How Social Media moderates the impact of Service Quality and Customer Satisfaction on Consumer Loyalty

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**ABSTRACT**

The banking sector continues to face intense competitive pressures in a global economy where customer satisfaction, customer loyalty, and service quality continue to be critical factors. The aim of this study is to examine the relationship between service quality and customer satisfaction and customer loyalty. Additionally, in order to fill the empirical literature gap, the role of social media has been examined as a moderator. 230 retail banking customers from Pakistan were chosen as a representative sample. Using the structured questionnaire, convenient (non-probability) sampling was employed to gather primary data from the target population. A statistical analysis of the collected data was conducted using Structural Equation Modeling - Partial Least Squares (SEM-PLS). The findings of the study revealed that customer loyalty is significantly influenced by service quality and customer satisfaction. Furthermore, social media also influences the correlations of service quality and customer satisfaction with consumer loyalty. This study will provide retail banking management and strategists with various useful insights about how to manage service quality and customer satisfaction in relation to customer loyalty.

**Keywords**: Service Quality, Consumer Satisfaction, Consumer Loyalty, and Social Media.

**JEL Classification**: M1, M12

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1. Introduction

Every business organization strives to achieve its stated objectives in order to be successful. The ultimate objective of the company is to maximize profits, increase sales, extend the product range, develop the product, make it easier for customers to find and purchase the product, and retain existing customers. Nevertheless, a company's goal is to maximize profits; we say that maximizing profits is the backbone of an organization. Additionally, customers' satisfaction, which plays a key role in customer loyalty, determines how effective companies are at maximizing profits, in a similar
way. Customer loyalty (CNL) is one of the most critical indicators of a high-performance organization. The loyalty of customers is inextricably linked to the satisfaction of consumers (Ibojo & Asabi, 2015). Providing value to customers is the result of any organization providing a service that motivates those customers to remain loyal to the organization. This will enable them to do business with it in the future. It is widely accepted that consumers have a deep-seated preference to purchase from a specific type of business in the future, regardless of the circumstances or marketing influences that may influence their attitude and behavior as a result of such influences (Richard, 1997). In today's shifting business climate, consumer satisfaction is impacting consumer repurchase intentions. Unhappiness has been identified as one of the major factors that contribute to customer switching in the current economic climate. There is a higher likelihood that customers who have a positive experience will tell others about their excellent experience (Mohsan et al., 2011).

Banking institutions play an instrumental role in the smooth functioning of a nation's economy, as they are the main participants in financial market activities. In today's highly competitive corporate industry, service quality (SQL) plays a key role in boosting customer loyalty and satisfaction. The ability to increase profitability and to grow the market share of a bank are two of the most critical factors that determine its success in terms of performance and profitability (Khan & Fasih 2014). Customer satisfaction in the banking industry is strongly influenced by the nature of the relationship between customers and service providers, such as banks. In turn, this has a direct effect on the quality of the customer relationship because of the way it is handled. Thus, service quality is often cited as an influential criterion that determines whether or not a brand is able to retain and satisfy loyal users. A study carried out in the retail banking sector found that a number of factors contribute to the satisfaction of users with the service. Additionally, there can be certain differences in how customers perceive services from various nations and cultures, although in general it is not possible to generalize this. Pakistan's financial sector has seen a shift in customer focus from customer satisfaction to the quality of the service provided by its institutions as far as customer satisfaction is concerned. Various factors influence customer satisfaction, including the performance of the bank, response times, bank secrecy, invoicing accuracy, the behavior of bank employees, the clarity of payments, and the quality of customer service (Hokanson, 1995).

