

Finance Bank Zambia Plc Retail Customers' Perceptions of Service Quality

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Abstract

The study examined the nature of factors that influence customer's perception of service quality provided by Finance Bank Zambia Plc. is a private sector indigenous bank in the country. This is an analytical study based mainly on the primary data collected through a scientifically developed questionnaire and secondary information sources. Based on the outcomes originating from the literature review, this research has used a modified SERVQUAL scale. The questionnaire to customers was administered on a sample size of 357, chosen on a convenient basis across the branch network. These statistical methods used are as follows: frequencies - to describe the respondent's characteristics; means - to identify level of perception (questionnaire statements); Independent-Samples T-Test - to identify the significance of differences in the means of retail customers and branch staff perceptions of service quality; factor analysis: to identify the differences between customers and bank branch staff in terms of the degree of importance they attached to various dimensions of service quality and Cronbach's coefficient alpha test: to examine scale reliability and internal consistency. All factors namely tangibility, responsiveness, empathy, assurance, image, convenience reliability, access and ATM effectiveness qualified to be designated as important because their mean index scores were above 2 and 50% or more of respondents affirmed them to be either 4-very important or 3-important.

Keywords: Retail customers; Perceptions; Service quality; Finance bank; Private sector

Introduction

The banking sector is the backbone of any financial system of the economy. Commercial banks play an important role in the development of Zambian economy through mobilization of resources and their better allocation. Service quality has continued to gain importance due to its unique characteristics involving intangibility, inseparability, variability and perishability. Researchers have come up with different dimensions of service quality. Service quality has become a principal competitive weapon in the banking industry. Services are intangible and also not easily duplicated. Quality on the other hand, is differentiable and stems from the expectations of customers. Hence, it is necessary to identify and prioritize the customers' expectations for service quality and incorporate the expectations into a service process for improving quality. The key variables in meeting customer expectations begin with identifying the specific characteristics of service quality as perceived by the customer who defines the nature and importance of service quality.

Among the service industry stakeholders, the banking sector is perhaps the largest one that caters to the needs of people belonging to all sections of society. Moreover, perceived service quality tends to play a significant role in the interaction between customers and the service providers.

In addition, Finance Bank is large enough to capture and represent almost all the critical dimensions of total service quality that management may have to encounter in order to manage a service organization effectively.

Amid intense competition and the dynamic business environment, surviving in the market has become a key challenge for many service organisations. Service quality has become one of the key tools for surviving and gaining competitive advantage in banking industry, since its offering comprised mainly of intangible elements. Thus service quality has taken considerable interest in marketing literature. The banks perception of service quality may be quite different from what retail customers perceive as service quality. It is therefore, important for the bank to understand customer's perception of service quality in the light of great competition, numerous customer complaints and movement of customers from one bank to another.

Service quality has drawn the attention of researchers and managers because it is known to reduce costs and increase customer satisfaction, which are usually associated with customer loyalty which leads to increased economic returns for the company. Also, service quality was found to have a relationship with repeat purchase intention by Perez and Chen and consumption behavior by Dabholkar [1-3]. Therefore, service quality is a measure of the performance of an organization, which makes it important for both academics and practitioners to consider according to Karatepe [4]. According to Cook research indicates that companies with excellent customer service have reported a 72% increase in profit per employee compared to similar organizations that have poor customer service; it is also five times costlier to attract new customers than to retain existing customers [5].

Rust stated that service quality survey results can be used by managers to make important marketing decisions and to project the impact of different courses of action [6]. According to Bridges and Freytag firms might have to invest in finding new customers and/or retaining current customers, depending on the market situation [7]. According to Athanassopoulos offensive marketing involves attracting new customers, while defensive marketing involves keeping existing customers [8].

Having a defensive marketing strategy is better because it is cheaper to retain existing customers for many reasons, such as lower expenses for advertising to attract new customers with whom it takes time to establish loyalty. As discussed earlier, providing high levels of service quality is one way to keep customers both satisfied and loyal.

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According to Lages and Fernandes service quality became prominent since the 1970s because in many industrialized economies the service sector accounts for more than half of the GDP [9]; this represents the service sector without considering the manufacturing sector, which has also started to provide services according to Gupta [10]. According to Zeithaml employment in the service sector has been larger than in the manufacturing sector in the United States since 1929 [11], with 55% of the labor force working in the service sector; this increased to 82% in 2006, and services represent 80% of the GDP. This is an indication of the magnitude of the service industry and thus the need for high levels of service quality.

