SERVICE FAIRNESS, CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN COMMERCIAL BANKS OF IBANDA DISTRICT

ABSTRACT

The purpose of the study was to establish the relationship between service fairness, customer satisfaction and customer loyalty in commercial banks. The study adopted a cross sectional design which was quantitative and qualitative in nature. It involved descriptive and analytical research designs. The study sample comprised of 341 bank customers in Ibanda, who were selected through simple random sampling. The data was tested for reliability, analyzed using SPSS and results presented based on the study objectives.

Results revealed a significant positive relationship between service fairness and customer loyalty. This means that high level of service fairness will lead to an increase in customer loyalty. The results also revealed a positive significant relationship between service fairness and customer satisfaction. If customers find the service they use to be fair towards them then they will consider that service to be satisfactory. The results also revealed a positive relationship between Customer satisfaction and customer loyalty and finally service fairness, customer satisfaction positively impact customer loyalty.
The study concluded that service fairness and customer satisfaction significantly affect customer loyalty in commercial banks. Therefore the researcher recommended that commercial banks in order to increase customer loyalty they should ensure service fairness and customer satisfaction.