The Association between Service Quality and Customer Loyalty on Domestic Commercial Banks in Klang Valley

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Abstract

In the banking sector, customer assurance of the services and products has a significant impact on the client's first engagement with the financial service business. One of the key elements affecting client loyalty is the assurance and dependability of the goods and services given. Yet, the reasons for the banks' inability to keep clients show how they failed to understand the needs and expectations of the customer, which had an effect on the bank's ability to keep the customer, particularly for the local banking industry. Because of this, research has been done to examine the link between customer loyalty and service quality for local commercial banks in the Klang Valley. This research has focused on five areas of service characteristics, including tangibility, empathy, reliability, and assurance. The objective of the study is to determine how tangibility, empathy, reliability, and assurance, affect client loyalty in Klang Valley domestic commercial banks. For data collection among local Malaysians who preferred to conduct their financial needs in domestic commercial banks in the Klang Valley, the convenience sampling of non-probability sampling method is used In terms of occupation types, race, age groups, salary ranges, academic qualifications, and their familiarity and experience interacting with domestic commercial banks, data were gathered from people with various backgrounds. The findings show the hypotheses of responsiveness, assurance, tangibility, and assurance were all rejected, while the hypothesis of reliability is the only one was accepted. It is concluded that improvise findings can be achieved by conducting broader data collection population including outside targeted current population to have a better perspective.

Keywords: Service Quality, Customer Satisfaction, Loyalty Programs, Customer's Loyalty, Banking Sector

Introduction

The success of service providers is heavily dependent on the quality of engagement and relationships they maintain with their customers, as these elements significantly influence customer satisfaction and loyalty. In the banking industry, assurance and dependability of services and products are two critical factors that shape customer loyalty. This topic is of paramount importance because customer loyalty is a key driver of profitability, competitive advantage, and long-term sustainability for banks. By fostering customer loyalty, banks can reduce customer acquisition costs, enhance customer lifetime value, and achieve stable revenue streams.

Given the intense competition in the Malaysian banking sector, understanding and promoting customer loyalty has become more crucial than ever. The financial services landscape is characterized by the provision of similar products and services by multiple banks. Therefore, banks must differentiate themselves by offering superior service quality that meets and exceeds customer expectations. This study is essential as it aims to identify the factors that drive customer loyalty, which in turn enables banks to design targeted strategies to enhance customer retention, satisfaction, and overall competitiveness.

The assurance of services and products plays a pivotal role during the first interaction between customers and financial service providers. According to Kosiba et al. (2018), the initial assurance and reliability of banking services foster trust and confidence, thereby increasing customer engagement. This engagement strengthens the customer's relationship with the bank and ultimately encourages loyalty. For commercial banks, ensuring a positive first impression is a strategic imperative, as it lays the foundation for a long-term relationship that contributes to customer retention and profitability.

Cristea and Mocuta (2018) emphasize that customer retention offers numerous benefits, including lower operational costs and higher profitability. Excellence in service quality, which drives customer satisfaction, is essential for achieving customer loyalty—a key goal of commercial organizations. In the banking industry, where product and service offerings are often homogenous, banks that can deliver exceptional service quality stand to gain a competitive edge. This differentiation is essential in the Malaysian banking sector, where heightened competition necessitates continuous improvement in service quality to meet evolving customer expectations.

Customer loyalty has traditionally been defined as the outcome of a customer's positive interactions with a service or product provider. It is a reflection of the customer's willingness to continue using a bank's services despite occasional errors or service lapses. Loyalty can be driven by rational factors, such as the functional benefits of products and services, or emotional factors, such as the feelings and experiences associated with the service. According to Fida et al. (2020), customer loyalty is manifested through repeat purchasing behavior, wherein customers continue to patronize the same bank over time, even when faced with alternative service providers.

The development of customer loyalty is a gradual process influenced by a consistent track record of meeting and surpassing customer expectations. Customer experience begins with the initial visit to a bank's website or physical branch in search of services. Banks that can

identify and understand the key psychological drivers of customer loyalty are better positioned to build strong emotional connections with their customers. Such connections foster a sense of attachment and trust, encouraging customers to maintain a long-term relationship with the bank. This emotional bonding is vital for sustained customer retention and profitability.

