Factors of Customer Satisfaction in the Servicing Sector: Does Quality of Service Matter?

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ABSTRACT

Purpose: The purpose of the study is to evaluate the influence of the cost of financing, customer loyalty, and customer security on customer satisfaction with financial services as moderating effects in the Pakistani context. This study aims to provide the financial services concept between the cost of customer loyalty, customer security, financing and customer satisfaction.

Methodology: Data is gathered through the use of a questionnaire. A total of 330 respondents from Pakistan's five largest banks participated in the study. The information gathered pertains to the various roles that bank personnel play on behalf of bank clients. The sample approach utilised in this study is a convenience sampling method. The SPSS program is used to evaluate the data on the demographics of the area. The PLS-SEM is used to investigate the conceptual model.

Findings: To achieve banking goals in the long term, financial service quality has a favorable effect on customer loyalty and satisfaction, as well as on the cost of financing. Even in the conventional banking sector, the quality of financial services is not adhered to. Financing prices, customer loyalty, customer security, and customer satisfaction all have a direct correlation to the quality of financial services.

Practical Implications: To generate high profits and productivity, financial organizations must develop the quality mechanisms to get the best results from customer satisfaction goals.

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Introduction

Customer satisfaction is a major concern for all banks nowadays. In both the commercial and public sectors, customer satisfaction is a top priority. Achieving greater performance means meeting the requirements of both internal and external customers. (Rampersad, 2001). The bank's performance is heavily influenced by its ability to keep its customers happy (Samar Rahi, 2019). Bank profits are directly related to client happiness. Customer satisfaction, in addition to financial results, influences a company's worth and success (Hariyati, 2019). When customers are happy, companies perform better. According to the author (O'Sullivan, 2012), customers are satisfied when their expectations are met and their requirements are met for obtaining service quality, according to the researcher's perceptions and feelings (Anastasia Golovkova, 2019). Measuring service quality is intimately linked to customer satisfaction (Mehrdad Estiri, 2011).

As businesses seek to maintain their competitive edge in the marketplace, the problem of service quality is a significant one. The banking industry relies heavily on the quality of service to ensure customer satisfaction. The quality of financial services boosted the performance of the company (Rishi Kant, 2017; Khan & Iqbal, 2020). Banks are using technology advancements to improve their individual and commercial customer service initiatives. Quality services are also associated with higher revenue, customer retention, a stronger cross-sell ratio, and customer satisfaction, which gives banks a significant marketing advantage. As a result, Pakistan's economy relies heavily on the banking industry (Thai, 2017). The agriculture sector generates the majority of Pakistan's export earnings and accounts for around a quarter of the country's total GDP (gross domestic product).

The State Bank of Pakistan and the World Bank have issued regulations on banks and money, and this has resulted in significant growth for Pakistan's banking sector (Prorokowski, 2017). New promotion services that were previously unavailable in Pakistan, including Visa, Electronic Bank Services, and Mobile Banking, are now being offered by banks in Pakistan (Cajetan I. Mbama, 2018). It is customary for financial organization to believe that their clients are at the heart of their services, and hence their operations are influenced by them. However, despite the fact that the banking business has been known to encounter service quality failures and not meet its primary objective (Khan, Tufail, & Ali, 2021).

Research Problem

For the most part, Pakistani banks are still operating under the constraints of outdated software. As a result, their consumers receive substandard service because they lack skilled and experienced workers (Samraz Hafeez, 2012). The importance of customer satisfaction in reorganizing and restructuring capital has been highlighted in previous research, leading banks to seek out investment possibilities in order to remain competitive in the global banking market. In the financial services industry, customer satisfaction has received scant attention in the literature (Hussain, 2016).

Therefore, in this gap, this research empirically investigated the relationships between service quality, customer loyalty, cost of financing, customer satisfaction and with the moderating impact of the quality of financial service in the Pakistani's conventional bank customer's context.

Significance of Study

Banks in Pakistan are heavily dependent on government and state bank policies, a strategy that is not usually connected with customer satisfaction. For this reason, this research encourages practitioners to think creatively about how they might improve their customer service. Individuals, institutions, and parties interested in learning more about bank customers' behaviors can benefit from this research. The present political developments in Pakistan are critical in the effort to reform

the country's banking sector, which was previously under the authority of an autocrat whose sole goal was to gain personal wealth at the expense of the country's economic development. Pakistani banks are striving to participate in investment operations in an effort to avert a return to the previous regime by regulating their dealings and reducing competition among financial institutions.

