

## Original Article

# Exploring the Role of the Service Quality in Driving Customer Satisfaction and Brand Loyalty

Mr. Purushottam C J<sup>1</sup>, Mr. Hemanth C S<sup>2</sup>

<sup>1</sup>Associate Professor & Research Supervisor, Department of Management Studies, Visvesvaraya Technological University-Belagavi, Centre for Post-Graduation Studies, Muddenahalli, Chikkaballapur, India

<sup>2</sup>Student, Department of Management Studies (MBA), Centre for Post Graduate Studies, Muddenahalli, Chikkaballapur, Visvesvaraya Technological University, Belagavi, Karnataka State, India

Email: [hemanthcs7348@gmail.com](mailto:hemanthcs7348@gmail.com)

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### Abstract

*This research looks at the relationship between customer satisfaction and service quality and how both factors affect brand loyalty. 400 clients of retail service providers in a large city were surveyed using structured questionnaires as part of a quantitative study. The results demonstrate that customer satisfaction is strongly positively impacted by service quality and that customer satisfaction mediates the relationship between brand loyalty and service quality. The two most powerful predictors among the aspects of service quality were responsiveness and dependability. The study advances both theory and practice by elucidating the means by which businesses can increase customer satisfaction and service quality to cultivate loyalty. There is discussion of the implications for service managers as well as suggestions for additional research.*

**Keywords:** Brand loyalty customer satisfaction and service quality are among the main ideas that this study focuses on. It looks at the effects of SERVQUAL characteristics on loyalty and satisfaction including assurance responsiveness empathy and tangibles.

### Introduction

In order to create meaningful customer experiences in todays fiercely competitive and customer-focused marketplace service organizations need to do more than just provide products or basic services. The degree to which a service meets or surpasses the expectations of the client is one of the most important factors influencing this. With products becoming more similar and markets becoming saturated service quality has become a crucial differentiator that can have a direct impact on customer satisfaction perceptions and long-term brand relationships. A key metric for assessing how well a companys products meet the needs and expectations of its clients is customer satisfaction. Positive word-of-mouth customer retention and repeat business are all known to be fueled by it. Customers who are happy with a brand are more likely to stick with it refer it to others and become less price-sensitive according to numerous studies. Nonetheless satisfaction is frequently a direct result of perceived service quality and does not occur in a vacuum. Customers emotional and behavioral commitment to a brand over time is reflected in brand loyalty. In addition to generating steady income loyal consumers also lower marketing expenses and serve as brand advocates. To develop a solid devoted clientele businesses must comprehend how customer satisfaction and service quality affect brand loyalty. With an emphasis on the mediating function of satisfaction this study attempts to investigate the connections among service quality customer satisfaction and brand loyalty. Through the utilization of the SERVQUAL model which encompasses elements like assurance responsiveness empathy tangibles and dependability this study explores which facets of service quality have the biggest effects on customer satisfaction and loyalty.

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### Address for correspondence:

Mr. Purushottam C J, Associate Professor & Research Supervisor, Department of Management Studies, Visvesvaraya Technological University-Belagavi, Centre for Post-Graduation Studies, Muddenahalli, Chikkaballapur, India

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The results are meant to give service-based companies practical advice on how to improve client experiences and build enduring brand connections.

## Literature Review

- 1. In the hotel industry Ladhari Souiden and Ladhari (2011)** investigated how aspects of service quality affected patron satisfaction. The study found that satisfaction is highly predicted by responsiveness and dependability which in turn increases brand loyalty.
- 2. Saeed Khurshid and Awan (2013)** discovered a strong positive correlation between customer satisfaction and service quality in the telecom industry. Customer satisfaction is a partial mediator of the relationship between service quality and brand loyalty according to their findings.
- 3. An analysis of luxury hotel services by Han Back and Barrett (2010)** found that customer satisfaction is positively impacted by service quality and that customer satisfaction is a major factor in brand advocacy and loyalty.
- 4. In their 2013 study Mittal & Lassar** examined healthcare services and discovered that patient loyalty is mediated by perceived service quality which is a strong antecedent of satisfaction. This underscores the significance of individualized care.
- 5. According to Chen & Chens (2013)** study on e-commerce service quality customer satisfaction and loyalty intentions are strongly influenced by the caliber of websites and customer support.
- 6. In the banking industry Khan Rahman and Fatma (2016)** showed that customer satisfaction is strongly influenced by tangibles and empathy and that satisfaction serves as a mediator for fostering brand loyalty.
- 7. Gounaris Dimitriadis and Stathakopoulos (2010)** demonstrated how different aspects of service quality affect loyalty and satisfaction in B2B and B2C settings. They emphasized the function of satisfaction as a mediator in both areas.
- 8. Reaffirming the crucial role that service quality plays in emerging markets Bajpai and Pandey (2016)** found that assurance and responsiveness are important predictors of satisfaction and loyalty in Indian retail banking.
- 9. In order to increase customer satisfaction and repeat business Kim Ng and Kim (2017)** discovered that elements of service quality like assurance and empathy are essential in the restaurant sector.
- 10. Alrubaiee & Al-Nazer (2010)** highlighted the significance of service reliability by demonstrating that customer satisfaction completely mediates the relationship between service quality and loyalty in Jordanian banking services.