As noted by Kesavan et al. (2019), customer loyalty is the cumulative result of a customer's interactions with a service provider. It is not merely a reflection of a single encounter but a culmination of multiple positive experiences over time. Therefore, this study on customer loyalty in the banking sector is highly significant for financial institutions, policymakers, and industry stakeholders. For banks, understanding the drivers of customer loyalty can inform the development of effective customer relationship management (CRM) strategies and enhance customer satisfaction. For policymakers and regulators, insights from this study can guide the creation of consumer protection policies that promote fair and transparent banking practices. Lastly, for industry stakeholders, understanding loyalty drivers can inform collaborative efforts to enhance service quality standards across the industry.

In conclusion, the study of customer loyalty in the banking sector is essential for improving customer retention, enhancing competitiveness, and driving long-term profitability. It provides valuable insights for banks to differentiate their service offerings and strengthen their relationships with customers. By understanding the key factors that influence loyalty, banks can implement effective strategies to achieve customer satisfaction, emotional engagement, and sustained customer loyalty. This research is particularly beneficial to banks, policymakers, and stakeholders seeking to enhance service quality, build customer trust, and ensure sustainable growth in a competitive market environment.

Problem Statement
Bank customers' awareness is growing in terms of understanding their rights as customers, changing demand due to the implementation of new technology, and intense competition, which has caused banks to consistently progress in providing the best quality service in order for their customers to remain loyal. With technological advancements, customers can now obtain product and service information for all banks with the click of a button. This forces banks to become more competitive in order to retain customers.

Over the last decade, there has been a significant shift in Malaysia's banking industry, resulting in a market with intense competition, sluggish primary demand growth, and increased deregulation. As a result of the globalisation trend, Bank Negara Malaysia deregulated in order to attract investors to join the banking sector; as a result, the number of banks and competition among banks increased. Banks in Klang Valley that offer essentially identical products and services, with little room for price competition. As a result of their beneficial experience, one bank has an advantage over another.

For a variety of reasons, trust is an essential component of customer-bank relationships, as well as customer relationships in general. Customers do not need to be concerned about their savings, interest rates, or the financial products they have purchased or intend to purchase from the bank. Customers' confidence grows with each transaction when they have a high level of trust. With recent high competition in the banking industry, banks compete to

provide the best services while failing to ensure the quality of each service provided is the best. In recent years, we have seen a number of bank errors that have impacted customer loyalty. Customers will lose trust in banks if they fail to provide assurance for the services they provide, and their loyalty will suffer as a result. High Net Worth Individuals (HNWI) are known to prefer banks that provide higher assurance of services, thereby developing trust with such institutions (Siadat and Shafahi, 2017).

The banking industry is becoming more customer-centric, with customers' needs and expectations becoming the focal point of their bank's strategies, actions, and processes. Banks are increasingly designing customer retention strategies and transforming their staffs into customer service oriented. Customer satisfaction with the service provided by the bank is critical because it has a greater impact on customer loyalty. To gain a competitive advantage in the banking industry, banks are identifying effective tools for understanding customer expectations. Many banks fail to retain existing customers as a result of successful attempts by competitors to entice customers away. The inability of banks to retain customers emphasizes the factors that the banks failed to understand the customer's needs and expectations, affecting the bank's ability to retain customers. The bank must improve customer service, increase quality, and maintain customer loyalty in order to prevent customers from switching to another bank(Shekkali & Farhana,2020).

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Research Objectives
RO1: To identify the impact of tangibility over customer loyalty in the domestic commercial banks in Klang Valley.
RO2: To identify the impact of reliability over customer loyalty in the domestic commercial banks in Klang Valley.
RO3: To identify the impact of responsiveness over customer loyalty in the domestic commercial banks in Klang Valley.
RO4: To identify the impact of assurance over customer loyalty in the domestic commercial banks in Klang Valley.
RO5: To identify the impact of empathy over customer loyalty in the domestic commercial banks in Klang Valley.