Over the past several decades, with the privatization of the banking sector in Pakistan, customer expectations have grown in the country. Increasingly, customers are expecting financial institutions to provide them with improved services. This has led to an increase in competition among financial institutions, particularly in the private sector, to gain a competitive advantage. The reward program encourages them to provide their clients with higher quality services, which ultimately results in a more satisfied and loyal customer base (Graack 1996; Wisniewski 2001). There is no doubt that every bank wants to maximize earnings by delivering a wide selection of high-quality products and services in order to gain a larger market share by gaining a more substantial market share. Consumer loyalty (CNL) can help banks achieve these goals (Hayes, 2008). It can generate repeat purchases from consumers (Chu & Shiu 2009). When these enthusiastic customers refer friends and family to their bank, they may function as valuable marketing components. In consequence, these current clients are able to increase the customer base and share of the market for their banks. It has been observed that social media is becoming an increasingly effective tool that is being used by organizations. Through social media networking sites, individuals are able to interact with each other around the world. Customers and businesses can communicate both in a two-way fashion through these networking sites, allowing a two-way communication channel to be established.
The use of social networks as a promotional instrument is a key aspect of social network marketing, which is different from conventional marketing channels such as print advertisements and billboards, which emphasize the use of networking as a promotional tool (Kim & Ko, 2012). Adopting media as a promotional strategy can have a variety of advantages, such as providing customers with free marketing content. This will result in more social media participation on behalf of the company. In addition to that, customers can change their search habits by using the company’s personalized finding tools, tags, or by using the main search feature on online communities. This will enable them to assess their search habits. Through the use of social media, consumers are able to obtain the most up-to-date information about the products and services of a company. Besides these advantages, social media is also a tool that gives users the ability to interact directly with each other, which may have a significant impact on fifth-term outcomes, such as allowing users to share information they find in an industry’s digital network with the general public.

A company’s goal is to achieve its objectives. These objectives may include increasing profit margin, increasing sales, expanding operations, improving accessibility, increasing familiarity, and increasing customer satisfaction (Ajina 2019). The increase in profit margin can also be seen as a result of an improved level of customer satisfaction, since customer satisfaction is directly linked to the level of customer loyalty (Bisui, 2021). In addition to ensuring the attractiveness of marketing activities, creating awareness to consumers, and forming virtual brand groups, businesses can utilize social networking sites as a means of increasing market awareness, and establishing virtual brand groups due to their broad audience, low cost, and the fact that they have become part of everyday life as well (Chen & Lin 2019). Most organizations don’t consider customer satisfaction as an influential factor for improving product quality or profit margins as a factor to improve their processes. Thus, they only consider it to be a way to measure marketing intelligence, and do not look further into it than that. Unlike many other management tools, they don’t use it in the context of managing the business. Due to this reason, they do not feel that there is a difference between the price of goods and services that they are providing. Thus, the main aim of this project is to improve Customer Service, Satisfaction, and Customer Retention in order to improve sales and profit in the organization as a whole. This is done through the use of social media and customer retention.

2. Literature Review

2.1. Service Quality

The quality of service is determined by an individual’s ability to compare their assumptions for the service with how they feel about how the services are provided (Lehtinen & Lehtinen, 1982). The measure of consumers’ expectations for services and the way in which they perceive the delivery of services as a whole can be referred to as service quality (Parasuraman et al., 1988). It is an academic and researcher’s interest that service quality is viewed as a competitive concept that has attracted academics and researchers’ attention as it is not an easy concept to define and quantify.

2.2. Customer Satisfaction

The concept of customer satisfaction can be defined as the difference between what the customer expects from the product and what the customer receives in the product as defined by the performance of the product itself (Almomani, 2019).

2.3. Customer Loyalty

A loyal customer is someone who is happy and satisfied with the service they receive from the company providing them with the services they need. The first step in gaining the loyalty of a
customer is to make them satisfied with the service they receive. In order to determine loyalty, it has to be based on a combination of both material and behavioral factors that are perceived (Kiseleva et al., 2016; Leninkumar, 2017).

2.4. Social Media
There is nothing that is more appealing to consumers and groups of consumers than the ability of a brand to significantly influence their purchasing decisions and behaviors through the use of social media platforms. According to Trusov et al. (2009), social networking sites are commonly used to communicate with each other, and they typically attract only a modest number of first-time users.