## Problem Statement

Service organizations are under tremendous pressure to not only draw in new clients but also keep existing ones in the long run in todays fiercely competitive and customer-focused market. Customers now have more options than ever before especially in service sectors like banking retail hospitality and telecommunications, so businesses need to figure out how to stand out from the competition. Service quality or how well a service meets or surpasses a customers expectations is one of the differences that are most frequently mentioned. Even though its significance is widely recognized many companies find it difficult to continuously provide top-notch service in all pertinent areas. Because of this discrepancy customers are less likely to be satisfied and to develop close emotional and behavioral bonds with the brand. Several gaps and difficulties still exist even though prior research has demonstrated that customer satisfaction is influenced by service quality and that customer satisfaction in turn fuels brand loyalty. First it can be challenging for managers to efficiently prioritize their service improvement initiatives because the precise aspects of service quality that have the biggest effects on customer satisfaction and loyalty frequently differ across industries and customer segments. For instance in the banking industry responsiveness and dependability might be essential but in the healthcare or hospitality industries assurance and empathy might be more significant. Without a thorough grasp of these subtleties businesses risk misallocating funds or failing to notice important areas that could improve customer experiences. Second there is still much to learn about the precise processes that service quality leads to brand loyalty particularly with regard to the mediating function of customer satisfaction. More empirical data is required to determine whether satisfaction mediates this relationship entirely or in part since this directly affects how companies create their customer engagement and loyalty plans. Organizations risk overestimating the direct relationship between service quality and loyalty if this isn't made clear ignoring the significance of actively controlling satisfaction levels. In addition the emergence of digital service channels and the quick development of technology present both new opportunities and challenges. Research frameworks and measurement models need to be updated because customers perceptions and assessments of service quality can vary significantly between online and offline settings. This study attempts to close these gaps by investigating the ways in which different aspects of service quality affect customer satisfaction and how that satisfaction in turn promotes brand loyalty. The research aims to help managers prioritize service quality enhancements that successfully cultivate enduring customer loyalty in a dynamic market environment by offering deeper insights into these relationships.

## Objectives

1. to investigate how customer satisfaction in service industries is affected by overall service quality.
2. to determine the particular aspects of service quality—assurance responsiveness empathy tangibles and dependability—that have the biggest effects on client satisfaction.
3. to look into how brand loyalty—including behavioral and attitudinal aspects of loyalty—relates to customer satisfaction.
4. to examine how customer satisfaction functions as a mediator in the relationship between brand loyalty and service quality.

## Scope of the Study

By expanding our knowledge of how service quality influences customer satisfaction and brand loyalty this study is highly valuable to academic researchers as well as practitioners in the service industry. By elucidating the particular aspects of service quality that have the greatest impact on customer satisfaction and loyalty as well as the mediating function of satisfaction in this relationship it adds to the body of academic literature already in existence. These insights give businesses helpful direction on how to prioritize service enhancements that successfully improve customer experiences and cultivate enduring loyalty. Knowing these relationships helps businesses to strategically allocate resources in a market that is becoming more and more competitive and where keeping existing customers is more cost-effective than finding new ones. To increase brand equity and profitability the study's conclusions can also be used to customize marketing and customer relationship management tactics.

## Research Methodology

### Design of Research.

In order to empirically investigate the connections among customer satisfaction brand loyalty and service quality this study uses a quantitative research design. To gather information at one particular moment and enable statistical analysis of the proposed relationships a cross-sectional survey approach is used.

### Sample and Population.

Customers of retail service companies in a metropolitan area are part of the target demographic. To guarantee sufficient representation and statistical power a sample size of 400 respondents is chosen. Customers who have recently used service providers in industries like retail banking telecommunications and hospitality are the target of the convenience sampling technique.

### gathering of data.

Using standardized scales and a structured questionnaire primary data will be gathered. The following will be on the questionnaire.

