

## ASSESSING CUSTOMER SATISFACTION IN THE BANKING SECTOR: A STUDY OF “SERVICE QUALITY DIMENSIONS”

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### Abstract

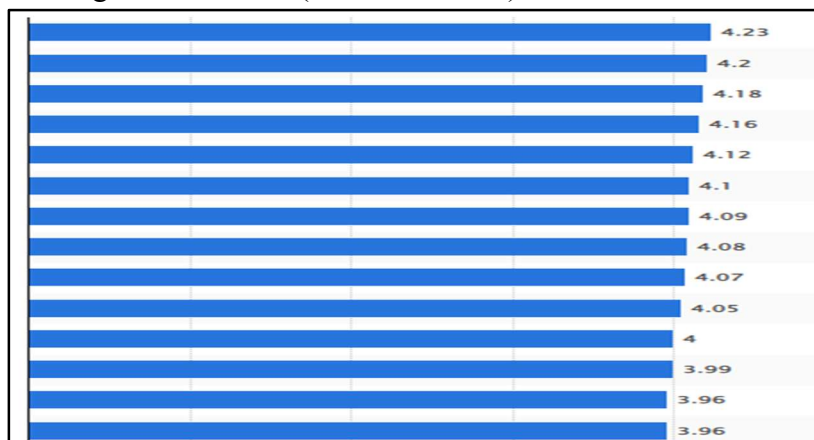
“Customer satisfaction” or CS is considered is the significant factor of any kind of industrial sector. The aim of the study is to different measures taken by the organizations of banking sectors in order to recover the CS level. There are different techniques available that help to enhance the client's gratification level. Collection of the different types of data is performed in this study by utilizing the primary quantitative method. All the hypothesis testing performed between different variables has been met. The client’s experience level is influenced by the different types of approaches the banking industries made while giving facilities to their all clients who visited their banks. Thus it can be concluded that it has been observed that the client's experience level is totally based on the gradation of the facilities provided by the employees of the banking organization.

**Keywords-** *facilities, banking industries, clients, Quality Dimensions*

### Introduction

CS is considered is the noteworthy factor of several kind of industrial sector. Therefore in order to improve the satisfactory level among customers the authority of the banking sector is planning different strategies and actions.

The banking sector is also required to maintain an enhancing range of consumer engagement approaches. The high level of consumer gratification level help to improve people's engagement in the banking sector which is further involved in fencing the profitability rate of the banking sector as well (Otto et al. 2020).



**Figure 1: Effect of client’s loyalty status in enhancing profitability rate in the banking sector**

(Source: Statista 2023)

The above-shown figure describes the graphical presentations of the effect of increasing the range of client loyalty status in the accelerating rate of profitability of the banking sectors. It has been observed that due to increased levels of customer satisfaction the banking sectors get a chance to experience approximately a 4.23% increment in the probability rate of the banking sectors (Statista 2023).

The issues experienced by the organizations of the banking sector due to a reduced range of consumer expectations are a decreasing the yearly revenue of the company (Kurdi et al. 2020).

The significance of the study is based on the measures taken by the organizations of banking sectors in relation to accelerating the client expectation level. Therefore the adoption process service quality dimensions are helpful for the organization in order to improve the customer satisfaction level (Hult et al. 2022).

### ***Aim***

The aim of the study is to different measures taken by the organizations of banking sectors in order to improve the customer satisfaction level.

### ***Research Objectives***

- To find out the measures that help to improve the consumer expectations level
- To Estimate the effect of the high level of client expectations level
- To identify the influential effect of a reduced range of consumer gratification level on the profitability rate of banking sectors
- To detect the contribution of service quality dimensions in terms of enhancing the purchaser loyalty level