Literature Review

Customer Satisfaction

Consumer loyalty is defined by Jamal and Naser (2002) as an individual's personal preference or assessment of a product or service's quality. When the arrangement of goods and ventures meets or exceeds customer wants, there is a result: consumer loyalty (Szymanski and Henard, 2001). Paying premiums, referring friends, and using additional products are all things that satisfied customers are eager to do (Reichheld, 1996). Banking success depends on customer loyalty. Consumer loyalty is essential to a bank's bottom line. "The impact of customer loyalty extends much beyond that of money in terms of influencing a firm's reputation and performance" (Le Saout & Daher, 2016). To put it another way, loyalty is a good thing for your business and a good thing for your customers. In recent studies, it has been shown that customer loyalty and business execution have a favourable effect. For the time being, this concept is being overlooked (O'Sullivan, Customer Fulfillment, Profit, 2012).

Customer Satisfaction and Service Quality

Effective account management requires high levels of administrative quality in order to build customer loyalty. The firm's performance was boosted by the excellence of its financial management. Consumer loyalty in account management is examined in the evaluation of money-related administrative excellence (Rishi Kant, 2017). Money management quality is dependent on the employee's attitude and on the management of the workforce. Top management is concerned about the quality of financial management in order to achieve the goal of customer loyalty (Elissavet Keisidou, 2013). Financial administration is provided by both public and commercial institutions to ensure customer loyalty. Observed administration quality was identified as the true piece of customer loyalty in the keeping money sector, which focuses on substance, dependability, confirmation, responsiveness, and bank image (Khan, Tufail & Ali, 2021).

The Banking Sector and Customer Satisfaction

Among the several written studies on bank customer loyalty in Pakistan, one employed a benchmark that included bank customers from every region and every bank's resources (Elissavet Keisidou, 2013). Inquiries into the clients' satisfaction with the banks were part of the exam. The data was obtained in order to compare the customer satisfaction scores of banks that are interested in the monetary customer fulfillment list. The findings revealed that the most important features that result in fulfillment are reacting quickly to faults and having an amiable manager. The findings also revealed that the arrangement of good, individual administration is seen by consumers as more important than comfort or things (Wahedulhaq, 2014). Customers that participated in the consumer loyalty research purchased more things than those in the control group, according to a recent study conducted in Pakistan as well. When it comes to customers' perceptions of a business, researchers found that review interest was the driving force towards a more positive perception of the company (Gianfranco Walsh, 2008).

Satisfaction and Loyalty of Customers

In the money-saving area, customer loyalty is a top priority since it has a direct impact on administration quality and customer satisfaction. When it comes to customer loyalty, there are very few variables that might influence it. Each bank's major concern is retaining and increasing customer loyalty and steadfastness for its own financial gain (Helena Martins Gonçalves, 2012). A bank's ability to maintain a good relationship with its customers is now being recognized as a sign of good business operations and a positive attitude among its employees. Mail and survey data

were used to compile this information. Committed and satisfied employees are more likely to work towards achieving organizational objective that leads to the greater performance of organization (Javeria et al., 2013; Junaid, Bashir, Nasim, & Ahmad, 2021; Khan & Iqbal, 2020)

Satisfaction and Security of Customers

Customers' loyalty to a bank is measured in part by how well it protects them. Researchers have found that the account management process revolves around a constant focus on security. An account exchange must be managed securely to reduce the risk to each individual client (Ames Andrew, 2014). Researchers used a meta-examination focused on safety and security as a starting point. Maintaining a safe distance from the dangers associated with bank transactions necessitates the presence of adequate protection for clients. According to a study (Ames and Andrew, 2014), consumer loyalty is directly influenced by the level of client security.

Conceptual Framework of Customer Satisfaction

Figure 1: Conceptual Framework

Hypotheses of the Research Model

Following are the hypothesis that are based on the model and the purpose of the study:

H1: In the banking sector in Pakistan there is a positive relationship between customer satisfaction and customer cost.

H2: In the banking sector in Pakistan there is a positive relationship between customer satisfaction and customer loyalty.

