

Service Quality Measurement regarding Banking Sector

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Abstract

Measurement of Service Quality of Islamic and Conventional banks measured, based on SERVQUAL model. From 250 respondents those living in Islamabad and Rawalpindi responses were collected. Reliability of each dimensions of SERVQUAL is found above the thresholds. It is found that Islamic banks have Service Quality gap as compared to Conventional banks on the five dimensions i.e. Tangibility, Reliability, Convenience Competence and Satisfaction. Customers were found satisfactory on these dimensions of service quality but banks have to focus on convenience and competence as the results were showing it positive but convenience has insignificant impact on service quality which is providing by banks. Sample size is uneven distribution of usage of banks, customers of Conventional bank were 195 i.e. 61.6% and Islamic banks were 96 i.e. 38.4%. Pakistani banking sector could implement the results in fulfilling the expectations of customers and could minimize the SERVQUAL gap.

Keywords: SERVQUAL model, Islamic Banks, Conventional Banks, Service Quality gap.

1. Introduction

Pakistan consisting of two banking sectors Islamic and Conventional Banking, by independence Pakistan used to have only conventional banking sector because inherited from British rule. Pakistan is Muslims dominating country, for practicing Islamic laws in banking it exactly reflect the statement in Pakistan constitution 1973, of barring Riba (Interest) based transactions. As stated in Article 38(f) of Islamic Republic of Pakistan's constitution-1973 that "Riba (Interest) and its relative transaction will be eliminated as early as possible" by keeping elimination of Riba (Interest), with the inception of converting economic activities into Islamic law and Shariah basis, and initiate different profit-loss based practices in banking sector, in 1980s. The positive response from Mudarbah companies, that were inaugurated in Pakistan and registered in KSE (Karachi Stock Exchange) in 1980, under MCO (Mudarbah Companies Ordinance) has provide surface to initiate Islamic banking practices in Pakistan, introduce by SBP (State Bank of Pakistan) also looking at growing pace of Islamic banking globally (Ahmed A. , -u.-R., March 4, 2011). After independence of Pakistan, private banks were dominated than they nationalized in 1974 and again privatized due to low growth and performance. Before adding the alliance to barred Riba (Interest) based transactions, there was adapted interest based transaction from British, under colonialism; it was dominating system for Muslim societies/countries to avoid this system. Pakistan banking sector saw a very volatile environment because of insecure approaches and vulnerability. The private part banks were ruled amid the 1950s and 1960s however was nationalized in 1974. Nationalized banks additionally demonstrated poor execution as a result of the items/administrations of low quality and that prompted the privatization of the saving money division in 1992. The State Bank of Pakistan has begun work to start Islamic banking practices and recorded in the Islamic Bank 2000 and the balance of the to begin with undeniable Islamic bank in 2002. Also requires new subscribers in Pakistan for Islamic Banks and banking sector similar study to assess the execution of procedures and items/administrations. There are two existing keeping money frameworks to Islamic managing an account and routine saving money Pakistan knows. Islamic and conventional bank differ contingent upon the goals, Riba and risk sharing practices. IB taking after Sharia standards given by Almighty Allah while CB taking after fake SOP, IB creates income as benefits which are variable in BC procures interest that is altered. The danger is shared between the loan specialist, the borrower and the bank in the IB, while exchanges CB all dangers to others; IB is the monetarily arranged unit while the CB capacities as an immaculate money related go-between to treat in light of premium. Several opportunities for Islamic banks in Pakistan because more than 96 percent of the Muslim population.

