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Service Quality and Customer Satisfaction in Pakistan's Banking Sector: An Empirical Assessment of SERVQUAL Dimensions

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A B S T R A C T

The purpose of this research is study of Impact of Service quality on Customer Satisfaction in Pakistani Banking Sector. Service quality objectives in satisfying and retaining a customer have described which is very important for the endurance of Banking/organizations in today competitive environment. Satisfying customers and surviving in today's fast moving Banking Industry requires: a brain to understand, learn, and analyze customers; a heart to pump and flow out the customer-oriented blood throughout the organizational arteries; and hands and feet to deliver the services to the customers. The customer is the one who pays, is the source of revenue, and is the reason for being. In current era, customers are very essential factors in banking industry management with the power to change their short-term and long-term polices strategies and setting objectives and goals. Therefore, adequate knowledge of environment, expectations of customers and their desires are very important to discover the best solution for facing un-expected behaviors of customers and then perform in such a way to transform the mind of customers in the direction of Bank' profit. It's an art to take up customers by using different techniques such as CRM in order to manipulate companies' policies a head of them. The customer is king has long been the cry of those in business. Customer Relationship Management (CRM) is a business philosophy which provides a vision for the way your company wants to deal with your customers. To carry that vision, it needs a CRM strategy which gives an outline to sales, marketing, customer service and data analysis activities. For most Banks, the aim of a Service Quality is to take advantage of profitable relationships with customers by mounting the value of the relationship for both the Banker and the customer. From the Bank's perspective, it is clear that not all customers are created equal.

Introduction

Banking sector is assuming significant part in the financial system of all field. Diverse classification of banks does a mixed bag of capacities as indicated by their prearranged parts characterized by their reminders and in addition articles of affiliation. Central bank is government bank and is mandatory to watch and deal with the banking activities in a politically unmistakable and determined natural district. Cultivating and industrial bank make accessible for to satisfy needs of ranchers and industrialists. Commercial banks by and large have a more extensive system of branches and take care of the financial necessities of the general group (Mian, 2008). Commercial banks have most dealings with the overall population and because of this reason; central banks are the whole time excited to enhance their services brightness and proficiency. The most impressive element that matters in present and successful banking business is the nature of administrations. Because of solid strategies of the national bank, the commercial banks are required to offer pretty much same services. Be that as it may, how these services will be given; that is the most discernible truth. Bank is a body for the guardianship, loan or exchange of currency for sanctioning credit, for transferring money by domestic overseas bills of exchange and is a road way through which funds move into and out of transmission.

Banking Division in Pakistan

Pakistan has seen extraordinary development in the general money related division in a decade ago. Many new banks began their operations in Pakistan and old banks developed their branch system. Pakistan has an enormous banking sector which is controlled by the Spb. SPB is the Central Bank. Total 53 Banks are serving Pakistan. Out of which five banks are classified as public banks (FW BANK, NBP, Sindh Bank, Bank of Khyber, and BOP) Four Particular Banks (Industrial Development Bank, SME Bank, Punjab Provincial Cooperative Bank and ZTBL) and all of these banks are Limited Banks. Seventeen Banks are classified as Private Bank (HBL, Allied Bank, United Bank, MCB, Alflah Bank Limited, Habib Metropolitan bank, Faysal Bank, JS bank Limited, NIB bank Limited, Askari bank Limited, Samba bank, Meezan bank limited (MBL), Soneri bank limited, Bank Al-Habib (BAL), Standard Chartered bank (SCBL), Silk bank limited (SBL), Summit bank limited. Five Islamic banks are also operating in Pakistan (Burj Bank PK, AlBarka Bank PK, BankIslami, Meezan Bank PK, Dubai Islamic BANK).

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Six Foreign Banks, Eight Micro finance Banks and Eight Development Finance institutions are also working in Pakistan. Now a day all the banks are facing high competition because customer expectations about banking services are increased day by day. In this research, researcher tries to investigate the factors that affect the customer satisfaction regarding bank service quality. Banking sector gain much significance in the National financial system. It plays a central role in the fiscal development of economy. Banks have to fulfill demands of its customers regarding its service quality because all the banks wish to retain its customer. For customer retention banks are working with technological advancement. ATMS Debit Cards Credit Cards Mobile Phone Banking is the examples of technological advancement. The concern of bank in targeted customer is generally assessed with the acknowledgment that superior quality of services is associated with customer satisfaction and loyalty, more proclivity to other, diminution in criticism and enhancement customer withholding (Buteele, 1996). Customer complaints negatively affect customer satisfaction. If there are fewer complaints then customer satisfaction will be high. (Lee,2009).