H3: In the banking sector in Pakistan there is a positive relationship between customer satisfaction and customer security.

There is a positive relationship between financial service quality and customer satisfaction

H5: In the banking sector in Pakistan the quality of financial services moderates the relationship between customer satisfaction and customer cost of financing.

H6: Financial Services Quality moderates the relationship between customer loyalty and customer satisfaction.

H7: Financial Services quality moderates the relationship between customer satisfaction and

customer security.

Methodology

The research design is based on the population and sample size of the study. The population of the study is unknown and includes all the customers of the banking sector in Pakistan. The researcher chooses five major Pakistani banks to fill in the study gaps and conduct data analysis. HBL, UBL, MCB and ABL are Pakistan's five largest banks. In order to get an accurate picture of how customers feel about these banks, we surveyed a small group of workers from each of them. More than 400 questionnaires were given to the respondents, 350 of which were returned and 330 of which were filled out correctly. The Smart PLS programme (Joseph F. Hair, 2014) and the Statistical Package for the Social Sciences (SPSS) software were used to evaluate the results (Arkkelin, 2014). The Smart PLS is used to assess all operational variables, while the SPSS programme is used for demographic analysis (Arkkelin, 2014).

Sampling

A thumb rule is used while interviewing survey subjects. The study's 330 completed surveys were a success. The sample size is 330 respondents, and the questionnaire data is gathered on the basis of 10 times the total number of items in the questionnaire. There are 10 times as many questions, according to Barclay et al. (1995). Respondents are staff of Pakistan's five largest banks, who are tasked with gauging customers' perceptions of them.

Sampling Technique

The sampling technique must be chosen at the conclusion of the sample part. It is necessary for a quantitative study to employ both random and convenient sampling methods in order to have a representative sample size. It is easier and less expensive to collect samples using the convenience sampling approach than it would be to utilize alternative methods. It is simple to collect data from a specific population by using convenience sampling.

Instrument of Measurement

In this section, all the variables are explained with the help of items for each variable. Customer satisfaction has eight items. Customer loyalty is evaluated on five items. Financial services quality has seven items. Customer security is evaluated on six items. The cost of financing is evaluated on the basis of the seven items. The questionnaire is designed on the basis of the five-likert scale with options from 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree. The constructs and measurements of the questionnaire are represented in Table 1, which is mentioned below.

Table 1: Constructs and Measurements

Construct	Measurement
Customer Satisfaction	CS 1 This Bank is exactly what customer need for their Business.
	CS 2 The product information presented by this Bank is accurate.
	CS 3 Privacy policies in this Bank are good.
	CS 4 State Bank of Pakistan provides the guarantee of this Bank.
	CS 5 Customers are satisfied with the breadth of banking services.
	CS 6 Customer will be more satisfied if the bank offers Islamic financial services.
	CS 7 Customers are satisfied with the depth of customer services.
	CS 8 overall, customer satisfaction level is good.
Customer Loyalty	CL 1 Customer will always use this bank in their banking activities/ transactions.
	CL 2 Customer will say positive things about this bank to other people.
	CL 3 Customer seldom considers switching away from this bank.

Financial Services Quality	CL 4 Customer will never change this Bank even they found another bank like this.
	CL 5 overall, customer loyalty is good.
	FSQ 1 This Bank offers fast and efficient financial services.
	FSQ 2 Provision of good financial services helps in retaining the customers.
	FSQ 3 There is high degree of convenience in financial services of this bank as customer can access the bank services from anywhere in Pakistan.
	FSQ 4 This bank provides breadth of financial services.
	FSQ 5 This bank provides depth of financial services.
Customer Security	FSQ 6 This bank's staff is friendly with the customers.
	FSQ 7 overall, financial services of this bank are good.
	CST 1 Customer feels safe when using this Bank.
	CST 2 Performance of the staff is well and it's almost impossible that customer lose their money.
	CST 3 The Bank cares about safety of its customers.
	CST 4 The bank is highly concerned with the security of customer transactions.
Cost of Financing	CST 5 The Bank keeps the customer information secret.
	CST 6 overall, security arrangements are good at this bank.
	COF 1 Loan processing fee is high in this bank.
	COF 2 Loan documentation charges are high in this bank.
	COF 3 Legal charges are high in this bank.
	COF 4 Interest charges are high in this bank.
	COF 5 Penalty for non- payment of loan is high in this bank.
	COF 6 Insurance charges for sanctioning of loan are high in this bank.
	COF 7 Overall, cost of financing is high at this bank.

