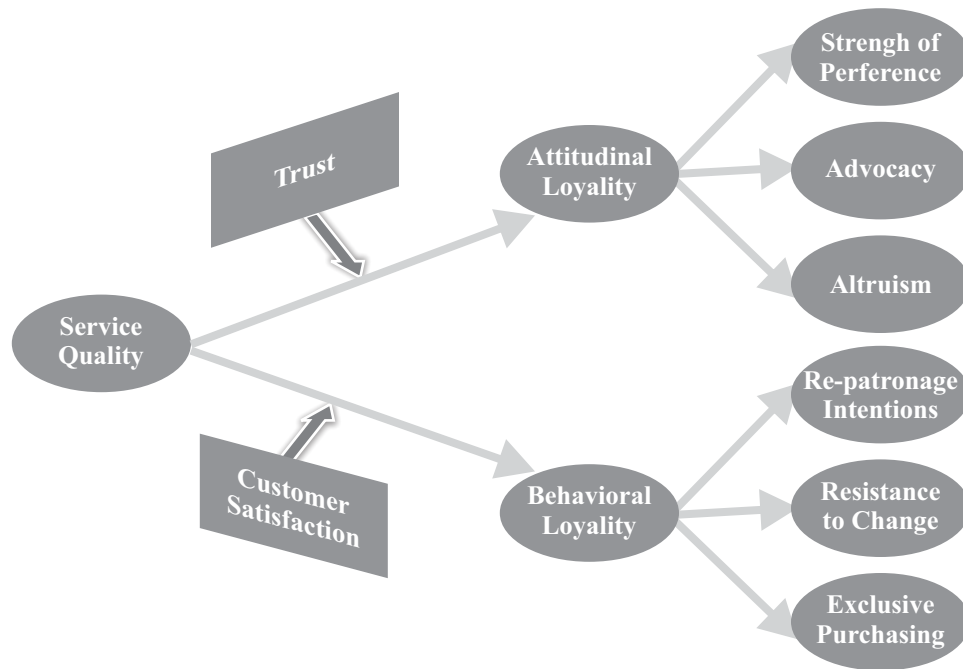
Research Objectives

1. To evaluate the relationship between service quality and attitudinal loyalty.
2. To investigate the relationship between service quality and behavioral loyalty.
3. To assess the moderating role of trust in the service quality–attitudinal loyalty relationship.
4. To assess the moderating role of customer satisfaction in the service quality–behavioral loyalty relationship.

Data & Sample

The sampling frame of the study consisted of the life insurance policy holders of LIC and the two largest private sector life insurance companies, SBI Life and ICICI Prudential. Consequently, individual policy holders of LIC, SBI Life and ICICI Prudential in Varanasi were treated as the sampling unit of study. 400 life insurance customers were contacted for data collection through survey. The sample size consisted of a pool of 400 policyholders half of which belonged to SBI Life and ICICI Prudential 100 policy holders each and rest had taken life insurance policy from LIC of India. In order to ensure adequate level of customer involvement necessary for loyalty to ensue, the respondents were screened through following two conditions:

(i) A life insurance policy with minimum sum assured equivalent to or more than Rs. 5 lakhs

(ii) Minimum 5 years' duration of holding a life insurance policy

Since the above conditions put restrictions on the selection of sample, snowball sampling technique was used to identify and select the respondents. Hierarchical Regression Analysis helped in testing the hypotheses specified earlier.

Scope of the study

The focus of present study lies in investigating the relationship of service quality with most significant dimensions of customer loyalty known as attitudinal and behavioral loyalty. The study also intends to explore the possible moderating roles played by obvious as well as established psychological factors instrumental in shaping consumer behavior. It takes into account the responses from customers of life insurance services only and does not cover other financial services.