Research Questions
RQ1: What is the impact of tangibility on the relationship between service quality and customer loyalty in the domestic commercial banks in Klang Valley
RQ2: What is the impact of reliability on the relationship between service quality and customer loyalty in the domestic commercial banks in Klang Valley
RQ3: What is the impact of responsiveness on the relationship between service quality and customer loyalty in the domestic commercial banks in Klang Valley
RQ4: What is the impact of assurance on the relationship between service quality and customer loyalty in the domestic commercial banks in Klang Valley
RQ5: What is the impact of empathy on the relationship between service quality and customer loyalty in the domestic commercial banks in Klang Valley

Significance of the Study
Customers' expectations of service providers have risen as a result of the introduction of new technologies into the service industry. As a result, using appropriate technology to supply high-quality goods to clients and maintaining strong relationships with those customers are just as important as any other aspect for the continued existence of businesses. Although there is published material on service quality, the study still has a gap. In the context of a developing country such as Malaysia, neither the direct influence of service quality on customer loyalty nor the indirect effect via mediators has received adequate attention. This is due to the fact that both effects are more difficult to quantify. In comparison to previous studies, we hope to help banks in Klang Valley better understand the relationship between

service quality and customer loyalty and to provide insights to banks as market environments change due to the COVID-19 pandemic.

Literature Review

The main five elements of service quality comprise of Assurance, Tangibles, Reliability, Responsiveness as well as Empathy. These five elements are carefully chosen as an independent variable for this study under the service quality dimensional.
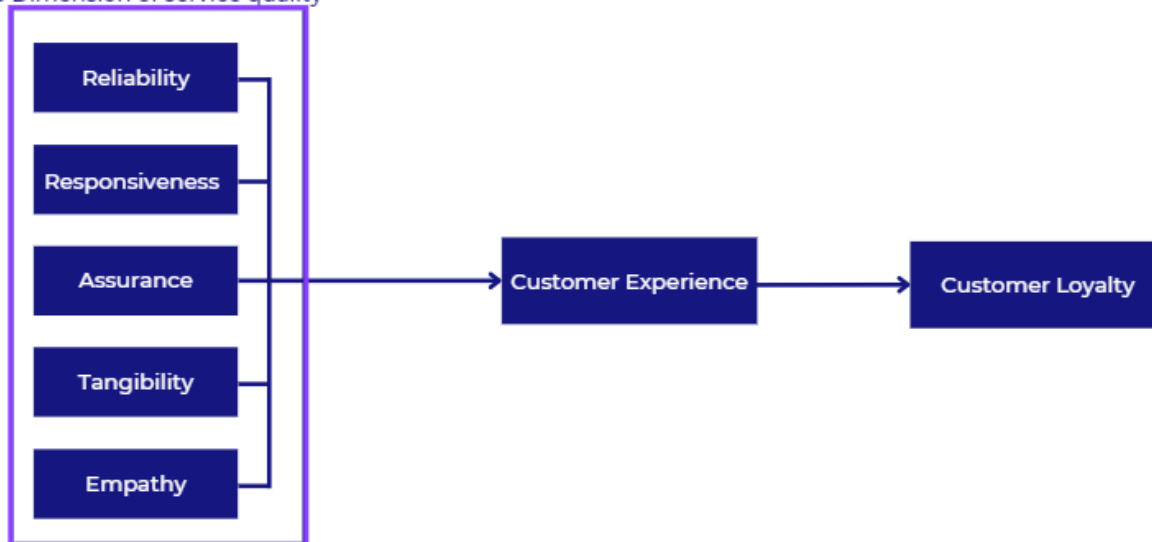
Responsiveness

In the recent research conducted by Margaretha (2019) says Responsiveness is a form of successful work performance from the organisation and staff. In their studies indicating that most of the customer looking towards a responsive service quality to be loyal to a particular organisation. Apart from that, responsiveness also can be categorised as an optimal service in accordance with the level of speed, convenience and smoothness of a service provided by the organisation. Dhasan et al. (2017), in her research entitled The Effect of Service Quality and Customer Satisfaction on Customer Loyalty at Denmark Bank. The results of the study emphasises that there is a significant impact of the responsiveness element on customer loyalty in their banking sector. This result can be interpreted that the responsive service quality will make loyal company customers to use their service. customer loyalty is also having direct impact from the responsiveness variable. Study from Hennayake (2017) reveals that responsiveness can be achieved from fast and quality services by bank employees. In the past few years, many banks have started offering better services to their customers by offering faster services, such as online banking, same-day payments, 24/7 customer service, personalized investment advice and mobile apps. In their research customers were reported demanding, mainly the same level Responsive service quality and attention that they have received from other banks but had been disappointed by the slow resolution of their requests at the bank. It prompted customers to switch banks, which has had a negative impact on the bank's reputation and financial performance as the customer need the right solution as quickly as possible on their problem. Fandy et al. (2017) stated that responsiveness would also reflect on the diversified services for customers and how helpful and readiness of the staff to serve customers. This is because the more responsive the bank is to its customers,

