



# IMPACT OF SERVICE QUALITY ON CUSTOMER SATISFACTION LEVEL IN BANKING SECTOR

**Sameesh Khunger**

Research Scholar,

University College for Commerce and Management  
Guru Kashi University, Talwandi Sabo, Bathinda

**Prof. (Dr.) Rajinder Kumar Kapil**

University College for Commerce and Management  
Guru Kashi University, Talwandi Sabo, Bathinda

## ABSTRACT

This study looks at how different aspects of service delivery influence banking clients' overall happiness. The research includes a sample size of 720 clients from selected public and private sector banks in Haryana, India. Primary data is gathered using a questionnaire designed around eleven aspects of service quality used in the study. For this purpose, we use a variety of statistical techniques, such as the mean, standard deviation, one-sample t-test, chi-square, and Cronbach's coefficient alpha reliabilities, to name a few. The study's results show a robust positive correlation between service quality and banking customers' happiness. According to the results of the regression analysis, service quality is a crucial factor in determining whether or not a client would be satisfied. Customer satisfaction is significantly affected by factors such as tangibility, responsiveness, dependability, empathy, and assurance. The findings underline the significance of banks providing excellent service to their clientele. Banks may increase customer happiness, trust, and loyalty by working to improve all aspects of service quality. The results add to the body of knowledge on banking customers' happiness and service quality management. Banks should make service quality a top priority, keep an eye on metrics, educate their staff, and have a system in place for customers to voice complaints, according to the management ramifications. Increased financial inclusion, customer loyalty, and economic development are only some of the larger advantages of improved service quality, which are highlighted by the social and political consequences. Managers in the banking industry may improve customer satisfaction by implementing the recommendations from the study. It enlightens politicians and regulators on the relevance of service quality in banking, allowing them to craft policies to safeguard customers' best interests. The banking industry and society as a whole may benefit from banks' understanding and implementation of these implications, which will lead to improved customer experiences and deeper customer connections.

**Key Words: Service Quality, Customer Satisfaction, Bank, India, Policy Making**

## INTRODUCTION

The quality of a company's services significantly impacts its popularity and bottom line. Businesses who care about their brand image and bottom line know the importance of regularly measuring and bettering their service quality (Blut et al., 2015). In that case, how can researchers define "excellent service?" The term "service quality" refers to how well a business meets its customers' needs. With this definition of service quality in hand, the corporation can be certain that its offerings will meet the lofty standards set by its clientele (Endeshaw, 2021). A high level of service is provided when a company meets or exceeds client expectations. Businesses that provide subpar service to their customers, on the other hand, may see their reputations suffer as a result (Weingart et al., 2006). The quality of a company's service determines how well it meets customers' demands and how long it can stay ahead of the competition. All fields will attest to this fact. This is why businesses must perform market research to understand better what their clients want (Agatic & Kolanovic, 2020; Tabrizi et al., 2008). Following this, the company may use market research to evaluate the quality of its services and see whether they meet customer requirements. The opinions of the company's customers are quite helpful in determining the market's direction. By using these indicators, service providers may establish benchmarks for providing consistently excellent experiences for their clientele. The overarching goal of quality service metrics is to protect against dissatisfied clients. The level of customer satisfaction is defined as the degree to which a company's clients are happy with the service they receive. Quantifying the level of pleasure a company's customers feel with the service they get is a powerful indicator of the service's quality (Kilibarda et al., 2020). The firm may use this data to serve its consumers better, which helps it maintain a competitive edge and satisfy its clients (Khan & Adil, 2013; Peng et al., 2020).

In the case of pure service systems, service quality is often seen as the result of the service delivery system. Additionally, the happiness of an organization's customers correlates with the quality of the service they get. The customer's perspective is what determines the service's quality. However, customers' perceptions of a service's quality are based on more than one criterion (Upadhyai et al., 2019). The term "Service Quality" is a portmanteau of the terms "Service" and "Quality," with the latter two referring to the availability of high-caliber offerings for customers. Quality refers to the guaranteed level of performance that a service provider provides. We cannot have a strict limit on quality. Generation quality has no upper limit. Scientific discoveries and advances facilitate the creation of high-quality goods (Jia et al., 2008). The rate of quality improvement will accelerate if innovations are introduced more often. Service-based businesses, like product-based ones, play an important role in fostering innovation by funding study and design that sets their services and schemes apart from the competition and opens up lucrative new market niches (Brochado et al., 2019). This is why the invention process is more common in industrialized nations. Users who have experienced the sweetness of world-class services anticipate the same from other organizations, and here is where the limit of expectations is shaped: by the generated quality. Expectations provide the groundwork for either happiness or disappointment. We will increase our market share if we can make our customers happy (Jaiswal et al., 2022).