### ***Research Questions***

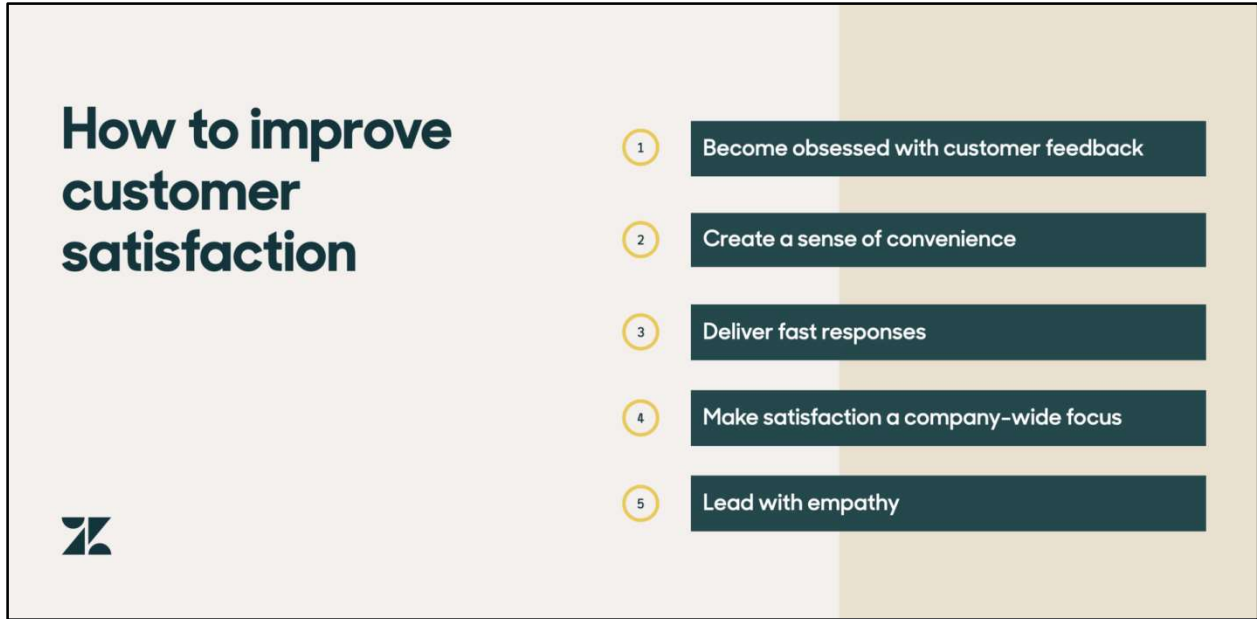
What are the measures that help to improve consumer gratification?

- What is the effect of the high level of client experience?
- What is the influential effect of the reduced range of purchaser expectation level on the profitability rate of banking sectors?
- What is the contribution of service quality dimensions in relation to enhancing the purchaser loyalty level?

### **Literature review**

#### **Measures for improving customer satisfaction level**

There are different techniques available that help to enhance the client's gratification level. Therefore the staffs of the banking sector need to develop the capability to listen to all the customers of their organization carefully (Budur & Poturak, 2021). Only after listening to the customers carefully, the organization can be able to understand the requirement and the issues faced by the customers after utilizing any service provided by the bank. Therefore this condition resulted in the development of a reduction in the yearly revenue rate of the banking sectors.



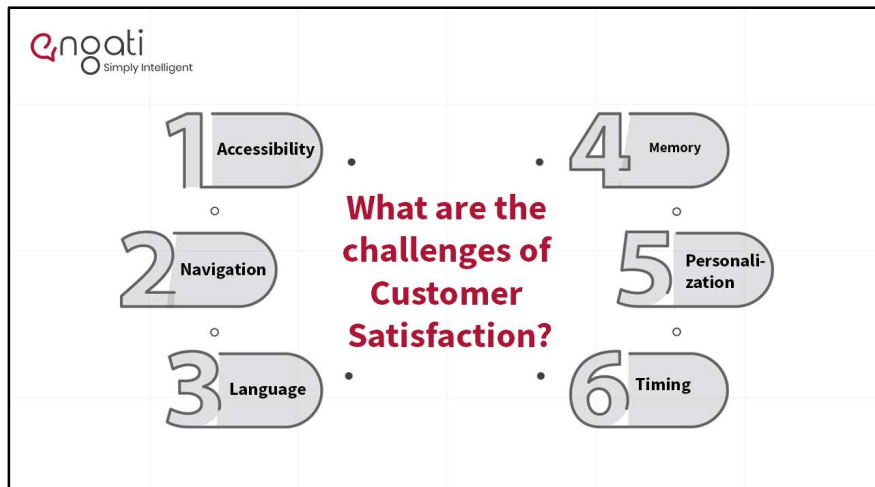
**Figure 2: Measures for improving customer satisfaction level**

(Source: Ali et al. 2021)

Apart from this, the banking sectors need to collect feedback from the customers (Islam et al. 2021). This helps the banking organizations to recognize the perceptions of the client after receiving services from the employee of the banking sector. The banking sector is experienced different issues such as prioritizing the several kinds of requirements of different consumers simultaneously (Dam & Dam, 2021). Due to a poor level of focus on fulfilling the demands of the customers, the company experiencing a decreasing ranges of consumer expectations level.