Banks working in Punjab, Pakistan is consequently hooked on assortment of pressures due increase in day-by-day competition. All the banks working in Punjab are making different strategies for the retention as well as satisfaction of customer's and that becomes possible with the improved service quality. Service quality is having gained much importance in banking sector base of its significant relationship with customer satisfaction. All the banks are using service quality as a major weapon for to get a competitive advantage over its companions. (Ahmosawi, 2001). Further, service quality significant influence to bank's performance and sensation (Mowed and Kleiner, 1996).

Banks and other financial institutions have divided customers in two major categories. The fires one is depositor and second one is borrower. Due to these Financial institutions have to perform different actions for the ultimate satisfactions of both of these customers. In today's banking customers are in hurry. They do not waste their time. They just want service on promised time. If a bank has time taking transaction procedure, it will leave harmful effects on customer's satisfaction. And for to come over this problem all the banks are trying to making fast transactions for to satisfy their ultimate customers, for example banks have launch E- banking facility for its customers. Customers can access their accounts from all over the globe without any delay. They can frequently check their account balance transfers funds from one account to another other bill payments and so on. Mobile banking is also available for the convenience of customers. Customers have a easy approach to their with the help of mobile banking. For example, if a customer makes a transaction with cash withdrawal. He or she will have transaction text message on their mobile phone. So, they are always in touch with account. Banks are charging very low rates for the provision of the services. Debit card, Credit Card are available for the help of customers. The greater part of the business banks in Pakistan presents the same set services run over wherever on the planet charge cards, debit cards, Banker' checks Demand draft, money transfers, personal loans, car loan, and so forth. Some particular banks likewise offer specific services like women accounts, Freedom accounts with having no online charges, minor accounts, dowagers' account, understudy's accounts and Pensioner account, e-banking stages, Agriculture loan account. Mostly the private banking business improvement alongside upgraded client services has fashioned an aggressive contention in this zone. Patrons enjoying be the honest to goodness capsule and member advantage over different concerns. These days businesses competition for customers and client taste is fetching an important concert gauge and a vital aspect of business plan. Client outlook are key drive at the back customer pleasure. Customer approval is a gauge of customer's procures intensions and brand fidelity. Organizations need client taking off fulfillment and attempting to keep up their nearby clients instead of bearing extra assets to be a center for another customers. Banks tries to keep their client's picture undaunted so in the way organizations may build most noteworthy offer in the business sector. In this way the delayed consequence of the study was to find the interrelationship between administration services qualities, client dedication and client take pleasure in banking piece of Pakistan. By paying lower rate of premiums on stores than they get on loans, banks can stand up to their expenses and make wage. In national records, services summon is credited for the services that banks give without portion in order to permit a basic gauge of their value included and wretched yields well as to keep terrible nearby thing invariant to whether banking services incorporate a plain or characteristic service charges.

Service Quality

It is the success factor of every organization. Service Quality can be described in different ways in different situation. Service quality is a major tool for determine customer satisfaction (Hazlina et al., 2011). Nowadays, all the banks are working with services quality because of its relationship with customer satisfaction. Service Quality can be taken in various dimensions. Banking Services Quality has been described by such a large number of specialists. A mixture of the comprehended definitions joins "Quality is steadiness" (Deming, 1982), "conformance to necessities" (Crosby, 1984), and "customer's demands" (Feigenbaum, 1945). A foundation in portraying services perfection was transmit in eighties by Gronros (1984) and Parsuraman et al. It is difficult to depict Service Quality as veer from thing quality in light of few related parts to services which unites immaterialness, joined state (Chang and Yeh, 2002). In district of these domains, Parasuraman consider a regardless of what you look like at its method for portraying services quality.

Researchers Services quality has been depicted in diverse courses by masters. Gronroos (1978) find that Services quality is the facilitated exertion of two sections – particular quality and fruitful quality. Particular quality intends to what the Service render goes on while the organization obtaining. Then again effective quality infers how the Services supporter gives the Service. Parasuraman et al. (1988) portray services quality is contrast between Customer goals and Customer's impression of the honest to goodness Services. Kasper et al. (1999) says Services quality as the level to which the Services render can meet the wishes of the customer. As showed by the above definitions, Targeted clients are the evaluator of Services quality. If they recollect that it to be well Services, then it is. They judge the way of management through differentiating Services customer yearning and perception. Shopper reliability and Services quality are related to each other. Both have a particularly comparing relations hithe Service quality has empowering crash on the Customer satisfaction. For demonstrating this announcement, the proofs are given from writing audit by Munusamy, Chelliah, &Mun, 1999 has figure out a relationship flanked by the service quality and its brunt on the Customer satisfaction. The result of this study demonstrates that when there is an increment in the five extents of the service quality then it will enhance the Customer satisfaction. The connection of the study is Malaysia Islamic banking Sector. Another study about giving the affirmation to demonstrating that service quality's five extents have positive impact on Customer satisfactions couple of specialists. The connection of the study is additionally Malaysia Islamic banking segment and results have the same results that service quality's measurements are best determinants in the point of view of customer satisfaction. Proof is given by Usman, Muhhammad (2021) with the structure of the Islamic banking part of Pakistan, the aftereffect of the learning says that an idealistic and noteworthy affiliation between the service quality's extents and the Customer satisfaction and company's demonstration.