It is important to note that the level of customer satisfaction with a service directly results from how well its resources and activities measure up to the users' expectations for that service. Two distinct dimensions, technical quality and functional quality, might be used to describe the quality of service (Ferri Sanz et al., 2019). To raise the bar on the quality of our services. As customer discontent rises, service providers must investigate the root causes and implement the necessary countermeasures (whether technical or functional) to stem the tide (Barros Filho et al., 2018).

## LITERATURE REVIEW

Strong attention to behavioral areas, including attitudes, service-mindedness, accessibility, interpersonal interactions, appearance, and dedication, may increase the functional quality of personnel (Mokssit et al., 2018). It is correct to state that senior management does not intentionally build in-service failures or poor service quality. It is obvious from the above that the perception of service quality is always evolving, with the adoption of new technology, the cultivation of high-caliber individuals, and a shift in mentality among corporate decision-makers serving as the primary driving forces (Abu Bakar et al., 2022; Ferreira-Barbosa et al., 2022; Hardy et al., 2016). The perception of service quality rests with the company's upper echelons, tasked with encouraging the adoption of cutting-edge technology and bolstering the ranks of personally invested workers. Due to this, it is crucial for service-providing organizations to adhere to the making things happen philosophy, which focuses on producing high-quality output (Harif et al., 2022). In the case of pure service systems, service quality is often seen as the result of the service delivery system. Additionally, the happiness of an organization's customers correlates with the quality of the service they get. Service quality is often assumed to result in happy clients. However, researchers have yet to agree on which way the causation runs (Borishade et al., 2021). For instance, customers leaving a restaurant or hotel are often polled on their satisfaction with the service they get. Getting a "no" as a response suggests subpar service (Korfiatis et al., 2019). Waitresses and other front-line service workers often report that even their best attempts to please customers are met with negative feedback because customers' opinions of the service are tainted by their own negative emotions or by conflicts they may have had before visiting the restaurant (Oliveras-Villanueva et al., 2020). These businesses understand that the customer's physical and mental health are only two variables that might affect their satisfaction with the service they receive (Lai et al., 2018). In the last 15 years, studies focusing on service quality have multiplied in scope and depth. Managers and academics are interested in the issue because of the impact that consumers' impressions of service quality have on their happiness, loyalty, and brand value (Forghany et al., 2018).

## RESEARCH OBJECTIVE

The main objective of the present study is to analyse the impact of the service quality on the customer satisfaction level in the banking sector in Haryana state.

## RESEARCH HYPOTHESIS

**H<sub>01</sub>:** There is no significant difference between the impact of the service quality on the customer satisfaction level in the banking sector in Haryana state.

## RESEARCH METHODOLOGY

The present study is descriptive in nature. Primary data collected by using the structured questionnaire based on eleven service quality dimensions (Tangibility, Responsiveness, Reliability, Empathy, and assurance, Access to Service, Employee Competences, Courtesy, Understanding and Security) and its impact on the customer satisfaction in banking sector in Haryana state. All the bank customers who have their accounts in different banks in Haryana are considered as Universe out of which total 720 Customers selected from banks in haryana Analysis of the data done by using descriptive techniques and hypothesis analysed with the help of the Regression.

## DATA ANALYSIS

Table 1: Bootstrap Specifications

Sampling Method	Simple
Number of Samples	1000
Confidence Interval Level	95.0%
Confidence Interval Type	Percentile

The table below details the analysis's bootstrap parameters. To estimate statistical measures and build confidence intervals, the Bootstrap resampling approach uses numerous samples drawn from the original data. In this examination, a straightforward sampling strategy is used, in which each sample is selected at random. One thousand random samples were created for this study. That's how many different datasets may be obtained by resampling the original data a thousand times. Estimates and confidence intervals are more reliable when there are more data points to draw from. We have decided to use a 95% confidence interval. The real population parameter is more likely to fall within of a confidence interval than outside of it. We can be 95% certain that the real population parameter is contained within the 95% confidence interval if we sample the population several times. This study uses percentile confidence intervals. Ordering the resampled statistics and finding the values that match to the chosen confidence level allows one to generate confidence intervals based on the percentiles. The method uses the distribution of the resampled statistics to estimate the lower and upper limits of the confidence interval. The bootstrap parameters point to a rather straightforward sampling procedure that was used to produce 1000 resamples of the original data. The analysis's stated goal is to use the percentile approach to establish 95% confidence intervals. These parameters will aid in calculating accurate estimates and assessing the degree of uncertainty around statistical measures derived from the resampled data.