3. Hypothesis Development
3.1. Relationship between Service Quality and Customer Loyalty
There are many organizations that have experienced a decline in customer loyalty due to a lack of service quality. By providing a superior level of service, clients are more likely to remain loyal to the company. In various research studies, it has been found that empathy and responsiveness have a substantial impact on customer satisfaction (Fida et al., 2020). In a study of service quality in India, five variables were identified and evaluated: observable, effective, sensitive, assured, and empathic, which are all aspects of service quality. An investigation has been conducted in Peshawar's casual dining establishments to provide insight into how Service Quality affects the loyalty of customers (Safi, 2018). There is a close relationship between the quality of service and customer loyalty within Pakistan's banking sector. A measure of customer satisfaction can consist of highlighting or attributes that may meet a customer's needs or expectations, as well as resulting in similar behavior between inputs before and after use (Joudeh & Dandis, 2018). When it comes to building consumer satisfaction, "tangibility" is not playing a significant role for all hotels because consumers are less satisfied with it and more inclined to take it for granted in their search for development. It has been concluded that an organization is not simply defined by physical factors, but can also be strongly influenced by a whole-service strategy that provides value for money and influences loyalty more than just physical factors. Based on the findings of the study, the authors concluded that there is a direct correlation between service quality and customer loyalty (Poku et al., 2013). There are socio-demographic characteristics that influence consumers' perceptions of loyalty within the hospitality sector (Akbar, 2013). As a result of the findings of this study, there is a considerable impact that consumer sociodemographic characteristics have on the strength of the link between SQL and CNL. This indicates that the two have a strong connection. Among the key moderators, age, gender, marital status, education, occupation, salary, duration of stay, regular stay, and purpose of visit, as well as age, gender, marital status, schooling, occupation, salary, duration of stay, regular stay, and visit intention, were all significant (Kheng et al. 2010). Three of the most critical aspects of customer service quality are reliability, empathy, and assurance. The bank receives a favorable rating from the majority of respondents, but improvements can still be made to make it even better.

H1: There is a significant relationship between Service Quality and Customer Loyalty.

3.2. Relationship between Customer Satisfaction and Customer Loyalty
There is a direct correlation between customer satisfaction and customer loyalty. Due to the likelihood of making repeat purchases from the customer, the customer will be a loyal and satisfied customer (Banahene et al., 2018). With the lower price, a customer will start to believe that this certain brand is offering superior quality at a reasonable price, and as a result, they will begin to
trust the brand, and thus he or she will become loyal to the brand (Yusuf et al., 2019). It has been observed that customers are continuously satisfied with the services provided by industry, which has led to an increase in the needs of customers. Alternatively, the quality of service in different firms matters a lot, and plays a crucial role in designing a plan that meets the consumer’s expectations while meeting the company’s objectives (Minarti & Segoro, 2014). There was a significant correlation between customer satisfaction and service quality structures such as tangibility, efficiency, and competent conflict management in the study’s findings. This demonstrated that customer satisfaction is strongly correlated with service quality structures.

**H2: There is a significant relationship between Customer Satisfaction and Customer Loyalty.**

### 3.3. Relationship between Social Media and Customer Loyalty

There can be no overstatement of the importance of social networking in terms of enhancing customer loyalty. Using the theoretical approach that will be taken in this part, we will be able to gain a broader understanding of how customers’ use of social media promotes the qualities of relationship marketing that ultimately lead to customer loyalty. Additionally, previous research has shown that social network marketing is an essential component in modifying customer loyalty, which is one of the outcomes of relational marketing, as well as customer purchase intention (Kanapathipillai & Mahbob, 2021). With the advent of the Internet, consumers can be more aware of products and services as well as be in contact with vendors on a more frequent basis, thus increasing brand loyalty (Hutter K. et al., 2018). Moreover, relationship marketing increased customer loyalty by demonstrating the diversity and scope of activities available to potential customers through social media, where potential customers were encouraged to participate and contribute (Vivek et al., 2012). Furthermore, social media is a powerful tool for marketers to interact with their customers in order to increase sales and customer loyalty by providing information that will pique their interest and enhance their engagement with their brands (Habibi et al., 2014).