the more likely they are to stay and do business with the bank. Indirectly, it reflected on the quality of the services the bank is offering and the quality of the services the customers are receiving

Assurance

In the recent article published by Raza Ali Khan (2018) if the organization able to provide a good quality service that can be guaranteed must show their quality to customer in accordance with the commitments that made previously. This will provide satisfaction to their customers and lead to trustworthiness and encourage customer to repeatedly engage to their service. Assurance is a service quality that allow customer to trust the service and become actual reflections of work performance of an organisation. As reported by Kosiba et al. (2018), assurance was contributed from the employee's competency and trustworthiness. The employees of a bank are some of the most important people that a customer interacts with. As such, the employees of a bank should be skilled and trustworthy individuals who contribute to the overall customer satisfaction of the bank, and it give a positive relation towards customer perception and make them loyal to their service. In journal published by Siadat et al. (2017) The primary goal of the bank, which is to provide a superior service to the customer, and the primary way that a bank meets this goal is through their Assurance towards the organisation service quality. With that the researcher observed there is a better service engagement between customer and bank with the enhancement and improvement mainly on their Service Quality related to assurance. The customer would expect to have the answers on every question and expected with extra assistance that they needed and assured.

Tangible

In recent studies guided through Nguyen et al. (2018) the Tangible element which related to work performance shown by the individual, becomes an assessment in applying work activities that assessed from the physical service shown provide positive relationship against customer satisfaction. Raza Ali Khan (2018) states that service quality in the form of physical condition provides a greater perception and forms a positive image to everyone served and becomes an assessment in determining the organisation ability in providing service. Service provider ability to innovate, adopt technology and display performance that they are capable provides a clear indication on the service quality according to the physical conditions of the service. In recent years, there has been a lot of interest in prior studies on tangibility toward customer loyalty, which is currently being contested in study by Makudza (2021). In their findings, tangibility was achieved by providing modern equipment and facilities available for customers' use. For example, the modern branch and office spaces provide customers with access to the latest equipment, such as automated teller machines (ATMs), which are conveniently available for customer to use. The equipment is designed to make banking with us as convenient as possible, providing the user with a safe and secure environment in which to perform your banking transactions. Most of the branch and office spaces are designed to make customers feel comfortable and welcome, so that the customer can interact with the staff and learn more about any bank services without feeling intimidated. Tangibility was also contributed towards customer loyalty when the ambiance and atmosphere of branches and offices meet the customers need and expectation. Apart from that, in a study conducted by Zaher Abdel et al. (2021) resulted there is a positive impact of tangible in term of service quality towards customer loyalty.

Empathy

In the research conducted by Sesi Oluwaseun et al. (2018) empathy element in the category of service quality stated, that service provider should always realise the importance of customer and need to provide continues attention to their queries that provide direct link between customer satisfactions in engaging service. Showing understanding, involvement in providing service allows customer to feel appreciated and service providers understand of their needs. Every activity or service requires an understanding and considerate in the shared assumption or interest towards the service. The service will run smoothly without compromising the quality when each party that is interested in the service has a sense of empathy in solving or managing and has the same commitment to the service Raza Ali Khan (2018). Solichin et al. (2017), in their research entitled The Effect of Service Quality on Customer Loyalty in Quick Chicken Restaurant The results of the study prove that empathy has a significant influence on customer loyalty at the Restaurant. The journal shows that the correlation coefficient value is 0.833, meaning that this value stipulates that the association of empathy and customer loyalty is categorized as having a very strong relationship. Furthermore, Huang et al. (2015) studied the relation or influence in reference to empathy against the customer loyalty. In their study, empathy was conveyed by how the employee treat customers with respect, cheerful and friendly way. It is important for staff to have the foremost interact with customers, that reflected to their level of professionalism. The friendly and cheerful gesture including greet customers with a smile, answer their questions lively, and treat them with respect. The customers would be impressed by the level of professionalism that the staffs exhibit when serving them. Besides, customer loyalty is also can be promoted by the empathy on providing personalized services for customers. Uunderstanding what personalization is a crucial step as banks will be able to take the required steps to compete with high-tech disruptors and succeed in doing so.