Another study which giving the confirmation to the above explanation is by (Rabari, N. 2025) with the connection of National banks. This specialist likewise figured out the influence of the service greatness on Customer satisfaction and the outcomes demonstrates that there is immediate and helpful connection between service brilliance and Customer satisfaction in National banks. Another finding are incorporated by the possible results of the study figures out that there is sure alliance including the sizes of management splendor and Customer reliability Service quality has been constantly seen as a central part in the achievement of any business Akter, F. (2026), and the banking business for this situation in not outstanding (Hossain & Leo, 2009). Administration quality has been generally used to assess the level of banking services (Cowling &Newman, 1995). The banks get a handle on that client will never show signs of change their bank in the event that they are given more unmistakable Services than their foes (Dawes &Swailes, 1999), and on other hand, banks can basically procure high focal points on the off chance that they find themselves prepared to position themselves superior to anything contender inside of particular business (Davies et al., 1995). In this way, banks need to focus on Services quality as a center focused technique (Chaoprasert& Elsey,2004). Gronroos (2000) depicted Services as, "A Service is a procedure containing a development of more or decrease substantial exercises that as often as possible happen in exchanges between the clients and Services render or physical assets or things and/or systems of Services supplier, which are given as answers for benefactor issues". Fogli (2006) portrayed term Management quality as "a general judgment or perspective relating to particular Services; the client's general impression of the relative lack or pervasiveness of the affiliation and its services".

Parasuraman et al. (1985) apparent then determinants of organization quality. They are: unafraid quality, responsiveness, farthest point, access, sympathetic actions, correspondence, validness, security, understanding, tangibles. 1n 1988 Parasuraman et al. et al. through a quantitative examination revealed an instrument for measuring buyer's impression of Services quality, after that it observed the chance to be known as SERVEQUAL. In this examination they minimized their estimations from ten to five. The estimations were: First is Tangibility - unites the physical workplaces, appearance of work power and equipment, base. Second is Reliability – The ability to perform the ensured administration constantly and in all likelihood. Third is Responsiveness proposes the capacity to help clients and give brief Services. Fourth is Assurance (blend of things laid out at first to assess Competence, Courtesy, Credibility, and Security) is the most extreme of the association's laborers to move trust and trust in the relationship through their appreciation and obligingness. Fifth and last is Empathy (mix of things surrounded at first to review Access, Communication, and Understanding the client) changed thought given to client. While in our study we have included at an early stage four sections and kept up a key partition from sensitivity is prescribes that make or lessening in one portion will have an accommodating result on other variable. Banking Services quality is exposed as customer perspective of how does a bank meets or surpasses their goals (Czepiel, 1990). A couple of empolyees depict Services quality as the refinement between client's goals for the Services experience and the perspective of the Services got (Munusamy et al., 2010). User desire and perception are the two standard fixings in Services quality. patrons judge quality as „low' if execution (insight) does not get together their craving and quality as high' when execution surpasses wants according to Oliver (1980).

Unflinching quality is seen as the key focus of Services quality. Diverse estimations will matter to clients just if an Services is strong, in light of the fact that those estimations can't compensate for sensitive Services transport (Berry et al., 1994). Seen quality has been delegated a sort of disposition, related yet not indistinguishable to fulfillment, and result from an utilization of longings with impression of execution. Likewise, having an overhauled perception of clients' states of mind will engage knowing how they see Services quality in banking operations (Parasuraman et al., 1988).In the changing banking situation of 21st century, the banks anticipated that would have a key personality to give splendid services. Banks these days must be of world-class standard, focused on perfection in customers' fulfillment, and to expect a colossal part in the making and growing budgetary region (Balachandran, 2005). There has been a puzzling change in the system for banking in the most recent couple of years. Clients have also completely requested exhaustive quality services from banks. With differing decisions accessible, customers are not vivacious to drive forward through anything not decisively the best. Banks have seen the need to meet customers' wishes. Along these lines advantage quality is a key goading vitality to drive the bank up in the high advancement going stool. The soundness of banking part is of an otherworldly vitality in light of the way that it is an essential section of the Egyptian money related domain, and as suitability in the usage of the theory trusts of the examiners and the banking segment assets is main to redesign the progression rate of the existent regions of the economy (Central Bank, 2003). The inspiration driving banking operations should be to move the individual fulfillment for the general society not simply the improvement of share. Service flawlessness and Customer fulfillment in banking division. The association of the study is Romanian banks. The results of the study point towards that there is certain partnership stuck between the Customer fulfillment and management brightness. Next affirmation is by Mansour, et al (2022) center the relationship between the Customer fulfillment and management inconceivability in the association of business banks of Jordan. Authors did not find any study which shows the negative association between the Customer fulfillment and the management fabulousness.