**H3: There is a significant relationship between Social Media and Customer Loyalty.**

### 3.4. Social Media as a Moderator

#### 3.4.1 Moderating effect on the correlation between Service Quality and Customer Loyalty

Various findings indicate that social media marketing activity and customer experience can have a significant impact on the level of service quality. Furthermore, they have a positive impact on consumer behavior and customer loyalty as a result of their presence. Researchers have examined the impact of the relationship between Service Quality and Consumer Loyalty, as well as the moderating effect of social media on the relationship between them. Studies have shown that social media and the quality of service affect customer loyalty in the long run (Kanapathipillai & Mahbob, 2021). A company’s overall performance can be assessed by comparing its performance to the customer’s general expectations of how that particular industry’s businesses should perform and how those expectations compare with the experience of a particular service firm (Parasuraman et al., 1988). In the past few years, social media platforms have become an essential element for small and large businesses in order to attract and retain customers (Bhatti et al., 2020). In Malaysia’s travel and tourism industry, the real variables that influence customer loyalty, which contributes to customer retention and repeat purchases, are the moderating effects of social media, and the relationship between social media and customer loyalty in the industry.

**H4: Social Media positively moderates the relationship between Service Quality and Customer Loyalty.**
3.4.2 Moderating effect on the correlation between Customer Satisfaction and Customer Loyalty

Any organization's success is determined largely by the level of satisfaction of its customers. There is a strong correlation between the degree to which an organization's goals are met and the level of customer satisfaction with the moderating effect of social media on that level of satisfaction. There is a higher likelihood of creating a successful and satisfied relationship with a company if customers are satisfied with the service they receive. Customer value is determined by the satisfaction one receives from the company's products, services, and consumption. Customers and companies interact with each other via social media, which enables them to get to know one another. Many companies in the world make sure their teams interact with other companies and consumers in order to be able to capture the global market and increase sales. Taking into account the feedback and views of their customers is essential to build strong relationships with them (Agnihotri et al., 2016). Customer satisfaction and loyalty can be affected by the use of social media and the use of cutting-edge technologies. It has been shown statistically that social media can play a meaningful role in the process of moderating both customer loyalty and customer satisfaction, based on the study's major findings (Zoubi & Al-Harazneh, 2021).

H5: Social Media positively moderates the relationship between Customer Satisfaction and Customer Loyalty.

3.5. Research Framework

![Research Framework Diagram]

Figure 1: Research Framework

4. Methodology

4.1. Research Design & Data Collection

In this study, a quantitative research approach was designed for the purpose of collecting data from customers in the retail banking sector of Pakistan. As a representative sample, we have chosen 230 retail banking customers from Pakistan (Hair et al., 2018). Using the structured questionnaire, convenient (non-probability) sampling technique was used to collect primary data. Furthermore, Smart-PLS was utilized as an evaluation tool in order to assess the model. We applied the Structural Equation Modelling -Partial Least Squares (SEM-PLS) method in order to quantify the impact of correlations existing among Service Quality, Customer Satisfaction, and Consumer Loyalty by taking into account the moderating influence of social media in the analysis. Among the factors evaluated were reliability, validity, and the outer loadings of the data.
4.2. Instrument Items and Scale Measures

The instrument was developed using a 5.0-point Likert Scale, showing 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree.

- To measure the service quality, the questionnaire items were adopted from the study of Parasuraman et al. (1988).
- To evaluate the customer satisfaction, the present study adapted the questionnaire items from the study conducted by Liu et al. (2011).
- To evaluate the social media, questionnaire items were adopted from the study of F. R. Khan et al. (2017).
- To examine the customer loyalty, questionnaire items were adapted from the studies of Gerrard & Cunningham (1997), Allred & Addams (2000) and Mohsan et al. (2011).