Reliability

According to Meehyang Chang (2020), the quality of service from reliability in an organization can be shown by the service provider in accordance with the characteristics possessed by the officers, in accordance with the of the organizational value. Therefore, reliability is the main element across all the other four dimensional of service quality in order customer to be loyal to their service. Reliability is a level of knowledge that used well in providing service and the skills that they possess and applied in accordance with the mastery of skilled talent, work experience by supporting each officer to carry out their work activities. Reliability and the use of technology required in order the officer to perform various forms of work and resolve customer inquiries. Hiyam Sujud et al. (2019), in their research entitled The Effect of Service Quality on Customer Loyalty in Lebanese Bank. The results of the study indicate that there is a significant effect of the reliability element on customer loyalty in Lebanese banking sector. This result can be interpreted that the Reliable service quality will make loyal company customers to use their service. According to Sesi Oluwaseun Whingan, et al. (2018), Reliable and accurate of information shared by bank and staffs on their products and services were contribute to customer loyalty value. Generally, during the event when consumers plan to open sign up and open an account, they expect to be informed about the products and services offered by the institution. In many cases, this has not been the case. Very often, consumers only learn about the most basic financial services, such as interest rates and overdraft limits. This lack of information sharing has hindered the ability of bank customers to make informed decisions about their financial future. Reliability is also foster by the

effectiveness on managing customers' complaints. Jamil Hammoud et al. (2018) Based on the study as reported, one of the primary reasons consumers choose a particular bank is to have a positive experience when making complaints or asking questions. Therefore, reliability has a positive impact on the number of customers who remain with their bank, which has helped to increase the size of the market.

The Dependent Variable
Customer Loyalty
According to Forbes Makudza (2021), customer loyalty reflects psychological commitment to a particular brand, while repeat purchase behaviour is simply about engaging the same brand repeatedly. While according to Johanna, et al. (2022), customer loyalty is an attitude shown by customers towards the provision of products or services. A customer will show his loyal attitude if a company is able to provide satisfaction to its customers. Loyal customers are customers who always buy back products from the same company and maintain a positive attitude towards that company in the future. According to Emerson, et al. (2020), the benefits of customer loyalty are as follows: Sales will increase, because customers buy more, Strengthen the company's position in the market because customers prefer to buy our products over other people's products. Marketing costs decrease because there is no need to spend money to attract customers. More protected from price competition because loyal customers are less likely to be enticed by discounts and satisfied customers tend to try our product line, thus helping to get a larger share of customers. Loyal customers have a very important role for the company because the loyalty of a customers can increase profits and maintain the existence of a company Achmad, et al. (2021). Customer satisfaction is considered one of the main aspects in determining the customer loyalty. Customer satisfaction can be said to be a person's happy or disappointed feeling from the comparison between the products purchased according to their expectations or not Johanna, et al. (2022). In a company, the ability to provide satisfaction to customers is determined by the quality of service by Do Thanh, et al. (2020). Service quality consists of five dimensions, namely physical evidence (tangible), reliability (reliability), responsiveness (assurance), and empathy (empathy).

In summary, assessing the five independent variable which are tangibility, reliability, responsiveness, assurance, and empathy on the dependent variable of customer loyalty is far from being at its pinnacle; there is still much work to be done in both theory and practise. Studies were done on compelling empirical evidence that those independent variables are the main aspects on the bank's service quality where banks should concentrate to increase customer loyalty. They might be practical and helpful to improvise the policy makers, bank management, strategy on attract more customers and the other aspects. The competitive banking industry nowadays necessitate them to re-orient their strategy to embrace a more customer-focused approach. Similar analyses on cross-industry levels need to be enacted and conduct more in-depth analyses of individual banks to produce more precise solution towards the customer loyalty value. More research could also be directed against bank employees. Future studies might also look at how the independent variable value affect other crucial factors such as customer satisfaction and retention, which would be valuable given that customer loyalty acts as a mediating variable, strengthening and intensifying the bank goals and vision.