**Challenges related to the customer satisfaction level**

There are a lot of different types of challenges faced by the organization while the organization is planning to develop different actions that are helping to improve the customer satisfaction level.



**Figure 3: Challenges related to the customer satisfaction level**

(Source: Islam et al. 2021)

The challenges faced by the organizations are shown in the above-developed figure such as understanding the customer's basic requirements (Ali et al. 2021). The banking sectors are not able to understand the requirements of the customers. Along with this in terms of prioritizing the customer's requirement the banking sectors also face issues as the organization is not able to prioritize different requirements of different customers at the same time (Alzoubi, et al. 2022).

### Service quality dimensions or SQLs

The term SQLs are described by explaining five different dimensions that are involved in enhancing the standard of the banking initiatives made available by the banking companies (Pei et al. 2020).



**Figure 4: Service quality dimensions**

(Source: Pei et al. 2020)

The five different dimensions of the developed diagram are tangibles, assurance, responsiveness, service reliability, and empathy (Gajewska et al. 2020). Tangibles refer to the physical appearance of the employees who are providing services to the customers (Purwanto et al. 2021). Service reliability refers to the reliability rate of the grade of the category as well as the types of banking assistance provided by banking organizations to clients (Pei et al. 2020).

### Literature gap

The literature gap detects the missing areas which are related to this topic and not covered in this topic. Therefore it can be stated that due to a lack of proper information, the researcher did not be able to cover all the areas in this study.

### Theoretical framework

#### *Comparison level theory*

This theory is involved in improving the client gratification level in an internal space of the business. According to this theory, the organization needs to compare the products and services in terms capability of the products and to satisfy the customers (Hult et al. 2022).



**Figure 5: Comparison level theory**

(Source: Budur & Poturak, 2021)

After comparing the products and services the company develops an idea of which products and services can provide a better customer satisfaction level to the organization (Budur & Poturak, 2021).

### **Methodology**

Collection of the different types of data is performed in this study by utilizing the primary quantitative method. Therefore 13 survey questions were developed in order to collect responses from 75 survey participants. With the help of survey analysis the data collected is accurate in nature which promotes the quality of the result (Janna & Herianto, 2021). SPSS software is used in this research work in order to analysis data.

## Findings

### 4.1 Demographic data

#### 4.1.1 Gender

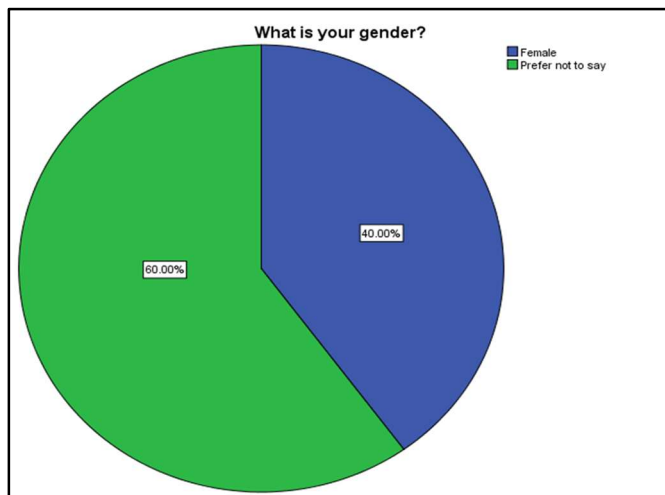
What is your gender?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	30	40.0	40.0	40.0
Prefer not to say	45	60.0	60.0	100.0
Total	75	100.0	100.0	

**Table 4.1: Gender**

(Source: SPSS)

Female participants are incorporated in providing 40% responses and participants do want to disclose their gender information is incorporated in providing 60% as well.



**Figure 4.1: Gender**

(Source: SPSS)

The highest-rated collection of the survey responses observed for the participants do want to disclose their gender information and the minimum amount of collected survey responses are observed for female participants.