Islamic banks face multiple challenges, because of the strong reaction of conventional banks, because they are entrenched, popular people, to meet their needs. In a growing number of banks and the creation of Islamic tradition is providing quality support of hold clients with long term interests of healthy competition. The banking sector has been expanding because of the enhancement and inventive items/products and services. Everybody attempted to dispatch inventive items and administrations, with its lovely mix of present day and conventional workmanship offices to cover as many other customers, thereby increasing profitability. Pakistan banking sector has experienced since the crucial role of the private sector is a significant change about 80 percent of bank assets (Pakistan E. S., 2007-2008). Fluctuations in the development of the banking sector division need to consider the quality of service research about customer satisfaction with the Bank offered to analyze performance. The aim of this study was to investigate the two current bank namely Islamic banks and traditional banks in Pakistan, alluding to the administration quality and consumer loyalty. The study may offer experts, some assistance with banking administrators, scholastics and approach producers to decide the example of bank consumer loyalty in Pakistan. The concentrate additionally is vital in light of the fact that the yearly development rate of Islamic keeping money in size and structure to develop at a rate of 114% (SBP, 2006) This conclusion is the IB is facing excessive competition, because CB has begun to offer IB counter (Haque& Osman et al, 2009). Consequently, it is to a great degree basic for members IB to enhance and build up the Islamic keeping money area to contend in the business sector. Purchasers like to deal with its relations with IB because of religious component is not genuine. It is additionally viewed as that the administrations and IB items won't be forward to business customers, with the exception of overhead expenses are lower than the CB's items and administrations (Sudin, 1994). According to (Tribune, 2013), it is phenomenal growth of Islamic banking in Pakistan, 9.7% of total deposit has been deposited in Islamic banks and Islamic window conventional banks, it means each 10 rupees being invested in Islamic banks. Moreover, Rs 837 billion are Islamic asset in Pakistan.

1.1 Identification of Gap

By reviewing various literatures on the Service Quality, it has been found that Tangibility, Reliability, Competence, Convenience and satisfaction are the key independent variables explaining Service Quality. However literature could not find out the studies contrasting the same model on the basis of Conventional and Islamic banking systems. This study aims to fill a perceived gap in the literature by comparing the quality of service of IB and CB. With increasing Muslim population and awareness of Islamic values, is the request of IB who is agents, through which the objectives of the Islamic financial system can be realized, these institutions have a different effect on the establishment of the activity in compared to conventional banks. There is demand for information on Islamic banks; because IB is created to avoid interest unlike CB is an important part of the business. An important contribution of this study is derived to measure the difference in quality of service in both Islamic and conventional banks in Pakistan context. This contributes to the literature through a number of ways and areas to fill the gap in the body of knowledge.

1.2 Research objective

Objective of this research study is to measure the customer's standard expectation and perception regarding Islamic and Conventional banking, and service gap. Under the different dimension at which both types of banks are providing services to customers. To measure the service quality gap regarding with customer as what they expect and what perceive. To measure the effectiveness of SERVQUAL's dimensions on satisfaction level of customer.

2. Literature Review

Research has explored the most important motivations that are able to encourage customer's settlement through Islamic bank (IB) rather than simply taking choice for conventional bank (CB) in diverse topographical regions in distinctive time periods (Jalaludin, 1999). Likewise, (NaceurJabnoun, 2003) is arranged that majority share extremely critical issues affecting methodology heading for Islamic banks were notoriety as opposed to the religion. Approximately 50 percent of the covenant of the Islamic bank interviewed yet another rate of respondents can't recognize administrations and items offered by traditional and Islamic banks. The majority of respondents demonstrated that financial conditions and services quality was a vital element in the choice of services of banks (Haron, 1992). However, Cater model is employed by (Osman, 2009) customer satisfaction and quality of service to the community in Bangladesh. It seems that the focus of Islamic banking to provide quality products and services to remain competitive rather than compromising the appearance and the Islamic emergency.

In previous study researchers approach the consumer Jordanian society to discuss interest-free Islamic banking. In the end, they found that the most essential reason for the budgetary foundation is not religion; be that as it may, a few extra issues of evaluation criteria of consumers as well as manipulate this connection, the main issue is the severity, the return on investment (Almossawi, 2001). The study on consumer Malaysia, many important factors for customers to choose the financial institution was well thought out and approved (Sudin, 1994). The results showed in the study of (Jalaluddin, 2002) those women, 198 elderly people and civil servants in priority relatively low average level of income and education than traditional banks and Islamic banks.