Research Framework

The framework for the research is constructed by looking into five main aspect of service quality as shown in the studied research journals. This is mainly to relate the connection between service qualities towards customer loyalty. The study is focused on detailed view if the five element of service quality could influence the customer loyalty. The five components of service qualities are Reliability, Responsiveness, Assurance, Tangibility and finally Empathy. Figure 2.2 shows the proposed research framework for the research.
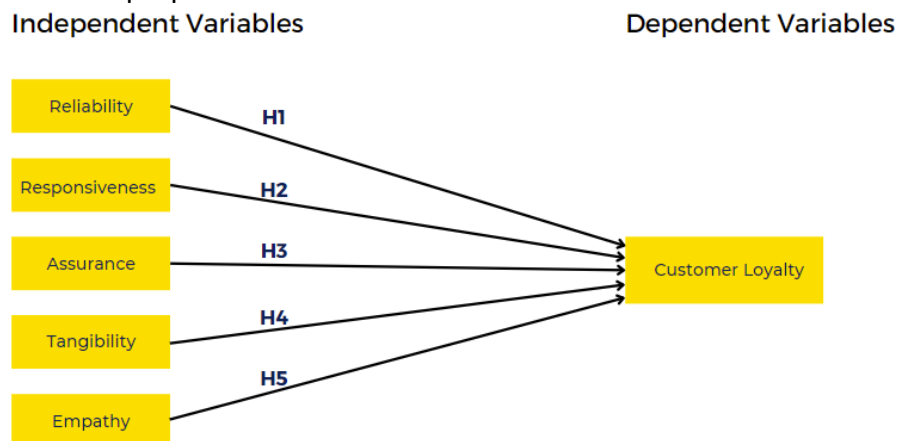
Hypothesis

H1: Reliability has positive relationship with customer loyalty
H2: Responsiveness has positive relationship with customer loyalty
H3: Assurance has positive relationship with customer loyalty
H4: Tangibles has positive relationship with customer loyalty
H5: Empathy has positive relationship with customer loyalty

We are using Microsoft Form as platform to design and distribute our questionnaire which designed based on our research variables. Our questionnaire been distributed to our targeted population and gather responses using convenience sampling technique which is cost and time effective. We will measure our research hypotheses using quantitative analysis method. As a part of analysis method, we will be using various techniques to analyse the responses we gathered through our questionnaire. Descriptive Analysis technique been used to evaluate demographic section of questionnaire. To test consistency of the variables, we will perform reliability testing. We will conduct further analysis on dependant and independent variables to determine the relationship between them using Multiple Linear Regression technique. Pearson Correlation Coefficient analysis method also used to measure the strength and impact of the relationship between the variables. All survey results were analysed using SPSS tool.

Findings

Pearson Correlation

Table 1 shows a significant positive correlation between the independent variable (IV) and the dependent variable (DV). Multicollinearity, according to Hair, Bluck, Babin, Anderson, and Tatham (2006), happens when a person's correlation coefficient between each pair of IV is greater than 0.90. According to this survey, Service Quality with Customer Loyalty receives an IV value of 0. 098.Therefore, this study's multicollinearity problem is not an issue.

Table 1
Pearson Correlation Analysis

		Reliability	Responsiveness	Assurance	Tangibility	Empathy	Customer Loyalty
Reliability	Pearson Correlation	1	.755**	.701**	.610**	.702**	.098
	Sig. (2-tailed)		<.001	<.001	<.001	<.001	.054
	N	385	385	385	385	385	385
Responsiveness	Pearson Correlation	.755**	1	.600**	.571**	.759**	.027
	Sig. (2-tailed)	<.001		<.001	<.001	<.001	.592
	N	385	385	385	385	385	385
Assurance	Pearson Correlation	.701**	.600**	1	.557**	.592**	.017
	Sig. (2-tailed)	<.001	<.001		<.001	<.001	.734
	N	385	385	385	385	385	385
Tangibility	Pearson Correlation	.610**	.571**	.557**	1	.553**	.016
	Sig. (2-tailed)	<.001	<.001	<.001		<.001	.751
	N	385	385	385	385	385	385
Empathy	Pearson Correlation	.702**	.759**	.592**	.553**	1	.057
	Sig. (2-tailed)	<.001	<.001	<.001	<.001		.264
	N	385	385	385	385	385	385
Customer Loyalty	Pearson Correlation	.098	.027	.017	.016	.057	1
	Sig. (2-tailed)	.054	.592	.734	.751	.264	
	N	385	385	385	385	385	385