**4.1.2 Age group**

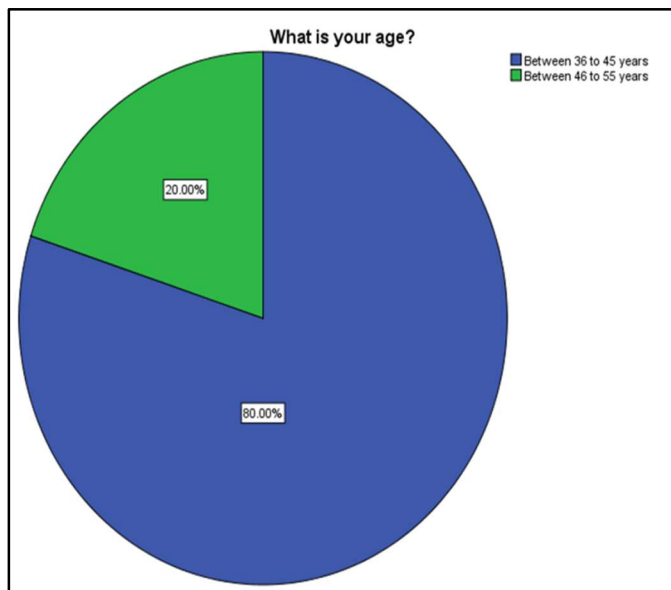
What is your age?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Between 36 to 45 years	60	80.0	80.0	80.0
Between 46 to 55 years	15	20.0	20.0	100.0
Total	75	100.0	100.0	

**Table 4.2: Age group**

(Source: SPSS)

36 to 45 years participants are involved in giving 80% responses and 46 to 55 years participants are involved in giving 20% responses of survey questions.



**Figure 4.2: Age group**

(Source: SPSS)

The highest rated collection of the survey responses observed for the 36 to 45 years participants and the minimum amount of collected survey responses are observed for 46 to 55 years participants.

**4.1.3 Income level**

What is your income level?

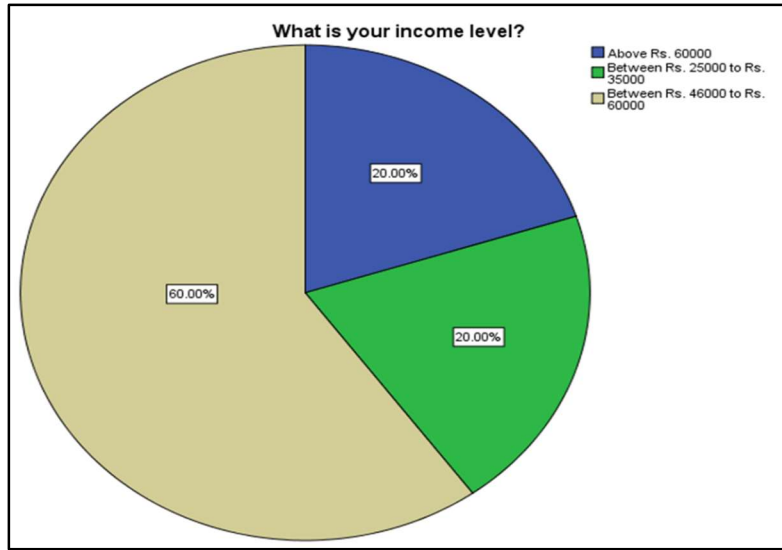
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Above Rs. 60000	15	20.0	20.0	20.0
Between Rs. 25000 to Rs. 35000	15	20.0	20.0	40.0
Between Rs. 46000 to Rs. 60000	45	60.0	60.0	100.0
Total	75	100.0	100.0	

**Table 4.3: Income level**

(Source: SPSS)

Participants getting a salary of around Rs. 25000 to 35000 are involved in giving 20% responses, participants paid around Rs. 46000 to 60000 are involved in giving 60% responses and participants earned of above Rs. 60000 are involved in giving 20% responses of survey questions.





**Figure 4.3: Income level**

(Source: SPSS)

The highest rated collection of the survey responses observed for the participants getting salary of approximately Rs. 46000 to 60000 and the minimum amount of collected survey responses observe for the participants paid above Rs. 60000.

**4.2 Descriptive data analysis**

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Accessibility	75	3	8	5.8	2.05334	-0.156	0.277	-1.656	0.548
Response time	75	2	9	4.8	3.08001	0.407	0.277	-1.783	0.548
Provided facilities	75	2	8	4.4	2.59417	0.404	0.277	-1.748	0.548

Communication approach	75	2	8	3.6	2.26011	1.381	0.277	0.145	0.548
Client's experience level	75	2	9	4.8	2.7312	0.523	0.277	-1.478	0.548
Valid N (listwise)	75								

**Table 4.4: Descriptive data analysis**

(Source: SPSS)

Informative data collected from the participants of the survey process are based on statistics which are further analyzed by performing descriptive test methods (Goymann *et al.* 2019). The acquired mean value is 3.6 to 5.8.