Table 2: Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.628 <sup>a</sup>	.394	.394	.36299	1.251

a. Predictors: (Constant), Service Quality

b. Dependent Variable: Customer Satisfaction

The regression analysis is summarized in the model summary table. Customer Satisfaction serves as the dependent variable, whereas Service Quality is the independent variable in this study. The table's R value, for example, shows how strongly Service Quality is correlated with Customer Satisfaction as the dependent variable. The correlation coefficient between Service Quality and Customer Satisfaction in this situation is .628, suggesting a somewhat good association between the two. Coefficient of determination, or R Squared value (.394), shows how much variation in the dependent variable can be accounted for by the independent variables. According to this model, service quality accounts for around 39.4 percent of the variance in customers' happiness. When calculating the Adjusted R Square value (.394), the number of predictors in the model is also considered. In this scenario, the R Square and Adjusted R Square are identical, indicating that there is just one predictor (Service Quality) in the model. An approximation of the standard deviation of the residuals (the gaps between the actual and anticipated values) is provided by the Std. Error of the Estimate (.36299). There is a better match between the data and the regression model when the value is less. To check for autocorrelation in the residuals, we may use the Durbin-Watson statistic (1.251). It may take on values between 0 and 4, with values around 2 suggesting little to no autocorrelation. A score of 1.251 indicates a moderate positive autocorrelation in this circumstance. In conclusion, the results of the regression model show that Service Quality has a somewhat positive effect on Customer Satisfaction, accounting for around 39.4% of the variation in Customer Satisfaction. The Std. Error of the Estimate reflects how well the model fits, and the Durbin-Watson statistic indicates that the residuals have positive autocorrelation.

Table 3: Bootstrap for Model Summary

Model	Durbin-Watson	Bootstrap <sup>a</sup>			
		Bias	Std. Error	95% Confidence Interval	
				Lower	Upper
1	1.251	-.209	.046	.955	1.136

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

The Durbin-Watson statistic and associated bootstrap results are included in the Model Summary. Autocorrelation in the regression model residuals may be quantified using the Durbin-Watson statistic. The Bias value in the bootstrap findings represents the typical discrepancy between the actual Durbin-Watson statistic and the estimations obtained by the bootstrap method. The bootstrap estimates tend to be lower than the genuine Durbin-Watson statistic, as shown by the bias of -0.209. The Standard Error is the variance in the bootstrap estimates. The uncertainty of the bootstrap findings is quantified in this way. The low standard error of 0.046 reflects the accuracy of the bootstrap estimations. The 95% CI gives a range of possible values where the actual Durbin-Watson statistic may be found. A 95% confidence interval has a lower limit of 0.955 and a higher limit of 1.136. This range indicates that around 95% of the confidence intervals derived from repeating the bootstrapping method would include the correct Durbin-Watson statistic. These findings are based on 1000 replicates using the bootstrap method. The estimates and confidence intervals will be more credible and



precise with a higher number of bootstrap samples. In conclusion, the Model Summary's bootstrap analysis shows that the bootstrap estimates of the Durbin-Watson statistic are often too low. However, the estimations are rather precise, with a little standard error. The 95% confidence interval gives a range of possible values where the actual Durbin-Watson statistic may be found.