Multiple Regression Analysis

Table 2 shows the dependant and independent variables while table 2 that the R Square value for Multiple Linear Regression Analysis is 0.021. This means that the independent variables in this model explain 2.1% of the variance in the dependent variable insignificantly. The following is the formula for a multiple linear regression analysis model:

$$\gamma = \beta_0 + \beta_1 X_1 + .. + \beta_n X_n$$

This means that customer loyalty is undeniably unaffected by tangibility, reliability, responsiveness, assurance, and empathy.

Table 4.5.1
Dependant and Independent Variables

Model	Variables Entered	Variables Removed	M
1	Empathy, Tangibility, Assurance, Responsiveness, Reliability		. Enter

a. Dependent Variable: Customer Loyalty
b. All requested variables entered.

Table 2
Multiple Linear Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
					Change Statistics					
1	.143[a]	.021	.008	.57709949	.021	1.590	5	379	.162	2.186

a. Predictors: (Constant), Empathy, Tangibility, Assurance, Responsiveness, Reliability
b. Dependent Variable: Customer Loyalty

ANOVA Analysis
The ANOVA results are shown in Table 3 The F-Value of 1.590 with a p-value of 0.161902 at a significant 0.5 alpha level has a degree freedom, denoted df, of 5 which represents the independent variables. The total number of complete responses for all variables in the equation is represented by the df of 379. The regression sum of squares is 2.648 and the mean square is 0.53 while the residual sum of squares is 126.224 and mean square are 0.333.

Table 3
ANOVA Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.648	5	.530	1.590	.162[b]
	Residual	126.224	379	.333		
	Total	128.871	384			

a. Dependent Variable: Customer Loyalty
b. Predictors: (Constant), Empathy, Tangibility, Assurance, Responsiveness, Reliability

Coefficient Analysis
For each independent variable, the coefficient analysis produces a significance test with a p-value. It means that if the p-value is larger than 0.05, it is not regarded significant, however if the p-value is less than 0.05, it is deemed significant. Table 4.6's Sig. column shows that there is one variable with a p-value less than 0.05, which is reliability with a p-value of 0.012. This implies that reliability was thought to have association with customer loyalty, whereas responsiveness, assurance, tangibility, and empathy were deemed irrelevant.

Table 4.7.1
Coefficient Analysis

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	4.513	.189		23.927	<.001
	Reliability	.187	.074	.231	2.520	.012
	Responsiveness	-.083	.066	-.113	-1.263	.207
	Assurance	-.064	.056	-.085	-1.151	.250
	Tangibility	-.037	.058	-.043	-.640	.523
	Empathy	.042	.063	.056	.668	.505

Table 4.7.2
Coefficient Analysis (95% Confidence Interval for B)

Model		95.0% Confidence Interval for B Lower Bound	Upper Bound
1	(Constant)	4.142	4.884
	Reliability	.041	.334
	Responsiveness	-.212	.046
	Assurance	-.174	.045
	Tangibility	-.152	.077
	Empathy	-.082	.165

Reliability Test

The degree to which the several test items evaluate the same attribute is referred to as reliability (Nunally, 1970). It demonstrated the instrument's internal consistency and reveals how consistently the results were obtained (Churchill, 1979). (Malhotra, 2002). The Cronbach's Alpha coefficient is used to assess the accuracy of the scales that are being employed. The Cronbach reliability test is frequently used to assess the accuracy of the Cach construct measuring scale. When Cronbach's alpha is larger than 0.7, it is considered an excellent measure of construct reliability. Churchill (1979); Nunally (1978); Hatcher (1994).