Results & Discussion

The findings of the present study support the relationship of service quality with attitudinal as well as behavioral loyalty as H_1 and H_2 failed to find statistical support. In order to assess the potential moderating role of trust and customer satisfaction in the relationship of service quality with attitudinal and behavioral loyalty respectively, hierarchical regression analysis has been employed. According to West et al. (1996) each individual variable used for creating the interaction term for assessing moderating effects need to be included in the model. Frazier et al. (2004) also stated that "product terms must be entered into the regression equation after the predictor and moderator variables from which they were created" pp. 121). Thus, the present study chose to employ regression analysis in a hierarchical fashion which allows determining the order of entry for main and interaction effects. The resultant models are depicted in the tables 2 and 3:

Table 2: Results of Hierarchical Regression Analysis for the moderating role of Trust in Service Quality – Attitudinal Loyalty relationship

Dependent Variable – Attitudinal Loyalty	beta coeff. $\beta(x)$	Significance	beta coeff. $\beta(z)$	Significance	beta coeff. $\beta(x*z)$	Significance
Step 1	.238	.000				
Step 2	-.118	.156	.433	.000		
Step 3	-.101	.222	.410	.000	-.156	.006
x = service quality z = trust						

All variables in the models have been standardized to combat the problem of multicollinearity and the z-score or the standardized values have been used in the analysis. The moderating effects of trust and customer satisfaction, as hypothesized in the study, have been tested by creating interaction terms through multiplication of service quality with trust and customer satisfaction.

Trust has a significant beta coefficient (.433). The interactive term (SQ × T) has also been found to be significantly different from 0 which leads to rejection of H3 (p<0.05). Thus, it has been established that trust moderates the linear relationship between service quality and attitudinal loyalty along with acting as a predictor variable which establishes it as a quasi-moderator of attitudinal loyalty.

Table 3: Results of Hierarchical Regression Analysis for the moderating role of Customer Satisfaction in Service Quality – Behavioural Loyalty relationship

Dependent Variable – Behavioural Loyalty	beta coeff. $\beta(x)$	Significance	beta coeff. $\beta(z)$	Significance	beta coeff. $\beta(x*z)$	Significance
Step 1	.111	.027				
Step 2	.091	.143	.033	.595		
Step 3	.060	.334	.106	.105	.182	.002
x = service quality z = trust						

Table 3, on the other hand, suggests that the regression coefficient for Customer Satisfaction is non-significant (p>0.05) whereas the interactive term (i.e., service quality × customer satisfaction) is significantly different from 0. Thus, H₃ has also failed to find support which means that customer satisfaction plays moderating role in service quality – behavioral loyalty relationship. Moreover, it has the properties of a pure moderator due to lack of evidence for its predictive power in relation to behavioral loyalty.

Above findings regurgitate the conceptual underpinning of the present study by establishing service quality's predictive power in relation to customer loyalty at the attitudinal and behavioral levels along with substantiating the interaction effects of trust and customer satisfaction in this context. The service quality - customer loyalty relationship has been explored, examined and established copiously under numerous conceptual and commercial contexts. The present study ventures a little further by investigating the aforementioned relationship on two different levels of customer loyalty both of which bear distinct traits and manifestations. Service quality has been found to be playing antecedent role in the formation of attitudinal loyalty which points out the significance of maintaining and delivering quality in order to qualify to the brands worthy of preference and recommendation. Particularly in the context of financial services, clients' attitude

towards the service provider tends to be skeptic given the nature of services, convoluted terms and conditions and potential consequences of wrong decisions. Thus, consistent quality of services goes a long way in negating the skepticism that stems from uncertainty and unawareness and builds a strong preference for the service provider as well as willingness to take the risk of ruined reputation by recommending him in the social circles. Moreover, such consistency in terms of features, cost and overall quality of services gives clients a reason to keep coming back to the service provider. The re-patronage intentions get strengthened with better quality of services and a comfort zone develops which in turn, results into resistance to switching to other lucrative propositions in the market. Such sustained stay naturally leads to renewals, re-investments, extensions, cross buying, etc. which collectively stand for greater share of wallet.

