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A Comparative Study of Customer Satisfaction between Public and Private Banks in Lahore, Pakistan

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Abstract
This study compares customer satisfaction levels between public and private banks in Pakistan, focusing on Lahore city. It adopts an empirical approach, utilizing primary data collected through a structured questionnaire. The survey targeted 500 respondents selected from various convenient locations across Lahore to gather direct insights into customer satisfaction with banking services. By examining factors influencing satisfaction, the study enables a comparative analysis between public and private banks. Lahore was chosen as the focal point due to its significance as a major economic hub, offering a localized perspective on banking experiences. The study addresses the limited research on key variables such as technology, reliability, bank reputation, and service environment in Pakistan's banking sector. Findings reveal diverse customer opinions, emphasizing the nuanced factors shaping satisfaction. Given the crucial role of customer satisfaction in banking, managers must conduct extensive research to accurately assess preferences and concerns. Understanding these factors allows banks to tailor strategies, improve service quality, and enhance customer experience. The empirical analysis indicates that private bank customers in Lahore exhibit higher satisfaction levels than those of public banks. This trend is attributed to factors such as widespread branch networks, enhanced service accessibility, and superior technological integration by private banks. Additionally, private banks offer high-quality services and leverage advanced technology, contributing to an improved customer experience. These findings highlight the importance of service accessibility, quality, and innovation in shaping customer satisfaction, underscoring the need for continued advancements in Pakistan's banking sector.
Keywords: Customer satisfaction, Public banks, Private banks, Lahore, Pakistan. Banking services, Empirical research

1. INTRODUCTION
Customer satisfaction with a company's products or services is widely recognized as a crucial factor in achieving competitiveness and success. As highlighted by Hennig-Thurau and Klee (1997), satisfied customers are more likely to become loyal patrons and advocates for the brand, contributing to its long-term success. Gustafsson (2005) further emphasizes that customer satisfaction serves as a barometer of how customers perceive the current performance of a company. This perception encompasses various aspects of the customer experience, including product quality, service efficiency, and overall value proposition. By prioritizing customer satisfaction, companies can gain valuable insights into areas for improvement and foster stronger relationships with their customer base, ultimately driving sustainable growth and profitability. According to Oliver (2011), customer satisfaction is a complex mental state that is influenced by two key factors: the basic expectations customers have before making a purchase and their perceptions after the purchase. This perspective highlights the dynamic nature of customer satisfaction, which involves both pre-purchase anticipation and post-purchase evaluation. Many authors echo this sentiment, emphasizing that customer satisfaction reflects customers' feelings, expectations, and perceptions regarding their purchasing decisions, as well as their desires and needs related to those decisions. By understanding and effectively addressing these factors, businesses can enhance customer satisfaction and cultivate stronger relationships with their clientele. The objective of this study is to conduct a comparative analysis of customer satisfaction levels between private and public banks in Pakistan. Understanding the factors that influence customer satisfaction is crucial for identifying the reasons behind customers' satisfaction with a particular brand. By examining these factors, this study