Service Quality Dimensions

Following are the dimensions of service quality.

1. Tangibility
2. Reliability
3. Empathy
4. Responsiveness
5. Assurance

Tangibility

Tangibles are the physical facilities which are provided to the customer as service prerequisites. Issues like sanctuary, dexterity, admittance to facilitate are tangibles (Porto Bellini, Lunardi, & Henrique, 2005). Peripheral of personals, physical amenities and apparatus are approved as tangibles (Parasuraman, Zeithaml, & Berry, 1998). Tangibles are the materials, facilities, staff and tools that directly associated with consumer services. Visual images have impressive effect in clients about the quality of the service. Customer is expecting the latest apparatus, well-looking printed material and properly dressed staff (Culiberg&Rojsek, 2010). Saghier& Nathan, (2013) stated that the relationship between customer and tangibles is not only the attraction to the client's although tangibility plays an important role in the satisfaction of the customers. In another study (Nabi, 2012) it is found that customers are interested in nearby located banks having modern technology and giving quick response to customer problems. Suitable location is of more significance for customers along with other requirements including tangibility (Munusamy, Chelliah, &Mun, 2010).
The SERQUAL model was bring in by Parasuraman et al. like one of the "firm" dimensions used to judge service quality as well as the tangible fundamentals. The tangible rudiments had been separated into physical artifacts which mean goods frenzied during the service production procedure and physical prop up which explain the structure that enables or make possible the creation of service (Lehtinen and Lehtinen, 1991).

Reliability

Reliability means to offer in time service to the customers. Reliability is the combination of accuracy for all the functions which are performed by banks like appropriate checking of records, billing and execute services at promised time when it is documented. Reliability keeps error-free records and finally resolves the cases of customers' relevant to services. It is a key tool of service in unadventurous sectors (Parasuraman, Zeitham, & Berry, 1985; Parasuraman A.Z., 1988). Reliability relies on upon dealing with clients' services issues; performing services right the first gone through; give services at the ensured time and keeping up screw up free record. In addition, they communicated relentless quality as the most basic variable in standard Services (Parasuraman et al., 1988; Yang et al., 2004).

Empathy

Empathy is the special care given by the employees to bank customers for making customers satisfied and loyal with bank. However, Empathy is in regards to captivating the clients in term of spot, sound correspondence and giving them time. It likewise concentrates on what sort of services ought to be given to clients. (Mohammad &Shireen, Service Quality Perspectives and Customer Satisfaction in Commercial Banks Working in Jordan, 2011). Different scholars demonstrate that greater parts of individuals are slanted by this element of Services quality.

Responsiveness

Responsiveness means the eagerness to give help and brief support of customer (Parasuraman, Berry, &Zeithaml, 1999). Responsiveness gives you a thought regarding the readiness of representatives to make open Services in different courses as; making a transaction quickly, convenient house loan adaptation, updated accounts on right away (Buteele, 1996). Responsiveness describes as the passion or willingness of employees to give Services. It includes console of Services (Parasuraman et al., 1985). It is also include seeing needs and desires of the clients, supportive working hours, particular thought given by the staff, respect for issues and customers wellbeing in their trade (Kumar et al., 2009).

Assurance

Assurance means to build conviction and trust in customers. Banks guarantee their customers that the staff is capable, proficient and dedicated with their Bank. Representatives are friendly and extremely helpful towards customer's grievances and willing to explain them (Madu, 2002). Most affiliations frequently experienced intricacy in evaluating the method for Services initiates. This is for the most part obvious to expert Services, which does not have the imperative data in the services, given. Given this many-sided quality in surveying Services, shoppers centered their assessment of the capacity of services contributor upon how very much sorted out or certain about performing the key management.

Review of Literature

Mesay Sata Shanka (2012) study customer service quality of private banks in Ethiopia. The researcher has investigated the relationship between service quality, customer satisfaction and customer loyalty. SERVPERF model which include (Reliability, Assurance, tangibility, empathy and responsiveness) were used to measure the quality of services offered by the private banks in Hawasa city. Data were gathered by using both primary and secondary sources. Administrative questionnaire was used for the collection of primary data. For investigate the relationship between dependent variable and independent variable, correlations and different regressions were used. Which shows that service quality have significant impact on customer satisfaction, the research result shows that high quality services leads to customer satisfaction and customer loyalty.