Consumer loyalty is expanded consideration from specialists as a field of investigative study and perceived as a key apparatus utilized by money related organizations to build client reliability and eventually execution. The significance of consumer loyalty can't be precluded, in light of the fact that upbeat clients are similar to free promoting. We heard a hefty portion of the present patterns for organizations to wind up extremely centered around the client is to put the client at the focal point of our business as far as our methodology, practices and procedures. For a large portion of us, the old truths still stay, for instance, on the grounds that it's less demanding and more beneficial to offer to existing clients than to discover new ones. By and by, associations are progressively making their own systems to quantify and guarantee client maintenance and utilize their workers to be more administration arranged and client centered. Consumer loyalty is of extensive significance in the corporate part in light of the fact that without clients cheerful and faithful, you don't have a business. Unsatisfied client can head out your exceptionally fulfilled clients from your association. The more you concentrate on consumer loyalty and maintenance, for different organizations they will get. This "quality technique concentrated on consumer loyalty, regardless of how huge or little your association, verifiable truth that just references from customers who come "Messengers" of the managing an account industry in Pakistan is exceptionally aggressive. Then again there are outside players in Standard Chartered Bank Ltd., HSBC Bank Middle East Ltd., Dubai Islamic Bank Pakistan Ltd. furthermore, different weights in the managing an account part from neighborhood banks to improve more. The special case to Pakistani banks where consumer loyalty is conceivably an intense instrument, which banks can use to advance a key upper hand in saving money markets. With respect to the abnormal state of rivalry in the managing an account business sector of Pakistan, numerous banks are losing clients to its rivals, as an aftereffect of the fruitful push to bait clients away. In any case, the absences of capacity of banks to keep up remarkable client agitate elements that add to the capacity of banks to influence the future business development. In this circumstance, consumer loyalty as a key element in keeping up long haul client connections, practices considered (Awan, 2009) (Chapra, 2001) (Ahmed A. , -u.-R., March 4, 2011). Along these lines, enhance consumer loyalty for banks ought to be a key element in keeping up a long haul client. In the managing an account part, a key component of consumer loyalty nature of the relationship in the middle of client and supplier of items and administrations, for example, banks. Consequently in both item benefit quality is as a rule as an essential for attractive and keep profitable clients. Past exploration has numerous components that decide consumer loyalty in retail keeping money is recognized, and the distinction in how purchasers see the administrations in all nations and societies that there can't be summed up. Pakistan's managing an account industry; clients need to gauge consumer loyalty on the nature of administrations offered by their banks. For instance, quick and effective administrations, bank mystery, the rate of the exchange, the well-disposed staff of the Bank, the exactness of charging, charging auspiciousness, clarity of charging, aggressive costs and quality administration are the key elements of consumer loyalty altogether influenced (Haron, 1992). A study led on understudies in Bahrain demonstrated that youthful clients puts more accentuation on variables like a bank's notoriety, cordiality of bank staff, helpful area, day in and day out ATM, and accessibility of parking spot in selecting their banks (Almossawi, 2001). (Alsadek Gait A. W., 2008), discovered the relationship between administration supplier and administration quality, consumer loyalty in retail keeping money was the motor.

Moreover, consumer loyalty with the retail keeping money loan costs influences the apparent rivalry. The capacity of the Bank to convey these advantages reliably, you likely significantly affect consumer loyalty. Along these lines, bank administration must recognize and enhance the elements that can expand client esteem. In spite of the fact that it is evident that for better administrations, it is insufficient just to concentrate on consumer loyalty, as clients because of value issues and the disappointment of monetary establishments administrations. (McIlroy, 2000) avoid the use of a provider of financial services for poor service performance. This attitude is an important factor that an influence a customer intends to participate in the decision-making behavior is positive or negative. So the key to customer loyalty is recommended for a service provider to another.