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aims to shed light on the key determinants of customer satisfaction in the banking sector, particularly in the context of private and public banks in Pakistan. Identifying these factors can provide valuable insights for banks to enhance their services, improve customer experiences, and ultimately foster greater satisfaction among their clientele.
Customer satisfaction is achieved when a brand effectively meets the needs and desires of its customers (Muzammil Hanif, 2010; Hussain, 218; Asif, 2018). This underscores the importance of understanding and addressing customer needs in order to ensure their satisfaction with the products or services provided. By fulfilling these needs and wishes, brands can enhance customer loyalty, generate positive word-of-mouth, and ultimately drive business success. In the banking sector, customer satisfaction is influenced by various factors related to the overall performance of banks. These factors include meeting customer expectations and perceptions, the adoption of advanced technologies for electronic banking operations, maintaining a positive image and reputation, providing efficient services and packages, convenient branch locations, excellent customer care, ensuring security and privacy of transactions, and facilitating speedy transactions and bill submissions (Iqbal, 2018; Siddiqi, 2018; Maurya, 2018). When banks effectively address these aspects, they are better positioned to satisfy their customers' needs and enhance their overall satisfaction with the banking experience. This study aims to provide valuable insights to both public and private banks in identifying and addressing areas of weakness related to customer satisfaction, ultimately striving to enhance satisfaction levels to the maximum extent possible. With the presence of various types of banks in the market, including Islamic and microfinance banks, the banking industry has become increasingly competitive. As a result, banking organizations are placing greater emphasis on customer satisfaction as a means to attract new customers and retain existing ones. By understanding the factors influencing customer satisfaction, banks can refine their strategies and services to better meet the needs and expectations of their customers, ultimately fostering stronger relationships and loyalty within their customer base.
Indeed, in today's competitive market environment, only those companies that excel in offering the best products and services to their customers can thrive. The banking sector is no exception to this trend and faces similar challenges. With numerous options available to consumers within the same marketplace, banks must strive to differentiate themselves by becoming more customer-centric and tailoring their services to meet the specific needs of their customers. To stand out in the market, banks need to focus on providing personalized and customer-oriented services that address the fundamental requirements of their clientele. By understanding the unique preferences and expectations of their customers, banks can design and offer products and services that are tailored to meet their individual needs (Muhieddine, 2018). This customer-centric approach not only helps in attracting new customers but also fosters loyalty among existing ones. Moreover, as technology continues to advance, banks have the opportunity to leverage innovative solutions to enhance the customer experience further. From digital banking platforms to streamlined processes, technology can play a crucial role in delivering efficient and convenient services to customers, ultimately improving overall satisfaction levels. In essence, by prioritizing customer satisfaction and embracing a customer-centric approach, banks can position themselves for success in the competitive landscape of the banking industry. Indeed, the success of banking organizations hinges on the retention and loyalty of their customers (Iqbal, 2018; Khan & Ahmad, 2018). Research conducted by various authors has consistently shown that customers tend to be more satisfied with private banking sectors compared to public banking sectors across various dimensions. Studies by Ali (2011) and Waqar ul Haq (2012), among others, have highlighted this disparity in customer satisfaction between private and public banking sectors. Factors such as service quality, efficiency, personalized attention, and the overall customer experience have been cited as contributing to higher levels of satisfaction among customers of private banks. Private banking sectors often excel in delivering superior service quality and personalized attention to their clientele. They typically offer a wider range of products and services,

tailored to meet the diverse needs of their customers. Additionally, private banks tend to invest in advanced technologies and innovative solutions to enhance the overall customer experience, providing convenience and efficiency in banking transactions. On the other hand, public banking sectors may face challenges related to bureaucracy, slower processes, and less flexibility in meeting customer needs. While public banks play a vital role in providing financial services to a broader segment of the population, they may struggle to match the level of service and customization offered by their private counterparts.
Absolutely, customer satisfaction plays a pivotal role in the banking industry, shaping customer perceptions, loyalty, and ultimately the success of financial institutions. As defined by Tse (1988), customer satisfaction refers to the evaluation of the perceived gap between prior expectations and the actual performance of a product or service. In the context of banking, this definition implies that customers assess their satisfaction based on their preconceived expectations of the services offered by a bank and the actual experience they receive. If the bank's performance meets or exceeds these expectations, customers are likely to perceive higher levels of satisfaction. Conversely, if there is a significant gap between what customers anticipate and what they experience, satisfaction levels may decrease, leading to dissatisfaction and potentially churn. Banks must therefore strive to understand and meet customer expectations across various touchpoints, including service quality, reliability, convenience, and responsiveness (Mahmood & Aslam, 2018). By consistently delivering on these factors and exceeding customer expectations, banks can enhance satisfaction levels, build trust, and foster long-term relationships with their clientele. Moreover, in an era where customer feedback and reputation play a crucial role in shaping brand perceptions, satisfied customers are more likely to become advocates for the bank, promoting positive word-of-mouth and attracting new business. This underscores the importance of prioritizing customer satisfaction as a strategic imperative for banks seeking to thrive in a competitive market landscape. Indeed, this study holds the promise of offering valuable insights into the strategies that bank managers can employ to enhance customer satisfaction. By identifying and addressing weak areas, banks can effectively meet the needs and expectations of their customers, thereby fostering higher levels of satisfaction. Furthermore, this research endeavor contributes to the existing body of knowledge in the field of customer satisfaction within the banking industry. By shedding light on the factors influencing satisfaction levels and proposing a model for understanding and improving customer satisfaction, this study enriches our understanding of customer behavior and preferences in the context of banking services. The model developed in this study can serve as a valuable framework for future research endeavors in this area. Researchers can build upon this model to delve deeper into specific aspects of customer satisfaction, explore new dimensions, and investigate the effectiveness of different strategies in enhancing satisfaction levels. By providing a foundation for further research, this study facilitates the advancement of knowledge and understanding in the realm of customer satisfaction in the banking sector.