Where CS = Customer Satisfaction, CL = Customer Loyalty, FSQ = Financial Services Quality, CST = Customer Security, and COF = Cost of Financing

Results and Discussion

Demographic Information

Demographic variables are termed "control variables." In the questionnaire, respondents' gender, age, marital status, bank, position in the bank hierarchy, working experience, education level, size of bank, and type of bank are asked.

Questionnaire Design and Pretest

The questionnaire technique is adopted for the collection of data for the dependent variable. In the current study, customer satisfaction is a dependent variable which is evaluated by eight items which are adapted after the conduction of interviews and discussion with the customers of five major banks in Pakistan. In the current study, three independent variables are evaluated. The first independent variable is cost of financing, which has seven items. The second is customer security, which is evaluated by six items. The third variable, customer loyalty, has five items. And the fourth variable, which is, moderator financial services quality, has five variables that are adopted after the conduction of interviews and discussion with the customers of five major banks in Pakistan. Reliability is checked through the use of the Smart PLS software (Joseph F. Hair, 2014).

For the pretest, 33 customers were contacted to obtain questionnaire responses from five major banks in Pakistan. I developed the questionnaire so that the questions are related to the variables and the flow of questions is correct. Also, the language of questions is also tested in this section.

Data Gathering

Customer satisfaction, loyalty, customer security, and the cost of financing and financial services quality are all characteristics that are studied in this research. Data is obtained by a five-likert scale questionnaire. Five major Pakistani banks, the NBP, HBL, UBL, MCB, and ABL banks gather data on behalf of their clients from the personnel of these institutions. People are given questionnaires and asked to fill them out in person with a bank employee on behalf of the client to ensure that they provide their permission to answer questions. For those individuals who are really busy, I've also looked through the questions to ensure their permission.

Data Analysis Techniques

After the data has been collected, it is time to examine it. For data analysis (Arkkelin, 2014), Smart PLS-SEM (Partial Least Square) (Joseph F. Hair, 2014) and SPSS Statistic Package for Social Sciences (SPSS) are utilised in the study for data analysis (Arkkelin, 2014). SPSS is a statistical programme used in the social sciences for data analysis. Hair, Joseph F., 2014). Data analysis standards such as data consistency, reliability, and validity can be obtained by using Smart PLS. Other tests for data analysis include fit models, measurement models, path weighing schemes, factor loading, cross loading, reflective measurement models (EMM), and evaluation models (EMV), among others (Joseph F. Hair, 2014).

Throughout the chapter, PLS path models and all their procedural applications are introduced in the first section. The PLS models provide us with a practical application of the criteria of the models in the evaluation of the company's reputation (Joseph F. Hair, 2014).

The PLS-SEM allows the researcher to identify the reliability and consistency notions at the beginning of the PLS-SEM measurement models for the purposes of determining dependability and consistency.

The Measurement Model

It consists of the different measures that are applied for the measurement of the different formulas and items. The measurement model of the methodology is constrained to the following steps:

Internal Consistency Reliability (Cronbach Alpha)

Convergent Validity (Average Variance Extracted AVE)

Discernment Validity (Fornel-Larcker Criterion)

Extracted Average Variance (AVE)

Finding the convergent validity of the established constructs may be done using the average variance extracted model, which is a fundamental technique. An indicator's square outer loading are taken into account while calculating its grand mean. In other words, the AVE's average value is the construct's average value. For the AVE, the same rationale is used as for the other structures. AVE is standardized as an average value of 0.50 or above, which accounts for half of the constructed indicator's value. A different scenario is that the construct will have an incorrect value for AVE if it is less than 0.50. (Joseph F. Hair, 2014).

Fornell-Larcker Criterion

For determining discriminant validity, this is the second most commonly used method of measurement. Here, the construct and latent variable correlation AVE values are utilized to compare the square roots of their square roots (Joseph F. Hair, 2014). Because of this, each square root must have a bigger correlation with all the other constructs utilized in the analysis than it does with its own square root value (Joseph F. Hair, 2014). Using this method, you'll look for a construct that has a lot more variance with the corresponding indicator than any other value in the construct (Joseph F. Hair, 2014).