In addition, customers are likely to recommend a service provider when you are satisfied with the service and when they have a favorable attitude toward the relationship service provider. According to (Minjoon Jun, 2001) these organizations have fulfilled clients, a great chance to change over them into steadfast clients who purchase from the organization for a drawn out stretch of time. Today's exceedingly aggressive and dynamic professional workplace requires budgetary foundations to keep their clients glad and to survive and contend with different players in the business sector effectively. However, (Bowen, 2001) said that keeping clients glad is insufficient. You have exceptionally fulfilled clients. The reason is that consumer loyalty ought to prompt client dependability. (Sivadass, 2000) inspected, there is expanding acknowledgment that a definitive objective of consumer loyalty to client dedication is measured. (Fornell, 1992) found that increment in consumer loyalty and client faithfulness that organizations are more averse to prompt rivalry offers. (Bowen, 2001), additionally inspected, fulfilled clients will probably rehash and even get to be faithful clients and don't think to swing to other administration suppliers. Likewise, construct consumer loyalty and reliability among clients in the keeping money part in North America and found that there is a positive relationship between consumer loyalty and client dedication. (Rust, 1993), stated that high customer satisfaction to repurchase. According to (Anderson, 2000), abnormal state of consumer loyalty need to change the administration supplier, in this manner expanding client repurchase and build gainfulness toward the end of the cut. Writing in the administrations part is a solid accentuation on the significance of impression of nature of administration and the relationship between administration quality and consumer loyalty has. Along these lines, some hierarchical specialists reasoned that administration quality is an essential pointer of consumer loyalty objectives. It might be buyer dependability to a bank on the off chance that it is as of fulfillment among purchasers, particularly in the items and administrations of credit were seen. That alone cannot create the amount you wish to change. Furthermore, (Chakravarty, 2004) explained that a high percentage of people have problems with the bank's customers tend to change over the previous show. In this present reality and not consumer loyalty have a tendency to pass on a negative impression to different clients or make negative informal. Accordingly, outrage prompts client steadfastness is low. It implies that consumer loyalty and client dedication is exceptionally pertinent, and that disappointment expanded client going to change. Consumer loyalty is the principle objective ought to be the association to upgrade client reliability, yet business is to concentrate solely on consumer loyalty runs the danger of turning into a brand for the individuals who accept not just that he least execution standard for undifferentiated class clients. Keep up long haul consumer loyalty in aggressive markets need to source more and approaches to build up faithfulness that will fight off the assault a contender look (Clarke, 2001). (Sivadass, 2000) stated that it's enough to satisfy a customer. In order to ensure customers retention, (Bowen, 2001) were of the perspective that clients ought to be exceedingly fulfilled. To the extent association is concerned, they need their clients to be faithful to them and complete consumer loyalty does not ensure this. Indeed, consumer loyalty is not as a matter of course an assurance of reliability.

Quality of services is the main factor by which banks can attract the new customers and maintain the old ones. Service quality is analyzed by desires of clients in term of accommodation, reliability, unwavering quality, and substance toward administration supplier (Minjoon Jun, 2001) and discernment about what clients experienced with conveyance of administration, are setting desire more prominent than what they get in reality (ManshorAmatTaap, 2011). Administration quality is generally seen as the yield of the administration conveyance framework, especially on account of immaculate administration frameworks. At the point when the clients, what see relays exceedingly all alone patterns under which they dole out more desires yet when administration supplier couldn't satisfy, that finally prompt crevice in administration quality (Kumar, Tat Kee, & Manshor, 2009). Under measurement of observation, clients' purportedly are more lovely for unwavering quality (anticipated that would be more secure than internet managing an account) and substance (working in beneficial environment) over competence and comfort. Be that as it may, there is variety and anomaly in recognition with respect to responsiveness and accommodation for both Conventional and Islamic saving money (ManshorAmatTaap, 2011). Keeping in mind the end goal to have more clients and to serve their requirements and retain them, administration suppliers and analysts are effectively required in comprehension customers' discernments to the administration quality (Gronroos, 1982)). At the point when the issue of administration quality emerges it prompts either conclusion of financial balance or negative informal articulation will spread in their contacts or associates (NaceurJabnoun, 2003), on account of the negative verbal banks will fall flat in retaining existing clients. Administration quality and consumer loyalty in regards to their particular banks both will be kept up and supported with the procurement of viable administrations by both banks i.e.

Islamic and Conventional, however generally clients are not completely careful about Islamic items with the goal that they could utilize Islamic managing an account, teaching the clients about Islamic items that Islamic banks are rehearsing under Islamic ways i.e. Sharia, this would have compelling result in retaining and pulling in clients (Ahmed & Haron, 2010). As indicated by (Dusuki & Abdullah, 2007). Islamic keeping money needn't bother with marketing systems to appeal or draw in clients rather they ought to know about their Islamic items. Measuring hazard for Islamic banks in correlation with conventional banks by working their own preparation discussions so that quality of staff could be improved (Parasuraman, Zeithaml, & Berry, 64 (1998)) In fighting these both sorts of banks i.e. Conventional and Islamic are remembering a primitive competitive weapon, i.e. administration quality, use in competitive vital choices, to give the more prominent comfort and productivity, as client's case. SERVQUAL utilized as a reliant model to have the significance of administration quality, or independently used to quantify quality of administrations (Kumar, Tat Kee, & Manshor, 2009). With the reward measurement of consistence of Sharia law with measurements of SERVQUAL, it builds up the CARTER model, which is accustomed to measuring administration quality offer by banks (Othman and Owen, 2010). There is utilization of measurement/proclamations determined/recommended to discover and measure the hole, which exist when shortfall of administration quality exist between what client are expecting in return what they are actually encountering, in numerous studies analyst had picked different variables and some of them have utilized all measurements as indicated by (Parasuraman, Zeithaml, & Berry, 64 (1998)). However, other have adjusted the additional measurements under the point of view of administration quality in regards to banks with mean to encourage disclose the imperative elements with which crevice could be analyzed in various standpoint. With the above defense, SERVQUAL model has embraced to analyze the client's desires to encountering the administrations of administration supplier (Both kind of Banks) and in quality of administrations, that impact consumer loyalty's.