2. LITERATURE REVIEW

Satendra (2011) examines customer satisfaction among a group of customers towards public sector banks. The research highlights the critical importance of service quality in enhancing customer satisfaction within public sector organizations. Public sector banks recognize that customer satisfaction is fundamental to their public image and reputation. The study acknowledges common complaints from the public regarding long queues, poor service delivery, and inadequate physical facilities, which directly impact the perceived level of service quality in public sector banks. To address these concerns and gain insights into customer satisfaction levels, Satendra distributed 400 questionnaires to customers across different departments and agencies. A total of 304 responses were collected and analyzed. Through the use of multiple regression analysis, the study tested various hypotheses related to the relationship between service quality and customer satisfaction. The findings revealed a significant and positive correlation between service quality and customer satisfaction. This suggests that improvements in service quality can lead to enhanced levels of customer satisfaction in public sector banks. The research sheds light on the importance of service excellence in shaping customer perceptions and experiences within the banking sector. By focusing on improving service delivery, public sector banks can address key areas of concern raised by customers and ultimately elevate their satisfaction levels. Through empirical analysis and hypothesis testing, the research contributes to a deeper understanding of the dynamics between service quality and customer satisfaction, paving the way for targeted improvements in the banking industry.

Waqar-ul-haq et al., (2012) conduct comparison between private and public banks of Pakistan was conducted based on customer satisfaction. The primary aim of this research was to evaluate the level of customer satisfaction in both public and private sector banks operating in Pakistan. To achieve this objective, primary data was collected through a well-structured questionnaire distributed among respondents from various locations. The study gathered responses from a total of 351 participants, who provided valuable insights into their satisfaction levels with different aspects of banking services. Descriptive statistics, specifically mean and standard deviation, were employed to analyze the collected data. The findings of the research revealed several key points regarding customer satisfaction in the banking sector. Customers expressed the highest levels of satisfaction with factors such as the price charged by banks, the convenient location of bank branches, and the attitude of staff members toward problem-solving. These aspects were perceived positively by customers, indicating that they play a significant role in shaping overall satisfaction levels. Furthermore, when comparing public banks with private banks, the study found that customers exhibited higher levels of satisfaction with private banks. This preference for private banks was attributed to the superior facilities and services offered by these institutions, as perceived by customers. By examining the satisfaction levels of customers in both public and private banks, the research contributes to a better understanding of the strengths and weaknesses of each sector. These insights can be instrumental in guiding banks' efforts to enhance customer satisfaction and improve the overall banking experience for their clientele.