Saeed, et al. (2014) analyzed the Service quality impact on Customer Loyalty in Islamic Banking of Pakistan. Study was conducted by using variable's Service quality, Customer Loyalty and customer satisfaction. SERVQUAL model was also used in the research. Author used AMOS Graphic.18 and SPSS techniques for the interpretation of the results. Data for the research was collected through customer questionnaire from different banks of Bahawalpur, Rahim Yar khan, Lahore and Sialkot. The result shows that Service Quality has effect on Customer loyalty and customer Satisfaction.

Mukhtar et al. (2014) analyzed the satisfaction level of the customers regarding financial services of Commercial banks of Bahawalpur. Study investigates the factors affecting customer satisfaction towards banks financial services. The study used 152 Customers of different banks for sampling. Data was collected through customer questionnaire. SPSS was used for data analysis. Regression and correlations were used for gaining results. Statistical techniques were used for Empirical results. Results findings shows significant relationship between assurance, tangibility and Customer Satisfaction as well as Insignificant Relationship between empathy, reliability and responsiveness for customer satisfaction.

Taylor et al. (1992) study reveals the relationship b/w Quality Service, Customer satisfaction and Purchase intension. Study is conducted for four basic objectives. First aim of the study is the measurement of Service Quality. second objective of the study is to investigate relationship between Service Quality, Purchase Intension and Customer Satisfaction.3rd aim of the study is to investigate whether the Customer Satisfaction level Affect his purchase intention. Final objective of study is to investigate that whether Customer perception of service quality effect his Purchase intensions. The data for the study is gathered through personal questionnaire in the city of Southeastern of United States. SPSS-X, LISREL VII analysis Correlation matrix and multiple regressions are used for data analysis. Study results shows that customer satisfaction have impact on purchase intensions. Study Results also reveals that Service quality has less impact on purchase intension then Customer Satisfaction.

Akram et al. (2009) Conducted research for to investigate the impact of Service Quality on Customer Satisfaction from Pakistani Banking Sector. Hypothesis for the research was “higher level of service quality direct to higher level of Customer Satisfaction”. Data was collected through sampling from two hundred people. One hundred from foreign Bank and Hundred from Public sector Banks. Data was collected from two twin cities of Pakistan, Islamabad and Rawalpindi. Data was collected through random sampling on the basis SERVQUAL and SERVPREF models. SPSS 14 in the research for data analysis. Regression results accept alternative hypothesis with R2 of 0.644 and rejecting null hypothesis. for Public Sector banks. Study concluded that if Organization works with service quality it can contribute for Customer Satisfaction. Sabir, et al. (2014) analyzed the factors affecting customer satisfaction in Pakistani Banking sector. It moreover tries to investigate the relationship b/w Service quality, Customer Satisfaction and Customer Loyalty. Research is based on quantitative study. Data was collected from Arif wala, Pak patan, Sahiwal and Okara and it was collected through customer questionnaire.

Renganathan, Balachandran et al. (2012) has conducted research to investigate customer discernment towards banking sector through structural equation modeling approach. Data for the study was collected through customer questionnaire from 300 hundred customers. Different banks of Tamilnadu and Pondicherry India was selected for the research. Both primary and secondary sources of data were used in the research. Websites and various journals were used for to collect secondary data. While Primary data was collected through self-administrating questionnaire by assessing Customers Perceptions of state bank of India. A large portion of the banks are related to actualize CRM and really befuddled in the matter of what CRM in all actuality implies (Payne, 2006). Persons, groups and supervisors may be attempting with where to begin the CRM process. Much of the time it has recognized and made bearings to "execute a CRM arrangement". Payne (2006) recognizes that some of this instability and equivocalness may be because of the way that there are numerous clients who suggest CRM based answers for data management framework in this manner contort the meaning of client relationship management far from creating client connections and advance the best approach to innovation to adjust such connections for long term.

Material and Method

Research Model of Study

Research model of study elucidate and clear up the general study structure. Underneath given examination model demonstrates the comprehensive view of particular wonder as it elucidates relationship among variables concentrated on. To make sense of the entire set-up, every exploration is established on a few variables: Dependent variables and independent variables. Independent variables are coordinated by the researcher. These Independent variables influence Dependent variables which are measured and considered by researcher. This research is containing five independent variables: Tangibility, Reliability, Empathy, Responsiveness and Assurance, whereas one is moderating variable as Service Quality and one is dependent variable as Customer Satisfaction. So the research is having a research model in which elliptical shape represents variables and arrows are explaining relationship among them.