2.1 Theoretical Framework / Hypotheses:



2.2 Variables

2.2.1 Independent Variables

- Tangibility
- Reliability
- Convenience
- Competence
- Satisfaction

2.2.2 Dependent Variable

- Service Quality

2.3. Hypotheses

H1: Dimension of service quality has positive impact i.e. Tangibility, Reliability, Convenience, Competence and Satisfaction.

H2: Tangibility has positive relationship with service quality.

H3: Reliability has positive relationship with service quality.

H4: Convenience has positive relationship with service quality.

H5: Competence has positive relationship with service quality.

H6: Satisfaction show positive relationship with service quality.

3. Methodology

3.1. Sample

Survey collects data from the respondents, regarding their usage of bank. This study includes subjects of tangibility, reliability, convenience, competence and satisfaction. In this study, we utilized the system of accommodation examining service quality given by bank. This methodology determination procedure was because of expense limitations. The sample size for this study is 250 bank customers comprising of 195 men and 55 ladies. The surveys were specifically circulated to all respondents in six Islamic banks in two urban areas of Pakistan to be specific Islamabad and Rawalpindi by the scientist. Respondents were tested from random pay and social class. Each of the respondents arranged appropriately to stay away from mistakes, deficient or missing answers. 300 surveys were conveyed and 250 usable polls were, thusly, the reaction rate for this study was 90%, which was energized. Dependability investigation is figured for all measurements including around the instrument.

3.2. Results and Discussions

3.2.1. Descriptions of respondents

Table No: 1 shows the whole statistics of respondents regarding their gender, age, usage of banks etc.

	Gender	Usage of bank	Describe your age	Employment status	background	How did you become customer
N Valid	250	250	250	248	250	231
Missing	0	0	0	2	0	19
Mean		1.38	4.02	1.65	1.98	2.81
Std. Deviation		.487	1.688	.816	.814	1.033

Table No: 2 Genders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	195	78.0	78.0	78.0
	female	55	22.0	22.0	100.0
	Total	250	100.0	100.0	

This table summarized the gender of respondents. Total numbers of respondents are N=250 out of which 78 percent are males and 22 percent are females.

Table No: 3 Usage of bank

Table 3 shows the respondents usage regarding their preference 61 percent are conventional bank user and 38 percent are Islamic bank users.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	conventional	154	61.6	61.6	61.6
	Islamic	96	38.4	38.4	100.0
	Total	250	100.0	100.0	

Table No: 4 Describe your age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	62	24.8	24.8	24.8
	25-30	43	17.2	17.2	42.0
	30-35	53	21.2	21.2	63.2
	35-40	45	18.0	18.0	81.2
	40-50	21	8.4	8.4	89.6
	50-60	18	7.2	7.2	96.8
	60+	8	3.2	3.2	100.0
Total		250	100.0	100.0	

This table summarized the age groups, 24.8 percent are in range of 20-25, 17.2 percent are in range of 25-30, 21.2 percent are in range of 30-35, 18 percent are in range of 35-40, 8.4 percent are in range of 40-50, 7.2 percent are in range of 50-60 and 3 percent are above 60.

Table No: 5 Employment status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Salaried	141	56.4	56.9	56.9
	Businessman	53	21.2	21.4	78.2
	Student	54	21.6	21.8	100.0
	Total	248	99.2	100.0	
Missing	System	2	.8		
Total		250	100.0		

Table No: 5 shows the status of respondents 56.4 percent are salaried respondents, 21.2 percent are businessman, and 21.6 percent are students.