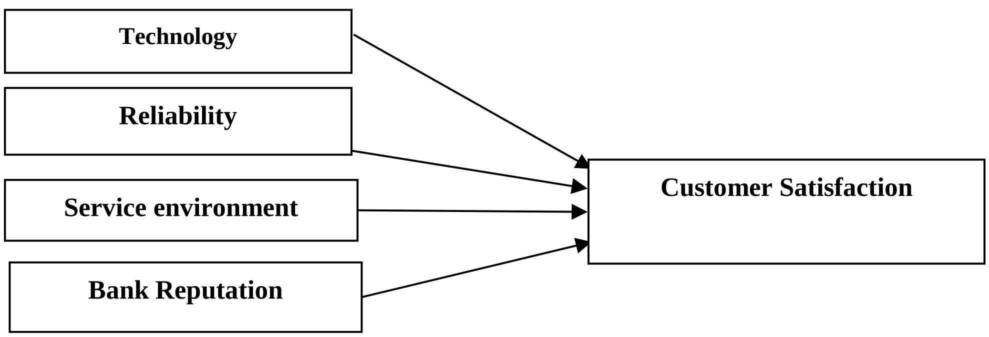
In the article "Evaluation of Bank Customer Satisfaction in Pakistan, Comparing Foreign and Islamic Banks" by Haroon Rasheed (2012), the focus is on recent developments in the banking sector of Pakistan, particularly the emergence of Islamic banking and the presence of foreign banks, alongside the adoption of modern information technology tools and methods. These developments have prompted banking organizations to shift their attention towards enhancing customer satisfaction, driven by heightened competition within the industry and the desire to attract and retain customers. The study conducted by Rasheed examines customer satisfaction within the context of foreign and Islamic banks operating in Pakistan. Utilizing statistical methods such as arithmetic correlation and mean calculation, the research explores the relationship between customer satisfaction and various factors associated with banking services. The findings of the study reveal a positive correlation between customer satisfaction and the factors under investigation. This suggests that customers are more satisfied when specific aspects of banking services, such as accessibility, reliability, and customer service, meet or exceed their expectations. By comparing customer satisfaction levels between foreign and Islamic banks, the study offers insights into the performance and effectiveness of different banking models in meeting customer needs and preferences. These insights can inform strategic decision-making within banking organizations, helping them tailor their services to better align with customer expectations and enhance overall satisfaction levels. Overall, article contributes to the understanding of customer satisfaction dynamics in the banking sector of Pakistan, shedding light on the factors that influence customer perceptions and preferences across different types of banks. Such insights are valuable for banks seeking to improve their competitiveness and customer service delivery in an increasingly competitive market environment.

In the article "Customers' Satisfaction towards Islamic Banking: Pakistani Perspective" by Ali Raza (2012), the primary objective is to identify and categorize the factors associated with customer satisfaction in the context of Islamic banking in Pakistan. Through the development and administration of a structured questionnaire, the study seeks to gather insights from customers of Islamic banks regarding their satisfaction levels and the factors influencing their perceptions. Utilizing correlation analysis, the research explores the relationships between various factors and customer satisfaction within the Islamic banking framework. By examining the degree of association between studied variables, the study aims to determine the key drivers of customer satisfaction in the context of Islamic banking services. The findings of the study indicate a positive relationship between customer satisfaction and the identified factors, suggesting that customers are more satisfied when certain elements of Islamic banking services, such as transparency, ethical principles, and Sharia compliance, are effectively addressed. These results contribute to a deeper understanding of the dynamics of customer satisfaction within the Islamic banking sector in Pakistan. By highlighting the factors that significantly impact customer satisfaction, the study provides valuable insights for Islamic banks seeking to enhance their service delivery and improve overall customer experiences. This research informs strategic decision-making processes within Islamic banking institutions, guiding efforts to better meet customer needs and expectations. Overall, article contributes to the existing literature on Islamic banking by offering empirical evidence of the factors influencing customer satisfaction in the Pakistani context. Through its systematic analysis and findings, the study enhances our understanding of the drivers of customer satisfaction within the Islamic banking sector, ultimately contributing to the development of strategies aimed at fostering stronger customer relationships and loyalty.