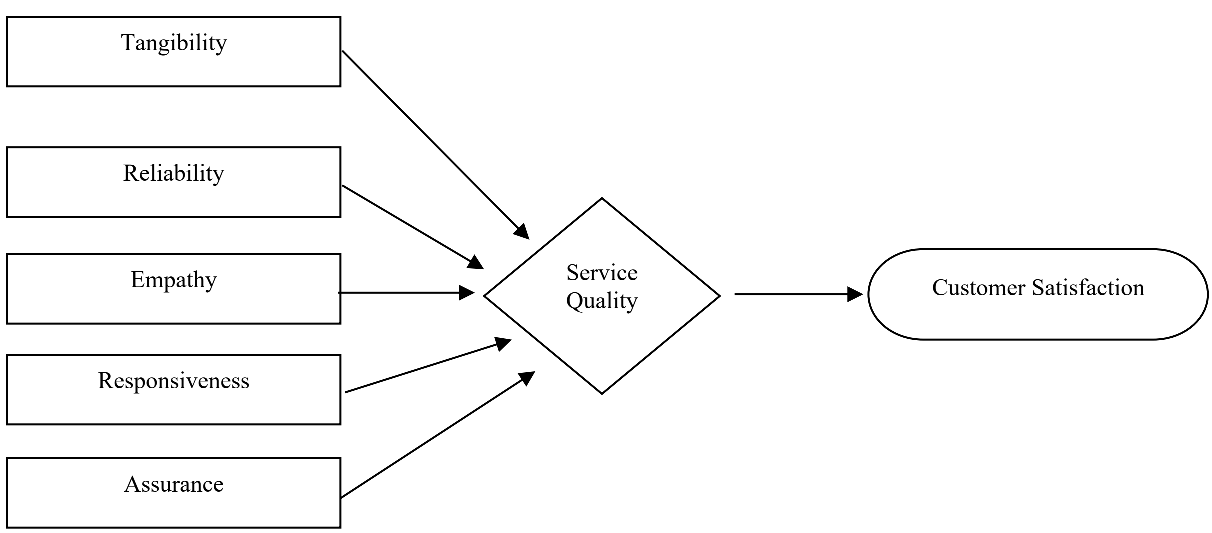

Figure 1: Relationship of SERVQUAL Dimension with reference to Customer Satisfaction.

Hypotheses Development

With the modern global fiscal conditions, it is perhaps more important than ever before for banks to retain and satisfy their customers. even though few scholars suggested that customers might be retained and satisfied by offering better level of quality of services. (Zeithaml et al., 2009; Ranaweera & Prabhu, 2003), different authors have suggested that there is not a considerable relationship between stated concepts. In spite of incongruity, literature review represents that there is a strong relation between Service Quality, Customer Satisfaction as well as customer retention. Better service quality will have a positive impact on customer satisfaction and eventually on customer retention. The basic ground of this research is consequently to find out if, by offering better service quality any bank can achieve customer satisfaction.

With the reference of literature review and with the effect to problem statement, various null hypotheses (H_0) have developed, indicating that no relationship found. Positive Hypotheses (H_1) have developed indicating that the relationship exists between service quality and customer satisfaction

H1: Tangibility will have positive impact on customer satisfaction
H2: Reliability will have positive impact on customer satisfaction
H3: Empathy will have no impact on customer Satisfaction
H4: Responsiveness will have positive impact on customer satisfaction
H5:Assurance will have no impact on customer Satisfaction

Research Design

The study research design is questionnaire bases. Customer responses were collected through administrative questionnaire from different banks of Pakistan. The major aim of study is to investigate the impact of service quality theories with effect of Customer Satisfaction. The research is applied and quantitative approach is taken in present causal research to find out the reasons and causes involvement between customer service quality and customer satisfaction. On other hand, quantitative approach is reliable and efficient in causal study.

Research Strategy

Data is collected one time so it's a cross-sectional study. Generally, studies on service quality and customer satisfaction used questionnaire for to get customer feedback. With these experiences our study also has used a questionnaire for to collect data from customers. The Reliability analysis has also done for to investigate the internal consistency of variables.

Unit of Analysis, Population and Sampling Technique

This research has mainly focused on customer relationship with reference to customer satisfaction so the ultimate respondents are banking customers. Single unite of analysis technique used for all customers. The decisive Banking customers/consumers in different areas of Punjab Specially Nankana sahib District are considered as the targeted population of this research study. The ultimate banking customers and marketing people of banking products are preferred for data collection process. Convenient sampling technique is used in this research for data collection purpose. The chosen sample size of this research is 250 respondents which are good sample size (Comfrey, 1992). The research data was collected through customer questionnaire. Questionnaires were distributed among the customers of different commercial Banks in Punjab.