Table No: 6 backgrounds

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	undergraduate	72	28.8	28.8	28.8
	master	124	49.6	49.6	78.4
	Ms/M.phil	41	16.4	16.4	94.8
	other	13	5.2	5.2	100.0
	Total	250	100.0	100.0	

Table No: 6 is related to education background of respondents, 28.8 percent are undergraduate, 49.6 percent are master level, 16.4 got degree of MS level and 5.2 percent of respondents related to other level (doctor, CA, ACCA, etc.)

Table No: 7 how did you become customer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Searching the web	19	7.6	8.2	8.2
	Referral from friend, family or acquaintance	92	36.8	39.8	48.1
	Through advertisement	34	13.6	14.7	62.8
	Other (Please specify)	86	34.4	37.2	100.0
	Total	231	92.4	100.0	
Missing	System	19	7.6		
Total		250	100.0		

In this section question was about how respondents become customer to their usage of bank.

7.6 percent said from searching through web, 36.8 percent respondents was referred by their family, friends. 13.6 percent answers through advertisement and 34.4 choose the other option in other option some where the employees of bank and 7.6 percent respondents didn't choose any option.

3.2.2 Reliability Statistics:

Variables	Cronbach Alpha (α)	No.of Items
Tangibility	0.63	5
Reliability	0.6	5
Convenience	0.69	5
Competence	0.74	5
Satisfaction	0.68	5
Service Quality	0.31	5

The table summarizes and portrays the reliability statistics of items from the questionnaire. Each independent variable (Tangibility, Reliability, Convenience, Competence and Satisfaction) has 5 items. Dependent variable (Service Quality) has 5 items. The total number of times are N=30. The reliability of the items assessed variable-wise, separately analyzing the consistency within the items of each variable.

- Tangibility is 0.63 for 5 items, showing there is a consistency within 5 items.
- Reliability is 0.6 for 5 items, showing there is a consistency within 5 items.
- Convenience is 0.69 for 5 items, showing there is a consistency within 5 items.
- Competence is 0.74 for 5 items, showing there is a consistency within 5 items.
- Satisfaction is 0.68 for 5 items, showing there is a consistency within 5 items.
- The Alpha Reliability of Service Quality is 0.31 having 5 items reveals that there is inconsistency among the items.

Keeping in view the threshold level for Chronbach Alpha Reliability, i.e. more than 0.600, the results of above-tabulated items are within the threshold level except one variable which is DV.

3.2.3. Correlation:

Correlations						
	Tangibili ty	Reliability	Convenience	Competence	Satisfaction	Service Quality
Tangibility	1	.755**	.074	.328**	.696**	.744**
Reliability	.755**	1	.031	.367**	.643**	.749**
Convenience	.074	.031	1	-.024	-.020	.068
Competence	.328**	.367**	-.024	1	.119	.316**
Satisfaction	.696**	.643**	-.020	.119	1	.628**
Service Quality	.744**	.749**	.068	.316**	.628**	1

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

In table Pearson correlation coefficient was used to measure the strength and statistical significance of the relationship between the independent variables i.e. tangibility, reliability, convenience, competence, satisfaction and dependent variable i.e. service quality. The service quality was positively associated with the indicators of tangibility, reliability, convenience, competence and satisfaction. There is positive and significant relationship between service quality and tangibility, ($r = .744^{**}$) which means that service quality, get increased by the presence of equipment and service related materials. There is positive and significant relationship between service quality and reliability, ($r = .749^{**}$). The service quality will increased by the taking care of clients' administrations issues; performing benefits right the first run through; give administrations at the guaranteed time and keeping up mistake free record. There is positive and insignificant relationship between service quality and convenience, ($r = .068$) It's the strategies, items and administrations to expand the straightforward entry, the procurement of assets, (for example, time, exertion and vitality) and decrease disappointment. There is positive

and significant relationship between service quality and competence($r = .316^{**}$), the service quality will increased by the financial guidance, and educated and experienced administration group.

There is positive and significant relationship between service quality and satisfaction ($r = .628^{**}$). The service quality will increase better understanding of clients' recognitions; organizations can determine the activities required to meet the clients' needs.

3.2.4. Regression:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.803a	.645	.638	.311
a. Predictors: (Constant), Satisfaction, Convenience, Competence, Reliability, Tangibility				

H1: As indicated, the regression model summary provides the $R^2 = 0.645$. The value indicates that fitted regression model explains 64% of the variation in service quality with explanatory variables, namely tangibility, reliability, convenience, competence and satisfaction. Being in the model simultaneously. After adjusting for sample size and the number of independent variables, approximately 64% of the variation service quality is explained by the above model.