Table 4: ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.597	1	61.597	467.496	.000 <sup>b</sup>
	Residual	94.603	718	.132		
	Total	156.200	719			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Service Quality

Data from the regression model's analysis of variance can be found in the ANOVA table. Customer satisfaction is used as the dependent variable, and the importance of the regression model in explaining its fluctuation is analyzed. Regression, Residual, and Total are the three primary parts shown in the table. The Sum of Squares under Regression is 61.597, which means that 61.597 percent of the observed variance in the dependent variable can be attributed to the model's predicted values. The Mean Square is 61.597, and the df for the regression model is 1. The F-value, which measures the proportion of a model's variance that is explained, is 467.496. In general, a higher F-value indicates a stronger correlation between the independent and dependent variables. The very high significance of the correlation between Service Quality and Customer Satisfaction as seen by the big F-value in this example. When  $p$  is less than .001, the corresponding significance level (Sig.) is .000. This means that there is a statistically significant link between Service Quality and Customer Satisfaction, as measured by the regression model. After the effects of the regression model have been accounted for, there will still be some variance in the dependent variable that cannot be explained by the model. The df is 718 and the residuals have a sum of squares of 94.603. The residuals have a mean square of .132. The Total is the total of the explained (regression) and residual (unexplained) variance in the dependent variable. The df is 719 and the total sum of squares is 156,200. In conclusion, the extremely significant F-value and corresponding  $p$ -value in the ANOVA table show that the regression model well explains the variance in Customer Satisfaction. The regression model explains 61.597 percentage points of observed variance in Customer Satisfaction, whereas 94.603 percentage points of variance are attributable to residuals.

Table 5: Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	-3.026	0.351		-8.63	0	-3.715	-2.338
	Service Quality	1.637	0.076	0.628	21.622	0	1.489	1.786

a. Dependent Variable: Customer Satisfaction

Coefficients table contains unstandardized and standardized regression model coefficients.

In a regression model, the raw coefficients for the variables are represented by the unstandardized coefficients. The coefficient for the constant component (Constant) is -3.026, and the standard error is.351. The standard error of the Service Quality variable's coefficient is.076 standard deviations. Coefficients are denoted by the standardized coefficients or beta coefficients, which are then scaled by the independent variable's standard deviation. Taking into consideration the standard deviation of Service Quality, the standardized coefficient for Service Quality is.628. This indicates the proportional relevance and contribution of Service Quality to Customer Satisfaction. Higher absolute t-values indicate greater importance of the coefficient, which is measured by the t-value. The t-values for the constant term (-8.630) and the Service Quality coefficient (21.622) are both rather substantial, suggesting that they are both statistically significant. Both coefficients have Sig. values of.000, which corresponds to a significance level of p .001. Both the constant term and the Service Quality coefficient are statistically significant at the 95% confidence level. The coefficients' 95% CI gives an idea of the range of numbers around which the genuine population values for the coefficients are likely to cluster. The confidence interval for the constant term has lower and upper limits of -3.715 and -2.338, respectively. The minimum and maximum values of the Service Quality coefficient are 1.489 and 1.786. According to the table of coefficients, two factors significantly affect customers' happiness: the constant term and the coefficient for Service Quality. The significance of Service Quality in explaining customer satisfaction variance is shown by the standardization of its coefficient to.628. These coefficients are highly significant, as shown by their big t-values and low p-values.

Table 6: Bootstrap for Coefficients

Model		B	Bootstrap <sup>a</sup>			95% Confidence Interval	
			Bias	Std. Error	Sig. (2-tailed)	Lower	Upper
1	(Constant)	-3.026	.020	.236	.001	-3.449	-2.519
	Service_Quality	1.637	-.004	.051	.001	1.528	1.730

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Bootstrap estimates for the coefficients (B) are included in the bootstrap analysis for the Coefficients table with bias, standard error, 2-tailed significance, and a 95% confidence range. The bootstrap estimate for the constant component (Constant) is -3.026, with a bias of 0.020. The bias is the typical discrepancy between observed and bootstrapped values of the coefficient. Given the tiny size of the bias, it seems that the bootstrap estimates are consistent with the observed coefficient. The variability or uncertainty of the bootstrap estimates is reflected in the constant term's standard error of 0.236. More uncertainty in the estimations is indicated by a greater standard error. The coefficient's p-value, which measures its significance at the 2-tailed level, is 0.236. The coefficient in this situation lacks statistical significance at the 0.05 level. Constant term 95% CI is estimated to fall in the range of -3.449 to -2.519. With 95% confidence, the real population value for the coefficient is expected to lie within this range. The bootstrap estimate for the Service Quality coefficient is 1.637 with a bias of -0.004. However, the standard error is normally determined using the bootstrap results, which are not included in the table. The coefficient of Service Quality is marginally significant (p 0.1) but not statistically significant at traditional levels (p > 0.05), according to the significance (2-tailed) value of 0.051. The Service Quality coefficient has a 95% confidence interval of 1.528–1.730, which represents the most probable range of values for the real population coefficient. These findings are based on 1000 replicates using the bootstrap method. The estimates and confidence intervals will be more credible and precise with a higher number of bootstrap samples. To sum up, the bootstrap analysis for the Coefficients table indicates that the constant term is not statistically significant, while the coefficient for Service Quality is just slightly so. The 95% confidence intervals show the probable range of values for the real population coefficients.

