

ABSTRACT

This study focused on Role of Banks on customer happiness. Bank financing was taken as an explanatory variable to analyze dependency of happiness (predicted variable) on this predictor. The topic is derived from the concept of Economics of happiness a term which surfaced in 1974 by Richard Easterlin and since then continuous contribution is being made in this branch of knowledge by many researchers and economists. The research was aimed at studying the impact on happiness which is caused by satisfying an individual's need of self-realization which stems from turning his visualization sense into reality with the help of needed support of seed capital from banks. Population of the study was all the customers of the micro finance and commercial or Islamic banks who availed small business loans from the city of Lahore. Data was collected from the customers of four microfinance banks SME Bank, Finca Microfinance Bank, Khushali Bank Apna Bank and one commercial bank i.e National Bank of Pakistan, it's both conventional and Islamic banking group. Sample of 385 bank customers who have availed small business loans were taken into account by using stratified random sampling technique. The nature of data was primary and was obtained from banks through questionnaire. Simple linear regression technique is utilized to explain relationship between happiness and explanatory variables of research. Descriptive analysis of the data was performed which indicated various trends. It was found that people who are doing job they also have an urge to establish their own businesses to satisfy their wish to explore their entrepreneur skills which reap happiness for them. Results indicated that bank financing has significant impact on happiness. Recommendations were drawn from the research for future researchers to undertake the research in different parts of the country or on national level to deduce more concrete and expanded results, banks can formulate their product development policies while taking into consideration psychological factors which will not only robust economy growth by providing self-employment opportunities but can also make contribution in making people mentally relaxed and happy, Government/SBP can launch more and more such microfinance schemes to cater lower income group and customers can take benefit of loan facility to raise their living standards and self-esteem which leads towards happy life.