ANOVAa						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.880	5	8.576	88.814	.000b
	Residual	23.561	244	.097		
	Total	66.441	249			
a. Dependent Variable: Service Quality						
b. Predictors: (Constant), Satisfaction, Convenience, Competence, Reliability, Tangibility						

ANOVA test established the fitness of the regression model with $F = 88.814$ and significant level = .000. This shows that the model fits very well for the prediction of the dependent variable. In other words independent variables, tangibility, reliability, convenience, competence and satisfaction are significant predictor's of service quality of the banks.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.985	.166		5.935	.000
	Tangibility	.261	.051	.336	5.127	.000
	Reliability	.281	.045	.386	6.234	.000
	Convenience	.028	.030	.035	.919	.359
	Competence	.048	.041	.049	1.158	.248
	Satisfaction	.080	.032	.141	2.501	.013
a. Dependent Variable: Service Quality						

H2: Ceteris Paribus, Tangibility will impact the service quality. In other words one unit increase in tangibility will increase 0.261 units in service quality. Tangibility show positive and significant ($t=5.125, p<0.05$) relationship with the service quality. It was hypothesized that the tangibility get increased by the presence of equipment and service related materials. H3: Ceteris Paribus, Reliability will impact the service quality. In other words one unit increase in reliability will increase 0.281 units in service quality. Reliability shows positive and significant ($t=6.234, p<0.05$) relationship with the service quality. It was hypothesized that service quality will increase when customer reliability on bank will increase i.e. sincere interest in solving customer's problem and customers feel safe in their transactions. H4: Ceteris Paribus, Convenience will impact the service quality. In other words one unit increase in convenience will increase 0.028 units in service quality. Convenience shows positive relationship but insignificant ($t=0.919, p>0.05$) impact on service quality. A positive and insignificant relation occurs between convenience and service quality.

It's the strategies, items and other factors of convenience which can decrease disappointment. H5: Ceteris Paribus, Competence will impact the service quality. In other words one unit increase in competence will increase 0.048 units in service quality. Competence shows positive relationship but insignificant ($t=2.501$, $p>0.05$) impact on service quality. H6: Ceteris Paribus, Satisfaction will impact the service quality. In other words one unit increase in satisfaction will increase 0.080 units in service quality. Satisfaction shows positive and significant ($t=2.501$, $p<0.05$) relationship with the service quality. The service quality will increase better understanding of clients'; organizations can determine the activities required to meet the clients' needs.

4. Conclusion:

Dimensions of SERVQUAL model is being suggest measuring the gap of service quality with meeting the customer expectation (Parasuraman, Zeithaml, & Berry, 64 (1998); ManshorAmatTaap, 2011). Dimensions tangibility, reliability, competence and satisfaction are most efficient dimension on which a customer chooses, but this study found out that all five dimensions of SERVQUAL are important for the betterment of Service Quality, but in case of Islamic banks the dimensions i.e. (Tangibility, Reliability and Responsiveness) need more focus to work on. According to this study results mostly customers are satisfied with banking services.

4.1. Managerial Implications

Result comprises that Reliability, Tangibility, Convenience, Competence and Satisfaction are most important dimensions on which banks should keep the consideration. Customers mostly expect more about response from bank employee in delivering service and convenience, as more of young respondents was looking for internet and mobile banking rather ATM, and professionals and executives are mostly transacting in high amount so they go for direct interaction with bank service provider, and customers also expect for attention and quick response from employee. By considering this result they could get the competitive strategic planning.

4.2. Recommendations:

Banks should to concentrate on the consumer loyalty's level and consider about what really client anticipating from bank and what they are conveying, that would gainful for bank to draw in new client and hold current.

4.3. Limitations and Future Research:

Because of uneven conveyance of customers, customers of CB was more than the Islamic banks, due to the actuality, CB is being running since freedom however if there should arise an occurrence of IB they are endeavoring to keep up the position, (Tribune, 2013). Future research would be conduct all over the Pakistan, and with the additional statements of ADC

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List of Abbreviations

IB Islamic Bank
CB Conventional Bank
SB State Bank of Pakistan
SOP Standard operating procedure

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