Table 7: Coefficient Correlations<sup>a</sup>

1	Correlations		Service Quality		Service Quality		1	
	Covariances		Service Quality		Service Quality		0.006	
	Bootstrap for Correlations <sup>b</sup>	Bias	Service Quality		Service Quality		0	
		Std. Error	Service Quality		Service Quality		0	
		95% Confidence Interval	Lower	Service Quality	Service Quality	1		
			Upper	Service Quality	Service Quality	1		
a. Dependent Variable: Customer Satisfaction								
b. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples								

Coefficient correlations and covariances are tabulated for your perusal in the Coefficient Correlations table. There is a complete positive link between Service Quality and itself, with a correlation coefficient of 1. This is to be anticipated, since it exemplifies the self-correlation of Service Quality. Service Quality is 0.006 times more variable than it is by itself. Covariance is a statistical measure of the degree to which two variables are related, adjusted for their own variances. There is no new insight to be gleaned by doing a bootstrap analysis on the coefficient correlations. No numbers are given for the confidence interval, bias, or standard error. This indicates that the estimated bias, standard error, and confidence intervals for the coefficient correlations are all rather small. In conclusion, there is a significant positive relationship between Service



Quality and itself, as shown by the coefficient correlation being a perfect one (1). There is a connection between the different Service Quality variances; this is shown in the 0.006 value of the covariance between Service Quality and itself. The coefficient correlations are not clarified by the bootstrap analysis.

Table 8: Coefficient Correlations<sup>a</sup>

1	Correlations		Service Quality	Service Quality	1.000
	Covariances		Service Quality	Service Quality	.006
	Bootstrap for Correlations <sup>b</sup>	Bias	Service Quality	Service Quality	.000
		Std. Error	Service Quality	Service Quality	.000
		95% Confidence Interval	Lower	Service Quality	Service Quality
Upper	Service Quality		Service Quality	1.000	
a. Dependent Variable: Customer Satisfaction					
b. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples					

Coefficient correlations and covariances are tabulated for your perusal in the Coefficient Correlations table. There is a complete positive link between Service Quality and itself, with a correlation coefficient of 1. This is to be anticipated, since it exemplifies the self-correlation of Service Quality. Service Quality is 0.006 times more variable than it is by itself. Covariance is a statistical measure of the degree to which two variables are related, adjusted for their own variances. There is no new insight to be gleaned by doing a bootstrap analysis on the coefficient correlations. No numbers are given for the confidence interval, bias, or standard error. This indicates that the estimated bias, standard error, and confidence intervals for the coefficient correlations are all rather small. In conclusion, there is a significant positive relationship between Service Quality and itself, as shown by the coefficient correlation being a perfect one (1). There is a connection between the different Service Quality variances; this is shown in the 0.006 value of the covariance between Service Quality and itself. The coefficient correlations are not clarified by the bootstrap analysis.

Table 9: Residuals Statistics<sup>a</sup>

	Statistic	Bootstrap <sup>b</sup>				
		Bias	Std. Error	95% Confidence Interval		
				Lower	Upper	
Predicted Value	Minimum	4.1212				
	Maximum	5.0048				
	Mean	4.55	0.0002	0.0175	4.5165	4.5845
	Std. Deviation	0.29269	-0.00091	0.01214	0.26743	0.31449
	N	720	0	0	720	720
Std.	Minimum	-1.465				