Demographic Statistics

Table 2: Demographic Statistics

		Frequency	Percent
GENDER	Male	276	83.6
	Female	54	16.4
MARITAL STATUS	Single	119	36.1
	Married	208	63.0
	Divorced	1	0.3
	Separated	2	0.6
EDUCATION	Matric	7	2.1

	Intermediate	6	1.8
	Bachelor	44	13.3
	Masters	253	76.7
	MPhil	18	5.5
	PhD	2	0.6
BANK	NBP	66	20.0
	HBL	66	20.0
	UBL	66	20.0
	MCB	66	20.0
	ABL	66	20.0
POSITION	Branch Manager	15	4.5
	operation Manger	46	13.9
	General Banking officer	178	53.9
	Other	91	27.6
EXPERIENCE	Less than 5 years	104	31.5
	6 to 10 years	174	52.7
	11 to 15 Years	27	8.2
	16 and Above years	25	7.6
	Total	330	100.0
TYPE OF BANK	Private	254	77.0
	Public	76	23.0
	Total	330	100.0

According to Table 2, 83.6 percent of surveys were completed by male respondents, whereas 16.4 percent were completed by female respondents. According to the above table, respondents with the marital status single account for 36.1 percent of respondents, while respondents with the marital status married account for 63 percent. Based on the qualification level of the respondents from whom data was collected, it was determined that the majority of questionnaires were filled out by masters. The data demonstrates the population's literacy rate, indicating that the majority of respondents are educated. The masters' proportion is 76.7 percent, which is the highest in the evaluated data.

Structure Equation Modeling (PLS-SEM Approach)

The research study's result is arrived at using statistical procedures. During the study, Smart PLS software is used to do the data analysis. When analysing data in marketing investigations as previously said, Smart PLS is employed extensively (Mena, 2011). System 1 and System 2 of the PLS are the two main divisions. While Convince Based SEM was used for research analysis in the past, after discovering a few flaws in the CB-SEM, PLS-SEM was developed. Partially least squares structure, which has recently emerged as a more contemporary alternative in recent years (Mena, 2011). Smart PLS 3.0 is used to perform data analysis.

The smart PLS has put a lot of emphasis on meeting the demands of researchers by figuring out how to identify the implications of their findings, which is the root of the problem. Detailed instructions on how to utilise the PLS are supplied. Using the paper, researchers may do in-depth critical analysis, correctly evaluate study findings, and draw conclusions about the validity of those findings (Mena, 2011). Based on either reflective or formative models, the measuring model is either a combination of both or neither. For the purpose of selecting candidates, Oliver G. otz (2010) used theoretical work to determine whether to use the formative or reflective approach.

Factor Loading

Factor loading is a method for determining an item's reliability. The standard rule of thumb for factor loading is a number greater than 0.60 or above (Joseph F. Hair, 2014). Whenever the individual factor loading value exceeds 0.60, each item must be examined for factor loading. The PLS SEM was used to determine the outer loading values of all the study data. The validity and reliability of constructs are shown in Table 3. Furthermore, the validity and dependability of the

data seem to be white noise.

Table 3: Construct Validity and Reliability

Variable	Cronbach's Alpha	Composite Reliability
CL	0.746	0.809
COF	0.881	0.908
CS	0.890	0.912
CST	0.864	0.897
FSQ	0.799	0.858

CL = Customer Loyalty, COF= Cost of Financing, CS= Customer Satisfaction, CST= Customer Security, FSQ= Financial Services Quality

In the second step the researcher have to focus on the AVE value. The average variance model value AVE is the form of convergent validity, the paper defines the convergent validity according to the classical theory test which suggests that convergent validity value is between the correlations of the same constructs (Oliver G\"otz, 2010). Therefore while measuring the AVE value the researcher face many problems for the evaluation of the variance for the same construct. AVE focus the variance of the indicators from the construct related to the total amount of variance, the calculated variance includes the measurement error (Oliver G\"otz, 2010). The rule of thumb for the AVE is if the value is below 0.5 it is considered as insufficient value above 0.5 is accepted (Oliver G\"otz, 2010). The AVE values are mentioned below in the Table 4.