Results and Analysis

The descriptive statistics represents those 243 respondents have participate in all variables of questionnaire (See Table 1). Variables have maximum value 5 and minimum value 1. The mean value of variables is range from 3.41-3.68 and standard deviation value is range from 0.529 -0.808 for all variables.

Table 1 Descriptive statistic

Variables	N	Min	Max	Mean	Std. D
Tangibility	243	1	5	3.61	0.529
Reliability	243	1	5	3.47	0808
Empathy	243	1	5	3.56	0.774
Responsiveness	243	1	5	3.68	0.705
Assurance	243	1	5	3.41	0.631

Correlation Analysis

Results of correlation indicates, Table 2, that Tangibility and Empathy are highly significant to each other by ($r=0.429$, $p<0.05$) which mean that an increase in Tangibility tends to increase of Empathy for customer. Study signify that Tangibility is highly correlated to Responsiveness by ($r=0.362$, $p<0.05$) which shows that if Tangibility increase then Responsiveness with customer also increase. Study exposed that Tangibility is significantly associated to assurance by ($r=0.393$, $p<0.05$) that conclude if Tangibility increase then assurance related activities also routinely increase with quick response in case of any service crash. Study specify that Reliability and empathy is significantly correlated to each other by ($r=0.446$, $P<0.05$) which means if reliability increase then empathy should also increase and take a colossal part in shape of big business. In addition, Findings exposed that reliability is significantly correlated to responsiveness by ($r=0.424$, $P<0.05$). This proposed that increase in reliability resulted to increase in responsiveness from customer part. Finally, Study proposed that reliability is significantly concerned for assurance with ($r=0.484$, $P<0.05$) which mean that an increase in reliability causes an increase in assurance with great manners of security.

Table 2 Correlations Matrix

Variables	1	2	3	4	5
Tangibility	1				
Reliability	.486**	1			
Empathy	.429**	.446**	1		
Responsiveness	.362**	.424**	.473**	1	
Assurance	.393**	.484**	.489**	.379**	1

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

In above table, the primary row shows the impact of Tangibility on empathy through service quality. The R value .429 indicates that tangibility and empathy are significantly depending with each other. The adjusted R2 value indicates the exposed variation among Tangibility and empathy that is .181 or 18.1%. The F value is 56.594, ($p < 0.05$) shows that our analysis is fit are in high-quality and hypothesis is accepted.
The subsequent row represents the impact of Tangibility on customer's responsiveness. The R value .362 indicates correlation is significant among Tangibility and responsiveness. The adjusted R2 value represents the explained variation between Tangibility and responsiveness that is .128 or 12.8%. The F value is37.835 with ($p < 0.05$) shows that our analysis is good and hypothesis is accepted.
The final row of table 4.9 represents the impact of Tangibility on Assurance. The R value .393 represents correlation is significant among Tangibility and Assurance. The adjusted R2 value indicates the explained variation between Tangibility and Assurance that is .151 - 15.1%. The F value is 45.882 with ($p < 0.05$) indicates that our analysis is good and hypothesis is accepted.

Table 3 Impact of Tangibility on Empathy, Responsiveness, Assurance

Variables	B	R	R^2	F	P
Empathy	.429	.429	.181	56.594	.000
Responsiveness	.362	.362	.128	37.835	.000
Assurance	.393	.393	.151	45.882	.000

Table 4. Regression analysis of Tangibility

Models	Unstandardized Coefficients		Standardized Coefficients		Sig.
Tangibility Model	**B**	**Std. Error**	**Beta**	**T**	
(Constant)	1.992	.185		10.775	.000
Tangibility	.448	.051	.484	8.720	.000
Reliability Model					
(Constant)	2.002	.216		9.252	.000
Reliability	.459	.062	.423	7.361	.000
Empathy Model					
(Constant)	2.257	.164		13.767	.000
Empathy	.396	.048	.464	8.242	.000
Responsiveness Model					
(Constant)	2.579	.199		12.939	.000
Responsiveness	.300	.059	.307	5.073	.000
Assurance Model					
(Constant)	2.335	.169		13.797	.000
Assurance	.354	.047	.430	7.503	.000
OSQ Model					
(Constant)	.980	.227		4.310	.000
OSQ	.761	.066	.591	11.532	.000