Each variable's reliability analysis is summarised in Table 4 below. According to the findings, the Cronbach's alpha was in the range of 0.806 to 0.889, which is regarded as a positive indicator of construct reliability in the study instrument.

Table 4
Reliability Testing

	Reliability	Responsiveness	Assurance	Tangibility	Empathy
Cronbach Alpha	0.806	0.836	0.828	0.825	0.889
No of items	4	4	3	4	4

Reliability Statistics (Reliability)

Cronbach's Alpha	N of Items
.806	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
V12	11.42	4.375	.511	.816
V13	11.48	4.443	.675	.736
V14	11.61	4.175	.658	.739
V15	11.47	4.229	.664	.736

Table 4.7.2
Reliability Testing (Reliability)

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.33	7.189	2.681	4

Reliability Statistics (Responsiveness)

Cronbach's Alpha	N of Items
.836	4

Table 4.7.3
Reliability Testing (Responsiveness)

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
V16	11.52	4.896	.644	.802
V17	11.55	4.852	.676	.789
V18	11.62	4.387	.745	.755
V19	11.43	5.209	.605	.818

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.37	8.151	2.855	4

Reliability Statistics (Assurance)

Cronbach's Alpha	N of Items
.828	3

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
V20	7.38	2.777	.638	.809
V21	7.46	2.708	.752	.700
V22	7.62	2.623	.672	.777

Table 4.7.4
Reliability Testing (Assurance)

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
11.23	5.599	2.366	3

Reliability Statistics (Tangibility)

Cronbach's Alpha	N of Items
.825	4

Table 4.7.5
Reliability Testing (Tangibility)

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
V23	11.37	5.353	.498	.853
V24	11.23	4.913	.732	.741
V25	11.17	5.229	.741	.745
V26	11.25	4.921	.662	.774

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.01	8.573	2.928	4

Reliability Statistics (Empathy)

Cronbach's Alpha	N of Items
.889	4

Table 4.7.6
Reliability Testing (Empathy)

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
V27	11.23	5.664	.716	.872
V28	11.43	5.267	.810	.836
V29	11.43	5.470	.781	.848
V30	11.50	5.626	.719	.871

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.20	9.440	3.072	4

Summary of Hypothesis

This section provides the summary table, Table 5, to represent the consideration of customers before having any customer loyalty and the relationship between variables. The second, third, fourth and fifth hypotheses were not accepted because the p-value is more

than 0.05 while the first hypothesis is accepted since the variable has a p-value that is less than 0.05.

Table 5
Hypothesis Remark

No	Hypothesis	P-Value	Remark
H1	There is a relationship between reliability towards customer loyalty	.012	Supported
H2	There is a relationship between responsiveness towards customer loyalty	.207	Not Supported
H3	There is a relationship between assurance towards customer loyalty	.250	Not Supported
H4	There is a relationship between tangibility towards customer loyalty	.523	Not Supported
H5	There is a relationship between empathy towards organic food and customer loyalty	.505	Not Supported

However, the results gained from the reliability test, mentioned that although only the H1 is supported, they are considered greatly significant. This means that the hypothesis both supported and not supported are contributing towards the customer loyalty.

Conclusion
Based on the analysis done in previous chapter, only reliability has positive relationship on customer loyalty which translate that consumers from our targeted population opinionated that reliable service from banks will be a major factor on being loyal customer to that bank. Other independent variables don't have positive relationship with customer loyalty. Therefore, we will be able to conclude that other service qualities don't play any significant role on consumer's decision on their loyalty. In terms of research findings, the responses gathered reliable as the Cronbach's Alpha score indicates positive significance.

Limitations and Recommendations
The research population was chosen was targeted into smaller region which may limit the findings. Instead of focuses only on Klang Valley, broaden population and larger population sample would have provide more diverse and stronger findings. Pilot run was conducted by team to test the questionnaire if it is meet the objective of the study. However, the pilot run was conducted in same target area and specific targeted population in terms of demographic spectrum. It is advisable to conduct pilot run for the population outside targeted population to obtain different perspective on the questionnaire which helps to improvise it before the actual distribution. It will help researchers to improve the efficiency of the responses and effectiveness of the findings.

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