5. Data Analysis And Results Discussion

5.1. Summary and Normality of the Data

Table 1 displays the survey questionnaire response rate. We gave out 270 questionnaires to participants, and 243 (90%) of them were returned. It is indeed a reasonable respondent. Following excluding the incomplete questionnaires, the sample size for this study is 230 (or 95.06 % of survey questions received).

Table-1: Respondent of Questionnaire

| Total Questionnaires Spread | 270 (100%) |
|----------------------------|------------|
| Collected Questionnaire     | 243 (90%)  |
| Properly filled Questionnaires | 230 (95.06 %) |

Table-2: Demographics

| Demographics      | Respondent | Frequency (%) |
|-------------------|------------|--------------|
| Gender            |            |              |
| Male              | 96         | 0.42         |
| Female            | 134        | 0.58         |
| Age of Respondent |            |              |
| Above 40          | 43         | 0.186        |
| 31-40             | 62         | 0.269        |
| 21-30             | 139        | 0.60         |
| Year of Experience|            |              |
| Above 10 years    | 27         | 0.117        |
| 6-10 years        | 56         | 0.243        |
| 3-5 years         | 69         | 0.3          |
| 0-2 years         | 92         | 0.4          |
| Level of Education|            |              |
| Masters           | 16         | 0.07         |
| Bachelors (B.A)   | 100        | 0.435        |
| Intermediate      | 114        | 0.495        |

5.2. Correlation Matrix

Using the coefficient of correlation, we can determine how strongly two variables are related. As shown in Table 3, there is a difference between the variables. It is possible to differentiate between -1 and +1 on the basis of the contact range. Changing one independent variable leads to
changing another dependent variable.

Table-3: Matrix of Correlation

| Correlation | CNL   | SM    | CS    | SQL   |
|-------------|-------|-------|-------|-------|
| CNL         | 1.000 |       |       |       |
| SM          | 0.601 | 1.000 |       |       |
| CS          | 0.806** | 0.648** | 1.000 |       |
| SQL         | 0.832** | 0.643** | 0.920** | 1.000 |

5.3. Measurement Model

The correlation coefficient may lie anywhere between -1 and 1. Only with degree of the interaction between the variables, the coefficients' absolute values rise. According to Pearson, a link to the digit one is needed for a strictly direct correlation. There is no actual linear relation between the two elements if the correlation is close to zero. An indicator of factor loading is the degree to which components are interrelated within a construct. It is recommended that factor loading be greater than 0.60 (Hair et al., 2011). It is likely that no measure of the intended construct is being carried out if the factor loading value is below 0.60. As a result, it is regarded as a problem that must be addressed. Those items with factor loadings less than 0.60 should be ignored, as they have a low factor loading. It can be seen from Table 4 that the majority of the entries have a factor loading value of greater than 0.60 and that only a few have a factor loading value less than 0.60. Therefore, items with a factor loading value of less than 0.60 will be excluded from the analysis.