In the study conducted by Imran and Adeel (2013), titled "Factors Influencing Customer Satisfaction in the Banking Sector of Pakistan," the focus lies on identifying and understanding the factors that significantly impact customer satisfaction within the banking industry of Pakistan. The research aims to shed light on the key drivers of customer satisfaction, particularly in relation to the efficiency and financial performance of banks, as well as the quality of services provided. Utilizing a convenient sampling method, the study distributed one thousand questionnaires to corporate customers across various banks located in the four provinces of Pakistan. By employing factor analysis, the researchers examined the underlying dimensions or factors that strongly influence customers' levels of satisfaction with banking services. The findings of the study underscore the importance of several factors in shaping customer satisfaction within the banking sector. Specifically, the research highlights that customers derive satisfaction when banks demonstrate efficiency in their operations and exhibit strong financial performance. Moreover, the study emphasizes the critical role of service quality in meeting customer expectations and fostering satisfaction. Through the identification of these key factors, the study provides valuable insights for banking institutions seeking to enhance customer satisfaction and improve overall service delivery. By understanding the factors that drive customer satisfaction, banks can tailor their strategies and offerings to better meet the needs and preferences of their clientele. Overall, study contributes to the existing literature on customer satisfaction in the banking sector of Pakistan by offering empirical evidence of the factors influencing customers' perceptions and satisfaction levels. The research serves as a foundation for further exploration and analysis, guiding banks in their efforts to cultivate positive customer experiences and build lasting relationships with their clientele.

3. THE CONCEPTUAL MODEL

The theoretical framework proposed by Waqar-ul-haq (2012), Satendra Thakur (2011), and Ali Raza (2012) emphasizes the significance of several independent variables in shaping customer satisfaction within the banking sector. These variables include Technology, Reliability, Service Environment, and Bank Reputation. Technology plays a pivotal role in modern banking operations, encompassing digital platforms, online services, and mobile applications. The hypothesis suggests that customers' perceptions of a bank's technological prowess significantly influence their satisfaction levels. In an era where digital convenience is paramount, customers expect seamless and efficient technological solutions from their banks. Reliability is another crucial factor, reflecting the consistency and dependability of banking services. This includes timely processing of transactions, accuracy in financial operations, and uninterrupted access to banking facilities. The hypothesis posits that customers' perceptions of a bank's reliability profoundly impact their overall satisfaction and trust in the institution. The Service Environment, encompassing both physical and interpersonal aspects, also plays a vital role. Factors such as the ambiance of bank branches, the demeanor of staff members, and the efficiency of customer service interactions contribute to customers' overall banking experience. The hypothesis suggests that positive experiences within the service environment enhance customer satisfaction and loyalty. Bank Reputation, reflecting the perceived trustworthiness and credibility of the institution, is another significant variable. Customers' perceptions of a bank's financial stability, past performance, and public image influence their level of confidence and satisfaction. The hypothesis proposes that a positive bank reputation enhances customer satisfaction and fosters long-term relationships with the institution.



4. METHODOLOGY

This study will provide an insight of customer satisfaction in public and private banks. A descriptive research design was chosen in this research. Data were collected through questionnaire by adopting survey research from different public and private banks of Lahore city. Sample size of 200 questionnaire was taken for this research. Five point Likert scale was used to collect data. The questionnaire was divided into two parts, one was for demographic and other contained data regarding variables. Software IBM SPSS 20 has been used for analysis. Researcher found Mean and Standard Deviation for descriptive statistics and correlation analysis has been used to find out the relationship between variables.

Table 1: Instrument Development Table

Construct	Item	Operational Definition	References
Technology	Technology gives satisfaction level to customers.	Technology services give different satisfaction level to the customers.	(Seranmadevi, 2012)
	Our bank invest heavy amount in technology	banks are investing heavily in the technologies	
Reliability	We provide level of transaction and security	defines the level of transaction and security	(Eduardo, 2005)
	We focus on those elements that make user trust	focusing on the elements that may contribute to user trust	

	Accurate work place and conditions are good for health and performance.	Accurate work place condition is significant factor for health and performance.	
Service Environment	The inspiring atmosphere delight customers to stay longer	The overall atmosphere filled with inspiring delight-affected customers to stay longer	(Thakur, 2011)
Bank Reputation	We Communicate and educate people. We win business and good will of customers.	Communicate and educate Bank wins the battle for customers' goodwill and business.	(Marks, 2012)
Customer Satisfaction	Fulfill the need and desire Satisfied with my bank.	fulfills the needs and desires of customers Satisfied with bank	(Hanif, 2010) (Waqar, 2012)