- Service Quality: Assessed using the commonly used SERVQUAL scale which takes into account five factors: tangibles assurance responsiveness empathy and reliability.
- Customer satisfaction: Measured using a multi-item scale that emphasizes overall satisfaction performance versus expectations and satisfaction in relation to ideal service.
- Brand loyalty is determined by behavioral intentions such as e. g. G. intention to make another purchase) and attitudinal loyalty (e. g. G. a readiness to recommend). Items will be rated by respondents using a 5-point Likert scale with 1 denoting strongly disagree and 5 denoting strongly agree.

### Analysis of data.

Software such as AMOS and SPSS will be used to analyze the data. Descriptive statistics and reliability testing (Cronbachs alpha) will be part of the initial analysis to make sure the scales are internally consistent. SEM will test the proposed relationships between service quality customer satisfaction and brand loyalty including mediation analysis while Confirmatory Factor Analysis (CFA) will validate the measurement model.

## Results / Findings

### Findings

According to the study's findings improving customer satisfaction—which in turn fosters brand loyalty—is greatly influenced by service quality. Despite having differing degrees of influence data analysis showed that all five SERVQUAL model dimensions—reliability responsiveness assurance empathy and tangibles—have a positive effect on customer satisfaction. Reliability stood out as the most significant of these highlighting how crucial accurate and consistent service delivery is to clients. Consumers expect services to be trustworthy and delivered on time if this isn't the case their level of satisfaction is greatly diminished. Reliability was found to be the most important factor in customer satisfaction followed by responsiveness or the readiness and promptness with which service providers address client needs. Customer satisfaction is increased when questions and complaints are promptly and helpfully addressed. This builds trust and shows consideration for the customers time and concerns. Although they had a somewhat smaller effect assurance and empathy also positively impacted satisfaction. While empathy entails giving each person attentive personalized care assurance refers to the skill and civility of staff members as well as their capacity to inspire

confidence and trust. These factors foster enduring loyalty by fortifying the emotional connection between clients and the service provider. Remarkably satisfaction was least affected by the tangibles dimension which encompasses the outward manifestations of service such as facilities equipment and staff appearance. This implies that although consumers do take the physical surroundings into account the aspects of service delivery have a greater influence on their decisions regarding satisfaction and loyalty. Customer satisfaction has a significant impact on brand loyalty according to the study. Customer loyalty behaviors such as recurring business positive word-of-mouth referrals and reluctance to switch to competitors are more likely to be displayed by happy customers. The relationship between service quality and brand loyalty is partially mediated by customer satisfaction according to mediation analysis. This suggests that customer satisfaction plays a critical role as a bridge in establishing enduring client relationships and that service quality influences loyalty both directly and indirectly.

## Suggestions

These findings lead to a number of practical suggestions for service providers looking to improve client happiness and brand loyalty.

1. Emphasis on Responsiveness and Reliability: Service providers ought to give top priority to enhancing the precision regularity and promptness of their service delivery. Reducing service failures and boosting trust can be achieved by clearly defining service standards and making sure staff members consistently meet them.
2. Invest in Employee Training: Giving employees assurance and empathy-related training can improve the customer experience. In order to demonstrate genuine concern and individualized attention employees should be prepared to confidently address customer concerns.
3. Enhance Physical Environment Selectively: Despite tangibles diminished influence positive first impressions and the reinforcement of general service quality perceptions depend on keeping service environments tidy well-kept and aesthetically pleasing.
4. Use Continuous Feedback Systems: By routinely gathering and evaluating consumer feedback businesses can spot service gaps and quickly resolve new problems halting the escalation of customer dissatisfaction.
5. Build Loyalty Programs by Using Customer Satisfaction: Personalized engagement tactics and reward schemes aimed at happy customers can increase loyalty. Positive advocacy and repeat business are encouraged when devoted customers are acknowledged and valued.

## Conclusion

The importance of service quality in influencing customer satisfaction and in turn building brand loyalty is highlighted by this study. The results show that aspects like responsiveness and dependability have a significant impact on satisfying client demands and raising satisfaction levels. Aspects like assurance empathy and tangibles also have a positive impact but it is rather mild. Crucially the study demonstrates that customer satisfaction serves as a crucial mediator between brand loyalty and service quality implying that businesses cannot expect loyalty unless they first guarantee high levels of satisfaction. This demonstrates why companies must make enhancing service quality a top priority when developing customer retention plans. Businesses can create deeper emotional bonds with clients by providing consistent prompt and sympathetic service which will promote repeat business and positive referrals. Furthermore preserving a welcoming physical space aids in these initiatives by enhancing general service perceptions. Businesses that invest in improving service quality and satisfaction are better positioned to develop devoted clientele and achieve sustainable growth in a market that is becoming more and more competitive and where consumers have a wide range of options. All things considered service managers looking to enhance client experiences and build brand loyalty through focused service quality initiatives will find this study to be very insightful.

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