Table-4: Outer Loadings, Construct Reliability and Validity

| Constructs          | Factors | Outer Loadings | Cronbach's Alpha | rho_A | C.R  | AVE  |
|---------------------|---------|----------------|------------------|-------|------|------|
| Service Quality     | SQL1    | 0.888          |                  | 0.955 | 0.959| 0.962| 0.762|
|                     | SQL2    | 0.926          |                  |       |      |      |      |
|                     | SQL3    | 0.818          |                  |       |      |      |      |
|                     | SQL4    | 0.873          |                  |       |      |      |      |
|                     | SQL5    | 0.888          |                  |       |      |      |      |
|                     | SQL6    | 0.906          |                  |       |      |      |      |
|                     | SQL7    | 0.846          |                  |       |      |      |      |
|                     | SQL8    | 0.853          |                  |       |      |      |      |
| Customer Satisfaction| CS1    | 0.900          |                  | 0.861 | 0.872| 0.915| 0.781|
|                     | CS22   | 0.893          |                  |       |      |      |      |
|                     | CS3    | 0.864          |                  |       |      |      |      |
| Social Media        | SM1    | 0.660          |                  | 0.763 | 0.837| 0.839| 0.519|
|                     | SM2    | 0.781          |                  |       |      |      |      |
|                     | SM3    | 0.839          |                  |       |      |      |      |
|                     | SM4    | 0.864          |                  |       |      |      |      |
|                     | SM5    | 0.439          |                  |       |      |      |      |
| Customer Loyalty    | CNL1   | 0.677          |                  | 0.751 | 0.78 | 0.838| 0.565|
|                     | CNL2   | 0.747          |                  |       |      |      |      |
|                     | CNL3   | 0.807          |                  |       |      |      |      |
|                     | CNL4   | 0.771          |                  |       |      |      |      |
5.4. Co-efficient of Determination (R²)

The values of R² should be equal to or greater than 0.10 in order to justify the description of a particular internal structure. The results of Table 5 for this study show that all results exceed Falk and Miller’s standards, which means that more than 70% of our dependent variables were explained by independent constructs. Consumer loyalty is predicted by all predictor variables with an R² of 0.744, with the remaining 25.6 percent being attributed to other variables.

| Constructs          | R Square | R-Square Adjusted |
|---------------------|----------|-------------------|
| Customer Loyalty    | 0.744    | 0.747             |
| Social Media        | 0.746    | 0.740             |

5.5. Hypothesis Testing

Table 6 shows how social media marketing moderates the impact of service quality and consumer satisfaction on consumer loyalty using partial least square (OLS) projections. Consumer loyalty is the study’s dependent variable, social media marketing is the moderating variable, and service quality and customer happiness are explanatory variables. Customer loyalty is favorably and strongly associated the variables social media marketing (SM), service quality (SQL), and consumer satisfaction (CS).

| Hypotheses Testing                                                                 | O     | M     | STDEV | t Values | P Values | Results |
|------------------------------------------------------------------------------------|-------|-------|-------|----------|----------|---------|
| 1. **Service Quality ➔ Customer Loyalty**                                          | 0.500 | 0.503 | 0.118 | 4.230    | 0.000    | Accepted|
| 2. **Customer Satisfaction ➔ Customer Loyalty**                                     | 0.281 | 0.288 | 0.121 | 2.327    | 0.020    | Accepted|
| 3. **Social Media ➔ Customer Loyalty**                                             | 0.131 | 0.123 | 0.066 | 2.003    | 0.046    | Accepted|

5.6. Moderation Analysis

Table 7 reports the PLS calculates the impact of service quality and consumer satisfaction on consumer loyalty moderating the function of social media marketing to carry out research interaction term of service quality and social media (SQL*SM), and interaction term of consumer satisfaction and social media (CS*SM) is added.

| Moderation Analysis                                                                 | STDEV | t Values | P Values | Results |
|------------------------------------------------------------------------------------|-------|----------|----------|---------|
| 4. **Social Media *Service Quality ➔ Customer Loyalty**                            | .230  | .098     | 2.346    | 0.015   | Accepted|
| 5. **Social Media *Customer Satisfaction ➔ Customer Loyalty**                     | .069  | .090     | 2.324    | 0.444   | Accepted|