Table 4: Average Variance Extracted

Variable	Average Variance Extracted (AVE)
CL	0.586
COF	0.585
CS	0.567
CST	0.594
FSQ	0.501
Moderating Effect 1	1.000
Moderating Effect 2	1.000
Moderating Effect 3	1.000

CL = Customer Loyalty, COF= Cost of Financing, CS= Customer Satisfaction, CST= Customer Security, FSQ= Financial Services Quality

Table 8 indicates the AVE values for the discriminant validity for the Customer loyalty 0.586, AVE value for the cost of financing 0.585 and AVE value for the customer satisfaction is 0.567, AVE value for the customer security 0.594 and the AVE value for the moderator financial services quality 0.501. The rule of thumb for the AVE average variance extracted is 0.5. All the values in the table 8 are above from the standard value 0.5 it clarify that the data is according to the rule of thumb.

Figure 2: Average Variance Extracted

AVE discriminant validity values are shown in Figure 2 based on the values computed for the various constructs. For the AVE variance, the table shows that all of the bars are over the median line of 0.5. The bars for customer loyalty, cost of financing, customer satisfaction, customer security, and the quality of financial services are all above the mean point, while the bar for moderating effects is close to the 1.0 mark, indicating that the moderator has a positive effect on all independent variables. There are no discrepancies in the AVE values shown in Figure 2, which means the study is genuine.

Cross Loading

The cross loading approach along with AVE values is used to determine the discriminant validity. Every loading has an indication with a higher value than the one meant to load, according to this rule (Mena, 2011). When employing the Fornell-Larcker, the AVE should be greater than the other correlation in order to verify the discriminant validity. Cross loading or the Fornell-Larcker technique may be used to process the rule of thumb (Mena, 2011). Table 5 shows the cross loading values derived using Partial Least Squares (PLS).

Table 5: Cross Loading

Variable	CL	COF	CS	CST	FSQ
CL * FSQ	-0.564	-0.248	-0.595	-0.213	-0.557
CL2	0.760	0.290	0.564	0.274	0.427
CL4	0.826	0.310	0.634	0.330	0.565
CL5	0.706	0.317	0.502	0.341	0.642
COF * FSQ	-0.320	-0.317	-0.322	-0.336	-0.418
COF1	0.360	0.765	0.437	0.701	0.454
COF2	0.258	0.789	0.426	0.480	0.410
COF3	0.270	0.807	0.364	0.492	0.324
COF4	0.268	0.770	0.407	0.594	0.420
COF5	0.276	0.747	0.371	0.537	0.298
COF6	0.290	0.776	0.369	0.522	0.367
COF7	0.401	0.695	0.382	0.482	0.421
CS1	0.522	0.428	0.760	0.397	0.520
CS2	0.532	0.467	0.783	0.416	0.561
CS3	0.655	0.415	0.812	0.384	0.612
CS4	0.412	0.242	0.606	0.298	0.377
CS5	0.566	0.337	0.764	0.402	0.508
CS6	0.550	0.347	0.743	0.384	0.498
CS7	0.607	0.391	0.761	0.384	0.546
CS8	0.603	0.456	0.777	0.466	0.530
CST * FSQ	-0.270	-0.330	-0.333	-0.410	-0.330
CST1	0.341	0.733	0.461	0.772	0.477
CST2	0.268	0.569	0.429	0.760	0.323
CST3	0.335	0.567	0.400	0.831	0.393
CST4	0.252	0.352	0.235	0.637	0.265
CST5	0.329	0.471	0.329	0.791	0.334
CST6	0.355	0.530	0.477	0.820	0.423
FSQ1	0.689	0.409	0.623	0.441	0.735
FSQ2	0.596	0.358	0.483	0.332	0.761
FSQ3	0.525	0.393	0.521	0.398	0.817
FSQ4	0.459	0.309	0.413	0.306	0.730

FSQ5	0.435	0.456	0.517	0.404	0.801
FSQ6	0.487	0.378	0.574	0.336	0.737
FSQ7	-0.047	0.004	-0.001	0.024	0.019

CL = Customer Loyalty, COF= Cost of Financing, CS= Customer Satisfaction, CST= Customer Security, FSQ= Financial Services Quality

Fornell-Larcker Criterion

Discriminant validity may be demonstrated by comparing the latent variable AVE to the squared correlations of the squared correlations that are connected to the construct's latent variable AVE (Mena, 2011). The reflecting measurement validation procedure was finished when the discriminant validity process was completed. The reflecting measurement model illustrates that this is the conclusion of the whole validation procedure for the constructs. Table 6 displays the results of the study as they were obtained using the PLS SEM and its output graph 3.0outputs and Fornell-Larcker values.