The findings pertaining to interaction effects or moderating roles of trust and customer satisfaction explain a great deal of the association between service quality and both of the loyalty dimensions. Trust has been proposed to be a moderating variable in service quality – attitudinal loyalty relationship and the findings confirmed its role as a quasi-moderator which suggests that in addition to moderating the association between service quality and attitudinal loyalty negatively, trust also holds predictive power over the latter. The biggest challenge before any service provider dealing in

finances has always been to create and communicate credibility and confidence and thus, trust carries considerable significance in terms of developing attitudinal loyalty which is mainly manifested through strength of preference, recommendation and altrusim. Present study corroborates to the findings of previous researches citing trust as a prominent predictor of customer loyalty by establishing its impact over attitudinal loyalty of life insurance clients. However, higher level of trust cancels out the positive impact of service quality over probabilities of receiving preference, recommendations and support from the clients since the reliability and credibility of a service provider widens the zone of tolerance and creates space for successful recovery in the unfortunate event of a service failure.

Behavioral dimension of customer loyalty is more action oriented and relies upon the net result of cultivating clients' loyalty in terms of profitability and market share. Service quality being the irrefutable antecedent of customer loyalty exercises positive impact over behavioral loyalty of life insurance clients as well. This aforementioned link between service quality and behavioral loyalty is intensified in the presence of customer satisfaction as the continuous episodes of satisfaction reinforce the brand name in the minds of clients and incentivize them for repurchasing and sticking with the service provider. Behavioral loyalty has often been mocked in the literature for its obvious superficiality and has even been referred to as proxy loyalty underlining the lack of depth. Hence, a client's renewals and re-investments may well be the result of convenience and familiarity along with the service quality instead of post consumption evaluation of the service leading to satisfaction or dissatisfaction as suggested by the findings of present study. However, customer satisfaction does strengthen the bond born from ease and convenience and takes it further by invigorating the predictive power of

service quality over clients repurchase intentions, resistance to switching and share of wallet as the results of hierarchical regression analysis found it to be acting as a pure moderator in the service quality – behavioral loyalty relationship.

Scope for future research

Present study offers significant directions for future researches in terms of conceptual framework of customer loyalty and its noted aspects i.e., attitudinal and behavioral loyalty. Besides attitudinal and behavioral loyalty, cognitive dimension of customer loyalty has also received considerable support from previous researches in the area and thus, calls for special attention in terms of its construction and configuration. Moreover, investigation into the possible inter-relationships of attitudinal, behavioral and cognitive dimensions of customer loyalty may also uncover interesting information about consumer's psych that triggers loyalty and determines its dominant nature. The study establishes service quality's relationship with attitudinal and behavioral loyalty and further research may explore the indirect effects in the aforementioned relationships.

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Appendix A: Moderating Effect of Trust

The step-by-step summary of predictors entered into the regression equation is as follows:

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	Zscore: Service quality mean[a]	.	Enter
2	Zscore: Trust[a]	.	Enter
3	SQT[a]	.	Enter

a. All requested variables entered.
b. Dependent Variable: Zscore: Attitudinal Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.238[a]	.057	.054	.97250852	.057	23.877	1	398	.000
2	.342[b]	.117	.113	.94192017	.061	27.269	1	397	.000
3	.366[c]	.134	.128	.93403558	.017	7.731	1	396	.006

a. Predictors: (Constant), Zscore: Service quality mean

b. Predictors: (Constant), Zscore: Service quality mean, Zscore: Trust

c. Predictors: (Constant), Zscore: Service quality mean, Zscore: Trust, SQT

ANOVA[d]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.582	1	22.582	23.877	.000[a]
	Residual	376.418	398	.946		
	Total	399.000	399			
2	Regression	46.776	2	23.388	26.361	.000[b]
	Residual	352.224	397	.887		
	Total	399.000	399			
3	Regression	53.521	3	17.840	20.449	.000[c]
	Residual	345.479	396	.872		
	Total	399.000	399			