Note: Dependent Variable: Customer Satisfaction

Table 4.10 result shows that tangibility coefficients value is .448 and this means that tangibility have a positive impact on customer satisfaction. Std error is .000 which refers that our model is significant. With increase of tangibility customer satisfaction level will be increase. Tangibility and Customer satisfaction is highly correlated. It represents impact of reliability on customer satisfaction is evaluate. Test findings indicates that reliability have coefficient value of .459 which represent that reliability is highly correlated to customer satisfaction. And std error is .000 which means that our model is significant. Empathy coefficient is .396 which means that empathy have significant impact on customer satisfaction and std error is .000 which means that over model is significant. There is significant relationship between empathy and customer satisfaction. It represents impact of responsiveness on customer satisfaction and table findings indicators pensiveness coefficients value is .300 which means that responsiveness have a positive impact on customer satisfaction. STD error .000 shows the significance of overall model. The result shows that assurance has .354 coefficients which mean that assurance positively leave impact on customer satisfaction. Std error .000 shows that our model is significant. The value for overall service quality impact on customer satisfaction's have coefficient of .980 which means that our models significant and service quality have an impact on customer satisfaction.

Reliability Testing

In Table 5, the top row represents the impact of Reliability on empathy. The R value .446 indicates correlation is significant among Reliability and empathy. The adjusted R2 value indicates the explained variation among Reliability and empathy that is .196 / 19.6%. The F value is 62.415 with ($p<0.05$) indicates that our analysis is good and hypothesis is accepted. The next row indicates the impact of Reliability on customer's responsiveness. The R value .424 indicates correlation is significant among Reliability and responsiveness. The adjusted R2 value shows the explained variation between Reliability and responsiveness that is .177/ 17.7%. The F value is 55.110 with ($p<0.05$) indicates that our analysis is good and hypothesis is accepted. The final row of table shows the impact of Reliability on Assurance. The R value .484 indicates correlation is significant among Reliability and Assurance. The adjusted R2 value shows the explained variation among Reliability and Assurance that is .231 or else 23.1%. The F value is 76.783 with ($p<0.05$) indicates that our analysis is good and hypothesis is accepted.

Table 5 : Impact of Reliability on Empathy, Responsiveness and Assurance

Variables	B	R	R^2	F	P
Empathy	.446	.446	.196	62.415	.000
Responsiveness	.424	.424	.177	55.110	.000
Assurance	.484	.484	.231	76.783	.000

Conclusions and Implications

The Purpose of conducted was to investigate the impact of Service quality practices with reference to customer satisfaction in Pakistani Banking Sector. Service quality dimensions Tangibility, Reliability, empathy, Responsiveness and assurance are used for measuring customer satisfaction in Pakistani Banking sector. In the conducted research it is concluded that for the satisfaction and retention of customer, service quality has been considered as necessary element of the today's banking. All banks having diverse sizes are demanding to develop service quality strategies to support them with their competitive businesses conditions. On the other hand, for the reason of dynamic contest, it is not only hard to attain fresh customers but also incredibly tough to retain existing customers.

During the study it has learned that it is quite possible to keep existing customers happy and satisfy instead of attracting new customers. But it's quite hard to make such level relations with customers for the purpose of customer retention. For to maintain a long-term relationship with customer a bank should do a customer satisfaction analysis. With the help of analysis results f customer is not satisfied with the bank products and services then bank management should take steps on prior basis for the betterment of products and services before losing a customer.

Further a very significant fact which has concluded in this study is; a fundamental standard of CRM is that different customers have different attitude and different satisfaction levels. CRM is at all times working depends on the thought of treating special customers with different approaches. Study has concluded that it's not possible to satisfy attract and retain all customers with single strategy. Bank should work with customer behaviors and attitudes and make strategies according to customer behavior attitude. It is acceptable that it's not possible for a bank or company to retain all customers at all times but profitable and valued customers can be retaining attain by offering better service quality. One more very significant finding of this study was come to know that "customer satisfaction" demands complete and implementable strategy and it have to be measured by management team as a mainstream action which requires equal level of concentration and notice that other marketing strategies may demand. In perspective of "customer satisfaction" it has evaluated that how to satisfy and retain the customer as per "win-back" scheme. There are so many Service Quality win-back strategies to recoup the profitable lost customers. In a win-back phase, the bank will perform special actions to get back a customer by offering another interaction strategy. There are a lot of ways to execute Win-back strategy but the appropriate time to win-back a preferred customer is just before the termination of relationship.

This research may help the banks in maintaining their brand image dependable with the service they are presented to the bank customers and it will also help in building a competitive brand image. Banks can retain and satisfy their clients for a long time by maintaining their relationship smooth and satisfied and also can make it a competitive advantage. Through observing the customer liking bank can establish the standard of their services and products offered according to the needs of the customers. If customer is pleased with service offered by the bank, then he will keep on for longer time and also can fetch new customers for the bank. It may helpful in increasing the prosperity and profitability as well as sales of the bank.

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