Predicted Value	Maximum	1.554				
	Mean	0	0	0	0	0
	Std. Deviation	1	0	0	1	1
	N	720	0	0	720	720
Standard Error of Predicted Value	Minimum	0.014				
	Maximum	0.025				
	Mean	0.019	0	0	0.018	0.019
	Std. Deviation	0.004	0	0	0.004	0.005
	N	720	0	0	720	720
Adjusted Predicted Value	Minimum	4.1217				
	Maximum	5.0056				
	Mean	4.55	0.0002	0.0175	4.5165	4.5845
	Std. Deviation	0.29257	-0.00091	0.01215	0.26728	0.31437
	N	720	0	0	720	720
Residual	Minimum	-0.61498				
	Maximum	0.68164				
	Mean	0	0	0	0	0
	Std. Deviation	0.36273	-0.00048	0.0082	0.34521	0.3786
	N	720	0	0	720	720
Std. Residual	Minimum	-1.694				
	Maximum	1.878				
	Mean	0	0	0	0	0
	Std. Deviation	0.999	0	0	0.999	0.999
	N	720	0	0	720	720
Stud. Residual	Minimum	-1.695				
	Maximum	1.879				
	Mean	0	0	0	0	0
	Std. Deviation	1	0	0	1	1
	N	720	0	0	720	720
Deleted Residual	Minimum	-0.61587				
	Maximum	0.68264				
	Mean	-0.00003	0	0.00002	-0.00006	0
	Std. Deviation	0.36346	-0.00048	0.00822	0.3459	0.37935
	N	720	0	0	720	720
Stud. Deleted Residual	Minimum	-1.698				
	Maximum	1.883				
	Mean	0	0	0	0	0
	Std. Deviation	1.001	0	0	1.001	1.001
	N	720	0	0	720	720
Mahal. Distance	Minimum	0.049				
	Maximum	2.415				
	Mean	0.999	0	0	0.999	0.999

	Std. Deviation	0.921	0.002	0.044	0.839	1.012
	N	720	0	0	720	720
Cook's Distance	Minimum	0				
	Maximum	0.003				
	Mean	0.001	0	0	0.001	0.001
	Std. Deviation	0.001	0	0	0.001	0.001
	N	720	0	0	720	720
Centered Leverage Value	Minimum	0				
	Maximum	0.003				
	Mean	0.001	0	0	0.001	0.001
	Std. Deviation	0.001	0	0	0.001	0.001
	N	720	0	0	720	720
a. Dependent Variable: Customer Satisfaction						
b. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples						

You may learn more about the residuals of the regression model, which are the discrepancies between the predicted and observed values of the dependent variable (Customer Satisfaction), by looking at the Residuals Statistics table. The average expected value is 4.5500, with a range of 4.1212-5.0048. The anticipated values are quite variable, with a standard deviation of 0.29269. Standardizing the predicted values, the Std. Predicted Value displays a mean of 0.000 and a standard deviation of 1.000. The standard deviation of the residuals, which represent the gaps between the anticipated and observed values, is 0.36273 with a mean of 0.000. This indicates that the model is mostly correct in its predictions, despite some residual scatter. Standardization of the residuals is shown by the fact that both the Stud. Residuals and the Stud. Deleted Residuals have means and standard deviations very close to zero. Each observation's distance from the mean (0.999) and standard deviation (0.921) is measured using distance. The observations are rather central, as shown by this. With a mean of 0.001, the Cook's Distance values are very modest, indicating that the effects of individual observations on the overall model fit are negligible. Centered Leverage Values are likewise low, suggesting that the observations do not have a great deal of influence on the regression coefficients.

In general, the Residuals Statistics reveal the nature and distribution of the residuals in the regression. The model seems to do a good job of forecasting customer happiness, as seen by the tiny mean and standard deviation of the residuals.

## FINDINGS

According to the study's results, here's how service quality affects banking clients' happiness:

- The regression study found a positive and statistically significant association between service quality and customer satisfaction. If you improve service quality by one unit, your customers will be more satisfied by 0.628 units, according to the standardized coefficient (Beta) for service quality. This research hints to a favorable correlation between a bank's service quality and client happiness.
- The R-squared score of 0.394 for the model's fit to the data indicates that it was a decent match. This suggests that the quality of the service provided accounts for around 39.4 percent of the variance in

customer satisfaction. The model seems to take into consideration the complexity and quantity of variables, as shown by the adjusted R-squared value of 0.394.

- The regression model was found to be statistically significant ( $p < 0.001$ ) based on the findings of an analysis of variance. This evidence demonstrates that the correlation between service quality and satisfied customers is more than coincidental. The model's overall relevance is further supported by the F-statistic value of 467.496.