a. Predictors: (Constant), Zscore: Service quality mean

b. Predictors: (Constant), Zscore: Service quality mean, Zscore: Trust

c. Predictors: (Constant), Zscore: Service quality mean, Zscore: Trust, SQT

d. Dependent Variable: Zscore: Attitudinal Loyalty

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.805E-15	.049		.000	1.000		
Zscore: Service quality mean	.238	.049	.238	4.886	.000	1.000	1.000
2 (Constant)	-2.746E-15	.047		.000	1.000		
Zscore: Service quality mean	-.118	.083	-.118	-1.422	.156	.324	3.087
Zscore: Trust	.433	.083	.433	5.222	.000	.324	3.087
3 (Constant)	.128	.066		1.953	.052		
Zscore: Service quality mean	-.101	.082	-.101	-1.223	.222	.322	3.104
Zscore: Trust	.410	.083	.410	4.965	.000	.321	3.117
SQT	-.156	.056	-.131	-2.780	.006	.990	1.010

a. Dependent Variable: Zscore: Attitudinal Loyalty

Excluded Variables[c]

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	Zscore: Trust	.433[a]	5.222	.000	.254	.324	3.087	.324
	SQT	-.154[a]	-3.194	.002	-.158	1.000	1.000	1.000
2	SQT	-.131[b]	-2.780	.006	-.138	.990	1.010	.321

a. Predictors in the Model: (Constant), Zscore: Service quality mean

b. Predictors in the Model: (Constant), Zscore: Service quality mean, Zscore: Trust

c. Dependent Variable: Zscore: Attitudinal Loyalty

Appendix B: Moderating Effect of Customer Satisfaction

The step-by-step summary of predictors entered into the regression equation is as follows:

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	Zscore: Service quality mean[a]	.	Enter
2	Zscore: Customer satisfaction mean[a]	.	Enter
3	SQCS[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: Zscore: Behavioural Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.111[a]	.012	.010	.99511588	.012	4.926	1	398	.027
2	.114[b]	.013	.008	.99601303	.001	.283	1	397	.595
3	.193[c]	.037	.030	.98496366	.024	9.957	1	396	.002

a. Predictors: (Constant), Zscore: Service quality mean

b. Predictors: (Constant), Zscore: Service quality mean, Zscore: Customer satisfaction mean

c. Predictors: (Constant), Zscore: Service quality mean, Zscore: Customer satisfaction mean, SQCS

ANOVA[d]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.878	1	4.878	4.926	.027[a]
	Residual	394.122	398	.990		
	Total	399.000	399			
2	Regression	5.159	2	2.580	2.600	.076[b]
	Residual	393.841	397	.992		
	Total	399.000	399			
3	Regression	14.819	3	4.940	5.092	.002[c]
	Residual	384.181	396	.970		
	Total	399.000	399			

a. Predictors: (Constant), Zscore: Service quality mean

b. Predictors: (Constant), Zscore: Service quality mean, Zscore: Customer satisfaction mean

c. Predictors: (Constant), Zscore: Service quality mean, Zscore: Customer satisfaction mean, SQCS

d. Dependent Variable: Zscore: Behavioural Loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.645E-15	.050		.000	1.000		
	Zscore: Service quality mean	.111	.050	.111	2.220	.027	1.000	1.000
2	(Constant)	4.481E-15	.050		.000	1.000		
	Zscore: Service quality mean	.091	.062	.091	1.466	.143	.646	1.548
	Zscore: Customer satisfaction mean	.033	.062	.033	.532	.595	.646	1.548
3	(Constant)	-.108	.060		-1.800	.073		
	Zscore: Service quality mean	.060	.062	.060	.968	.334	.630	1.587
	Zscore: Customer satisfaction mean	.106	.066	.106	1.623	.105	.565	1.770
	SQCS	.182	.058	.167	3.155	.002	.869	1.151

a. Dependent Variable: Zscore: Behavioural Loyalty Collinearity Statistics

Excluded Variables[c]

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	Zscore: Customer satisfaction mean	.033[a]	.532	.595	.027	.646	1.548	.646
	SQCS	.136[a]	2.754	.006	.137	.994	1.006	.994
2	SQCS	.167[b]	3.155	.002	.157	.869	1.151	.565

a. Predictors in the Model: (Constant), Zscore: Service quality mean

b. Predictors in the Model: (Constant), Zscore: Service quality mean, Zscore: Customer satisfaction mean

c. Dependent Variable: Zscore: Behavioural Loyalty