5. RESULTS OF RELIABILITY ANALYSIS

Table 2 presents the reliability statistics (Cronbach's Alpha) for five measured dimensions: Technology, Reliability, Service Environment, Bank Reputation, and Customer Satisfaction. Each dimension was assessed using two items, and the Cronbach's Alpha values reflect the internal consistency of the items within each construct. As a general rule, a Cronbach's Alpha value above 0.70 is considered acceptable, 0.60–0.70 is marginal, and below 0.60 is considered poor, particularly when the number of items is small (Nunnally & Bernstein, 1994).

The Technology dimension has the highest reliability score ($\alpha = 0.83$), indicating strong internal consistency and suggesting that the items effectively measure the same underlying construct. This high score supports findings from prior research emphasizing the reliability of technology-related perception scales in banking services (Yoon, Choi, & Sohn, 2008).

The Reliability dimension has a Cronbach's Alpha of 0.61, which is marginally acceptable given the small number of items. This implies moderate internal consistency, indicating that the items are somewhat aligned but may benefit from refinement or the addition of more indicators to capture the construct comprehensively (Tavakol & Dennick, 2011).

The Service Environment dimension reports a relatively low alpha value ($\alpha = 0.47$), suggesting poor reliability. This may indicate that the two items used do not sufficiently or consistently measure perceptions related to the service environment. The result implies the need for revising the items, as environmental perceptions are often context-specific and may require more nuanced or descriptive indicators (Bitner, 1992).

Similarly, the Bank Reputation dimension shows the lowest alpha score ($\alpha = 0.36$), pointing to very weak internal consistency. This suggests a significant disconnect between the items used to measure reputation. Bank reputation is a multidimensional concept that typically requires more than two indicators to assess credibility, trustworthiness, and image (Walsh & Beatty, 2007).

Lastly, Customer Satisfaction, with an alpha value of 0.54, falls below the acceptable threshold, indicating a need for item revision or expansion. Given that satisfaction is influenced by various service components, two items may be insufficient to capture the full spectrum of customer experiences (Oliver, 1997).

In summary, while the Technology dimension demonstrates strong internal consistency, the other dimensions—especially Bank Reputation and Service Environment—would benefit from additional or revised items to improve measurement reliability. Future scale development should consider increasing the number of items per construct and conducting exploratory factor analysis to validate dimensional structures.

Table 2

No	Dimensions	Items	Cronbach's Alpha (Modified)
1	Technology	2	0.83
2	Reliability	2	0.61
3	Service Environment	2	0.47
4	Bank Reputation	2	0.36
5	Customer Satisfaction	2	0.54

Table 3 presents the descriptive statistics for the survey items measuring key service dimensions—Technology, Reliability, Service Environment, Bank Reputation, and Customer Satisfaction—based on responses from 500 participants. The statistics include minimum and maximum values, mean scores, and standard deviations, which help assess the central tendencies and variability of participant responses.

For the Technology dimension, Technology1 shows a moderate average score (mean = 3.38) with very low variability (SD = 0.2094), suggesting strong agreement among respondents and limited dispersion in their perception. Technology2 has a higher mean (4.49) but also a higher standard deviation (1.73), indicating greater divergence in how participants view the role or availability of technological tools. This contrast suggests that while some aspects of banking technology are widely accepted, others might generate mixed reactions—perhaps due to differences in digital literacy or service consistency (Yoon et al., 2008).

The Reliability dimension reflects a generally positive perception. Reliability1 has a high mean (4.23) and relatively high variability (SD = 1.57), indicating that while many respondents view the service as reliable, there are some contrasting views. Reliability2 has a lower mean (3.31) and a smaller standard deviation (0.72), implying a more consistent but less favorable response. These results reflect that certain aspects of reliability—perhaps timeliness versus accuracy—are evaluated differently by users (Parasuraman et al., 1988).