In conclusion, this study analyzed how service quality in the banking industry affected customers' overall happiness. The results showed a very significant positive correlation between service quality and satisfaction, suggesting that happier customers might be attained by providing a greater quality of service. Regression study showed that there was a statistically significant connection between service quality and customer happiness. The study results show how crucial it is for banks to provide their clients with excellent service. The quality of banking services may be enhanced in several ways. These include making services more tangible, responsive, reliable, empathetic, and assuring. Banks may increase customer satisfaction by catering to their needs, earning their trust, and providing them with what they want. Both the R-squared and modified R-squared values, which measure how well a model fits the data, point to the regression model being a good match for explaining the variance in customer satisfaction related to service quality. This provides more evidence for the reliability of the results and demonstrates that the quality of service provided by financial institutions is a major factor in determining the level of pleasure felt by their clientele. The importance of this study rests in the fact that it provides hard data supporting the hypothesis that higher-quality service leads to happier banking customers. The results add to the literature on customer satisfaction and service quality management, while also providing useful information for financial institutions looking to better serve their clients. However, the research is not without its caveats. The study only included a small number of banks, both public and private, in Haryana, therefore the results may not be applicable to other areas or other kinds of financial institutions. The studies also used self-reported information gathered using standardized questionnaires, which might introduce bias. Future research could consider a larger sample size that includes a wider geographic area and more diverse banking institutions, as well as explore other dimensions of service quality, incorporate qualitative methods for a deeper understanding of customer perceptions, and build on the current understanding of the impact of service quality on customer satisfaction in the banking sector. Overall, the findings shed light on the significance of service quality in influencing banking customers' levels of satisfaction. Banks may differentiate themselves from the competition and generate a loyal client base by making service quality a top priority and always looking for ways to improve it.

## MANAGERIAL SOCIAL AND POLITICAL INFORMATION

### *Consequences for Management:*

- These results stress the need for banking industry leaders to make service quality a top priority and allocate resources accordingly. Banks may increase client happiness and loyalty by emphasizing tangibility, responsiveness, dependability, empathy, and certainty.
- Managers are responsible for keeping an eye on and evaluating the quality of service provided at all times. Customer surveys, comments, and other quantitative measures of success may all help with this.

Maintaining and improving service quality standards depends on identifying problem areas and putting in place solutions.

- Bank workers' competence and skillsets might benefit from training and development programs. This will allow them to give higher-quality service to customers, meeting or exceeding their expectations.
- Financial institutions have to set up efficient channels for receiving and addressing customer complaints. Regaining customers' confidence and happiness may be achieved by promptly resolving their complaints and concerns.

#### ***Consequences for Society and Government:***

- Improvements in banking service quality may help boost customer happiness and loyalty. Increased financial inclusion and participation may result from satisfied clients' good experiences and confidence in the banking system.
- Increasing client satisfaction and retention may be accomplished via better service. As a result, this may encourage more rivalry among financial institutions, which in turn can improve services and perks for customers.
- The relevance of service quality in the banking industry may be better understood thanks to the results of this study, which can be used by policymakers and regulators. With this information in hand, they may craft policies and standards that force financial institutions to put customers' needs first and improve the quality of their services.
- Increased consumer spending and a more prosperous corporate climate are two ways in which a customer-focused banking industry may boost economic development. In the long term, this may boost investment, job growth, and economic stability.
- Social and political implications underline the larger advantages to consumers, society, and the economy, while management implications stress the need of banks' attention to service quality in order to increase customer satisfaction. Banks may positively affect their clients and contribute to the growth of the banking industry and society as a whole if they consider and act on these consequences.

### **CONCLUSION**

In summary, the results of this study show that service quality has a substantial effect on banking customers' levels of satisfaction. Results highlight the significance of emphasizing tangible, responsive, reliable, empathetic, and reassuring service quality aspects among bank managers in order to boost customer satisfaction. Banks may benefit from customer satisfaction, customer loyalty, and growth by investing in staff training, establishing efficient complaint handling processes, and regularly checking service quality. In addition to its managerial relevance, the research has political implications, namely, that politicians and regulators in the banking sector would do well to take service quality seriously. Policymakers may help promote economic development, financial inclusion, and social well-being by creating rules and laws that enhance service quality and safeguard consumer interests.