Table 6: Fornell-Larcker Criterion

Variable	CL	COF	CS	CST	FSQ	Moderating Effect 1	Moderating Effect 2	Moderating Effect 3
CL	0.766							
COF	0.397	0.765						
CS	0.744	0.518	0.753					
CST	0.409	0.716	0.522	0.771				
FSQ	0.705	0.507	0.695	0.490	0.708			
Moderating Effect 1	-0.320	-0.317	-0.322	-0.336	-0.418	1.000		
Moderating Effect 2	-0.564	-0.248	-0.595	-0.213	-0.557	0.527	1.000	
Moderating Effect 3	-0.270	-0.330	-0.333	-0.410	-0.330	0.862	0.486	1.000

CL = Customer Loyalty, COF= Cost of Financing, CS= Customer Satisfaction, CST= Customer Security, FSQ= Financial Services Quality

After the Fornell Larcker measures, Table 10 indicates the values acquired, which are bold in the table, which illustrates the criterion specified for the correlations that the squared value of each AVE of a certain construct is greater than the other construct value (Joseph F. Hair, 2014). According to the table, each construct has a higher correlation than the other constructs.

Structure Model

Figure 3: Structure Model

The factor loading values for the individual indicators for the constructs employed in the study are shown in Figure 3. A value higher or equal to 0.7 implies that all constructions are positive and conform to industry standards, as seen in figure 3. Figure 3 illustrates a positive moderator relationship; in this example, the moderator is the quality of financial services. As seen by the moderate variable's value of 2.538, the moderator has a moderate value.

Factor loading values for some constructs are removed which have the values below 0.4 are removed from the study. Financial services quality has the seven constructs as per the factor loading. The constructs includes for the customer satisfaction include eight items as per the factor loading., cost of financing constructs the seven items, customer loyalty construct the three items and customer security construct the six items whose values are determined after the values of factor loading.

Conclusion

There was a significant relationship between the study's primary goal and its secondary goal, and both were met. The customer satisfaction is the most important consideration in this study of conventional banks. Customers' levels of satisfaction in Pakistani commercial banking were examined in depth. This finding suggests that customer loyalty is the most important influence on customer satisfaction. According to the findings, customer satisfaction rises when the cost of financing the bank's product is minimal. In addition to improving the independent variable, customer happiness, ensuring customers' safety has a favourable effect on it as well. The quality of financial services is employed as a moderator in this study, which has a substantial influence on the independent variables: cost of financing, customer loyalty, and customer security, and the dependent variable, consumer happiness (Daniel J. Petzer, 2017).

That banking is a crucial part and financial services quality is critical in the banking sector of

Pakistan is evident from this study's findings. No bank can achieve customer happiness unless it improves the quality of its financial services (Dibrova, 2017). Methods for maximization the use of financial resources for the betterment of society are numerous. It was decided to apply the Data Envelope Analysis (also known as the DEA method) for the analysis of the research article.

Policy Recommendations

There is additional motivation for practitioners in this study because of the researcher's emphasis on finding new ways of improving customer service and pursuing change in the services supplied. The findings of this study suggest the best strategies for managers to apply in their organizations in order to make the most of the company's financial resources.

Limitations and Future Directions

Only five main Pakistani banks were examined in this study owing to a lack of resources and time. However, a similar study might be undertaken in the future among Pakistan's other bank clients and in scenarios from across the world. This analysis relied on information from Pakistan's five largest banks because of a lack of resources and a timing crunch. In terms of gender-based research, the data obtained from both male and female respondents is not evenly distributed across the two primary sexes. In the future, data from respondents from both the dominant sexes might be collected on an equality basis. For the time being, the data is only gathered from medium and large-sized and private/public institutions, but in the future, it may be collected from smaller and overseas institutions. In the fifth and final section, the questionnaire technique is used to gather data; in the future, other data collection methods may be used, such as the survey-based approach or the quantitative form of data collecting.

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