### 4.3 Hypothesis 1: Connection between Accessibility and Client's experience level

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.224 <sup>a</sup>	.050	.037	2.67991	.050	3.860	1	73	.053	1.833

**Table 4.5: Model Summary**

(Source: SPSS)

#### ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
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1	Regression	27.721	1	27.721	3.86	.053 <sup>b</sup>
	Residual	524.279	73	7.182		
	Total	552	74			

**Table 4.6: ANOVA**

(Source: SPSS)

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.529	.933		6.999	.000
	Accessibility	-.298	.152	-.224	-1.965	.053

**Table 4.7: Coefficient**

(Source: SPSS)

The sig value is 0.000, hence, the hypothesis among these two variables have been met.

**4.4 Hypothesis 2: Relation between Response time and Client's experience level**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.067 <sup>a</sup>	.005	-.009	2.74358	.005	.334	1	73	.565	1.948

**Table 4.8: Model Summary**

(Source: SPSS)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.513	1	2.513	.334	.565 <sup>b</sup>
	Residual	549.487	73	7.527		
	Total	552.000	74			

**Table 4.9: ANOVA**

(Source: SPSS)

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.513	.589		7.656	.000
	Response time	.060	.104	.067	.578	.565

**Table 4.10: Coefficient**

(Source: SPSS)

The sig value is 0.000, hence, the hypothesis among these two variables have been met.

**4.5 Hypothesis 3: Interconnections among Provided facilities and Client's experience level**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.069 <sup>a</sup>	.005	-.009	2.74335	.005	.346	1	73	.558	1.946

**Table 4.11: Model Summary**

(Source: SPSS)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.602	1	2.602	.346	.558 <sup>b</sup>
	Residual	549.398	73	7.526		
	Total	552.000	74			

**Table 4.12: ANOVA**

(Source: SPSS)

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.482	.627		7.150	.000
	Provided facilities	.072	.123	.069	.588	.558

**Table 4.13: Coefficient**

(Source: SPSS)

The sig value is 0.000, hence, the hypothesis among these two variables have been met.

**4.6 Hypothesis 4: Association between Communication approach and Client's experience level**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.315 <sup>a</sup>	.099	.087	2.60963	.099	8.055	1	73	.006	2.177

**Table 4.14: Model Summary**

(Source: SPSS)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.857	1	54.857	8.055	.006 <sup>b</sup>
	Residual	497.143	73	6.810		
	Total	552.000	74			

**Table 4.15: ANOVA**

(Source: SPSS)

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.429	.569		6.021	.000
Communication approach	.381	.134	.315	2.838	.006

**Table 4.16: Coefficient**

(Source: SPSS)

The sig value is 0.000, hence, the hypothesis among these two variables have been met.

**Discussion**

As per the survey result, it has been observed that all the hypothesis testing performed between different variables has been met. This is because the Sig value obtained from these hypothesis testing is less than the value of 0.05 (Hadi et al. 2021). Therefore the client's experience level is influenced by the different types of approaches the banking industries made while giving facilities to their all clients who visited their banks (Santoso, 2019).

**Conclusion**

Thus it can be concluded that it has been observed that the client's experience level is totally based on the gradation of the facilities provided by the employees of the banking organization. When the experience level of the customers is high then it also reflects on the enhancing rate of yearly revenues of the organizations of the banking industry.

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## **Appendices**

### **Appendix 1: Survey questions**

Q1: "What is your gender?"

Q2: "What is your age?"

Q3: "What is your income level?"

Q4: Collecting feedback from different clients help the organization's clients' perception

Q5: Consumer expectations are based on the grade of services provided by bank employees

Q6: The consumer expectations level and consumer engagement are both interconnected

Q7: An increased range of customer engagement is helpful for the economic growth of the organization

Q8: An updated level of facilities plays the role of attracting the maximum number of customers

Q9: The customer experience level is higher when the client is too engaged with the organization

Q10: Moreover, the banking sector industry needs to incorporate online facilities for attracting new clients

Q11: A proper communication system is also needed to develop between the employees and clients

Q12: Showing empathy also promotes the client's experience level

Q13: Loyalty from the customer's side are also helpful for business promotion