In terms of Service Environment, the mean score for ServiceEnvironment1 is very low (1.91) with limited variation (SD = 0.43), suggesting broad dissatisfaction or disapproval of the physical or social service environment in banks. ServiceEnvironment2 has a slightly higher mean (2.87) but still remains below average, indicating this dimension is perceived poorly overall. This aligns with research emphasizing that the physical and interpersonal ambiance in banking is often underemphasized in digital transitions (Bitner, 1992).

The Bank Reputation dimension is also rated poorly. BankReputation1 shows a low mean (2.25), and BankReputation2, while slightly higher (3.05), remains below neutral on a 5-point scale. The higher standard deviation for Reputation2 (1.03) implies varied responses, possibly due to individual experiences with different banks. These scores suggest that reputation may not be strong or may be inconsistent across institutions (Walsh & Beatty, 2007).

Lastly, Customer Satisfaction is relatively high, with CustomerSatisfaction1 (mean = 3.56) and CustomerSatisfaction2 (mean = 3.47), both scoring above the midpoint and showing moderate variability. This suggests that while specific service components such as environment or reputation are weak, overall satisfaction remains somewhat positive, potentially influenced by the perceived reliability or technological convenience (Oliver, 1997).

In summary, the Technology and Reliability dimensions are perceived favorably, while Service Environment and Bank Reputation are rated poorly, revealing critical areas for service improvement. Customer Satisfaction remains relatively high, indicating a potential disconnect between satisfaction and specific service factors—a common finding when convenience or necessity overrides service flaws.

Table 3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Technology1	500	1	5	3.38	0.2094
Technology2	500	1	5	4.49	1.73403
Reliability1	500	1	5	4.23	1.56881
Reliability2	500	1	5	3.31	0.72129
ServiceEnvironment1	500	1	5	1.91	0.43706
ServiceEnvironment2	500	1	5	2.87	0.46696
BankReputation1	500	1	5	2.25	0.65626
BankReputation2	500	1	4	3.05	1.03137
CustomerSatisfaction1	500	1	4	3.56	0.86
CustomerSatisfaction2	500	1	4	3.47	0.657

Table 4 presents the correlation matrix showing the relationships among five key constructs: Technology, Reliability, Service Environment, Bank Reputation, and Customer Satisfaction. Correlation coefficients range between -1 and +1, indicating the direction and strength of the linear relationship between variables. While positive values indicate a direct relationship, negative values suggest an inverse relationship (Field, 2013).

Technology shows a strong positive correlation with Bank Reputation (r = 0.874) and Service Environment (r = 0.257), indicating that effective technological services are closely associated with positive perceptions of the bank's reputation and the overall service environment. This supports existing literature that links digital innovation in banking with improved brand perception and service quality (Yoon et al., 2008). However, Technology has a moderate negative correlation with Reliability (r = -0.645) and Customer Satisfaction (r = -0.432). These negative values may reflect concerns that increasing automation or reliance on technology might reduce perceived personal reliability or emotional satisfaction in service delivery (Parasuraman & Grewal, 2000).

Reliability, as expected, is positively correlated with Customer Satisfaction (r = 0.647) and Service Environment (r = 0.42), reinforcing the idea that dependable service fosters satisfaction and enhances perceptions of the physical and social service setting. However, Reliability has a strong negative correlation with Bank Reputation (r = -0.557) and Technology (r = -0.252), which may indicate that customers associate mechanical or impersonal service with reduced perceived reliability (Bitner, 1992).

Service Environment is strongly positively correlated with Customer Satisfaction (r = 0.781), highlighting the critical role of a well-maintained and supportive environment in shaping users' experiences. This aligns with previous findings emphasizing the importance of servicescape elements like ambiance, layout, and staff behavior in satisfaction (Bitner, 1992). The positive correlation with Technology (r = 0.886) suggests that technology-enhanced environments are viewed favorably. However, negative correlations with Reliability (r = -0.574) and Bank Reputation (r = -0.251) may indicate that aesthetically pleasing or high-tech environments are not always perceived as reliable or reputation-enhancing.