5.7. Results Discussion

In accordance with Table 6, hypothesis H1 illustrates the relationship between Service Quality
and Customer Loyalty, with a $t$-value of 4.230 (i.e., $t > 1.96$) and a $p$-value of 0.000 (i.e., $p < 0.05$). Thus, hypothesis H1 is accepted. The study also revealed a significant relationship between Customer Satisfaction and Customer Loyalty based on $t$-value = 2.327 (i.e., $t > 1.96$) and $p$-value = 0.020 (i.e., $p < 0.05$). The hypothesis H2 is also accepted. Social Media and Customer Loyalty are significantly related, as can be seen in Table 6, with a $t$-value of 2.003 (i.e., $t > 1.96$), and a $p$-value of 0.046 (i.e., $p < 0.05$). Hence, Hypothesis H3 also appears to be true. It is apparent from Table 7 that Hypothesis H4 supports the finding that social media positively moderates the association between Service Quality and Customer Loyalty with a $t$-value $= 2.346$ (i.e., $t > 1.96$) and a $p$-value $= 0.015$ (i.e., $p < 0.05$). This conclusion leads to the acceptance of Hypothesis H4. This study also confirmed the acceptance of hypothesis H5, proving the significant moderating effect of social media on the relationship between Customer Satisfaction and Customer Loyalty, as shown in Table 7, where the $t$-value is 2.324 (i.e., $t > 1.96$) and the $p$-value is 0.444 (i.e., $p < 0.05$).

6. Conclusion

This study aimed to investigate the impact of service quality and consumer satisfaction on consumer loyalty while moderating the role of social media. Findings of correlation analysis revealed that consumer loyalty is strongly correlated to social media, consumer satisfaction, and service quality. The results of the confirmation factor analysis indicate the data used in this study is reliable if Cronbach alpha, $\rho_{A}$, composite reliability, and average variance extracted (AVE) values exceed threshold values. Based on SEM-PLS results, it was concluded that service quality, consumer satisfaction, and social media positively correlated with customer loyalty. The results of moderation analysis showed that social media significantly moderated the association between service quality and customer loyalty. While findings also confirmed that social media positively moderated the correlation between consumer satisfaction and customer loyalty.

In the retail banking sector of Pakistan, service quality and customer satisfaction are critical factors that determine customer loyalty. Social media as a marketing strategy is also found to play an influential role in strengthening the link among service quality, customer satisfaction and consumer loyalty.

6.1. Limitations and Future Research Directions

Despite this research’s notable contributions, limitations remain that can be discussed and investigated in future studies. This study was based on local retail banks with 230 participants, but it can be extended to multinational banks and financial institutions with an increased sample size. For future research, other organizations, industries, and institutions can be used to replicate the research. For better analysis, it is possible to compare institutions at national and international levels based on demographics. Further analysis of this model can be accomplished by introducing new latent variables related to behaviour. In future research, psychological well-being and organizational climate can also be studied as dependent variables with the leader-member exchange theory. In future research, social media can serve as a mediator and it would be beneficial to examine the relationships among service quality, customer satisfaction, and loyalty cross-nationally.

6.2. Managerial Implications

As a result of this study, we will be able to determine how to achieve high levels of customer satisfaction. This study will provide the retail banking sector and other industries with a better understanding of how to turn their employees into assets, resulting in increased productivity and long-term competitiveness, based on the data collected on the impact of service quality and customer
satisfaction on retail banks. The results of this study showed that organizations should improve their service quality and their image. It will help to make customers happy and improve customer loyalty and hence, will make companies sustainable (Alketbi et al., 2020). The study's findings have also contributed to the current body of literature in terms of customer loyalty, emphasizing the importance of service quality and consumer satisfaction in Pakistan's banking sector as an indispensable indicator of customer loyalty. In the study, social media was discovered to be a significant mediator between customer satisfaction and consumer loyalty. The outcomes of the study will provide solid foundations for Pakistani financial institutions to plan and implement loyalty campaigns. Given the aforementioned facts, Pakistani financial institutions must work to enhance service quality as well as boost consumer satisfaction and loyalty. The findings of this study will aid the retail banking industry to focus on research advancement. This will increase service quality and customer loyalty by viewing it as an organizational goal.

6.3. Contribution of Authors
All authors contributed equally to the development of the manuscript. All authors have read and agreed to the published version of the manuscript.

6.4. Conflicts of Interest
The authors declare no conflict of interest.

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