Bank Reputation is strongly positively associated with Technology (r = 0.694) but shows strong negative relationships with Reliability (r = -0.834) and Customer Satisfaction (r = -0.752). These findings are somewhat counterintuitive, as good reputation is generally expected to correlate positively with satisfaction and reliability. One possible explanation is a mismatch between perceived brand image and actual service delivery, where customers might view a bank as high-tech or well-branded but fail to experience consistent, reliable service, leading to dissatisfaction (Walsh & Beatty, 2007).

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Finally, Customer Satisfaction correlates positively with Reliability (r = 0.647) and Service Environment (r = 0.781)—two of the strongest predictors of satisfaction in service marketing literature (Parasuraman et al., 1988). However, the negative correlation with Bank Reputation (r = -0.752) suggests that customers may be disillusioned by a gap between the bank's promoted image and their real experiences. The weak positive correlation with Technology (r = 0.098) indicates that while tech tools contribute to service delivery, they may not significantly affect emotional satisfaction unless paired with human interaction and dependability.

In summary, the matrix reveals several key insights and contradictions: while technology improves reputation and service environment perceptions, it may negatively impact perceived reliability and satisfaction if not implemented thoughtfully. Reliability and service environment are the strongest contributors to customer satisfaction, emphasizing the need for banks to balance technological advancement with consistent, human-centered service delivery.

Table 4: Correlation Matrix

Variables	Technology	Reliability	Service Environment	Bank Reputation	Customer Satisfaction
Technology	1	-0.645	0.257	0.874	-0.432
Reliability	-0.252	1	0.42	-0.557	0.033
Service Environment	0.886	-0.574	1	-0.251	-0.187
Bank Reputation	0.694	-0.834	-0.541	1	-0.558
Customer Satisfaction	0.098	0.647	0.781	-0.752	1

6. CONCLUSIONS

The study highlights notable differences in customer satisfaction across various variables, including Technology, Reliability, Service Environment, and Bank Reputation, as depicted in the Mean and Standard Deviation table. These variables serve as key determinants of customer perceptions within the banking sector. The correlations between these variables are further elucidated in the correlation table, providing insights into their interrelationships and influence on overall customer satisfaction. Upon comparing private and public banks in Lahore, the findings reveal that customers of private banks exhibit higher levels of satisfaction. This disparity can be attributed to several factors. Firstly, private banks often enjoy a stronger reputation in the market, characterized by their perceived reliability, financial stability, and customer-centric approach. Moreover, private banks tend to excel in providing a conducive service environment, marked by courteous staff, efficient operations, and well-maintained facilities. Additionally, private banks are at the forefront of adopting and leveraging advanced technology systems, offering customers enhanced convenience, accessibility, and efficiency in banking transactions. The utilization of cutting-edge digital platforms, online services, and mobile applications contributes to a seamless banking experience, further bolstering customer satisfaction. In contrast, public banks may face challenges in meeting customer expectations across these dimensions. Factors such as bureaucratic inefficiencies, outdated infrastructure, and slower adoption of technological innovations may hinder the overall service delivery and customer experience in public banks. Private banks may excel in providing modern facilities and a superior service environment, public banks often retain a sense of reliability and trustworthiness among customers due to their government ownership. Despite this perception, it is evident that customers generally express higher levels of satisfaction with private banks compared to their public counterparts. The findings of this study offer valuable insights for banking managers, highlighting the importance of addressing weaknesses and enhancing services to meet customer expectations. Both private and public banks in Pakistan must prioritize efforts to improve customer satisfaction levels by investing in areas such as technology adoption, service quality, and operational efficiency. By identifying and addressing areas of improvement, banks can strengthen their competitive position, foster customer loyalty, and ultimately drive sustainable growth. Moreover, aligning strategies with customer needs and preferences is essential for enhancing overall customer experience and maintaining a positive reputation in the market. In short, this study serves as a guideline for banking managers to evaluate and enhance their services, ultimately aiming to elevate customer satisfaction levels across the industry. Through continuous improvement and a customer-centric approach, banks can build stronger relationships with customers and position themselves for long-term success in the dynamic banking landscape of Pakistan.

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