Due to the changing and competitive environment, financial services organisations have become increasingly marketing oriented. This has led to banks development of strategic plans, which respond to customers' needs, attitudes and behaviour. It has increasingly become cheaper to retain existing customers through provision of excellent service and development of long-term relationships.

There is lack of ample evidence of research on service quality in the banking industry in Zambia. Most research studies accessed are comparative studies of customer's perception of service quality of banks in other countries. Therefore, this study is required in that it will assess customer's perception of service quality in order to understand their expectations.

It is therefore, important not to misconstrue perception for judgement of service levels but rather an expectation. Bank staff was included to have a feel of the expectation of those involved in delivery service to possibly weigh in on how they may be used in service quality improvement strategies.

The major limitation of this study may arise from the fact that it is only based on Finance Bank. The study may not give a thorough understanding of the antecedents and dimensions of service quality that influence customer's perception of service quality. The overall issue of customer's perception of service quality is still unresolved. There is need to widen the understanding of service quality in the banking industry especially factors that drive customers' perception. This can only be achieved if a more encompassing study with large sample size and scope is conducted. It will be significant for banks to understand customers' perception of service quality in the banking industry and the drivers of such perceptions will be a sound basis for continuous improvement in the quality of service offered to customers, customer satisfaction and customer retention.

Service quality has become an important factor among the customers in retail banking. For the success and survival in the Zambian banking sector, provision of high service quality is necessary in meeting several requirements such as customer satisfaction and its consequent loyalty, attracting new customers and to increase the market share and profitability. Service quality is consistently viewed in the literature as a unique construct from customer satisfaction. The consumer considers that the service quality stems from a comparison of what he feels about the service and what is the performance of that service offering. In short, in order to evaluate the service quality the discrepancy between the consumers' perceptions should be calculated.

All the nine service quality offering variables will influence the overall service quality. Earlier to this Gronroos also proposed a conceptual model for service quality and also identified the possible determinants of service quality [12].

The marketing of financial services has also developed rapidly over the years. Management and marketing skills are considered crucial in

the now very competitive world of financial services. Without a good reputation for understanding customer problems and requirements a bank will lose existing customers and fail to at least its market share of new business.

Research background

Due to the changing and competitive environment, financial services organisations have become increasingly marketing oriented. This has led to banks development of strategic plans, which respond to customers' needs, attitudes and behaviour. It has increasingly become cheaper to retain existing customers through provision of excellent service and development of long-term relationships.

Further, the marketing of financial services has developed rapidly over recent years. Management and marketing skills are considered crucial in the now very competitive world of financial services. Without a good reputation for understanding customer problems and requirements, a bank will lose existing customers and fail to attract at least its market share of new business. Typical research into the image and reputation of a bank, compared with its major competitors will involve exploring the responses and perceptions between key customers and non-customers to some of these topics;

- The banks' ability to make quick decisions
- Ability of the bank to administrate efficiently
- The degree to which the bank is seen to be helpful and friendly
- The professional level of skills and objectiveness exhibited by bank staff when giving financial advice
- Appreciation of customer problems shown by the bank and public perception of the degree of support they get when times are hard.
- Adaptability of services, approachability and general convenience factors both in terms of opening hours and branch location.

It should be recalled that the customer has become the centre of all business decisions right from conception of a product up to delivery. Customer centric approach to marketing policies and processes is critical. The antecedents of the recent status of the customer in marketing and business operations are the intense global competition, emergence of service driven economies, increasing customer awareness and sophistication and advancement in information technology. The success of any banking business hinges on how well services are delivered and perceived by customers. The value customers place on the service is vital for customer acquisition and retention.

In this respect, the customer centric marketing philosophy has been embraced by many business organisations today. Kotler and Keller observed that business organisations are now striving to understand their customers so that they could build long-term profitable relationships with them [13]. Several studies have been undertaken on customer satisfaction, customer retention and customer perceived quality in different industry sectors. Gronroos, Kotler and Keller have suggested the incorporation of customers view of what they need, want and dislike in the entire process of production [13,14].

Besides, the thrust of most bank marketing activities is to acquire and retain profitable customers. Reichheld has stated that it is believed that it is six times cheaper to retain existing customers than to acquire new customers in today's competitive banking business environment [15].

It should be noted that the retail banks are facing many challenges such as technological advancement, competitive products and services. In order to survive and compete effectively, banks must recognise the

customer perceptions of service quality. There is lack of ample evidence of research on quality service in the banking industry in Zambia. Most research studies accessed are comparative studies of customer's perception of quality service of banks in other countries. The major limitation of this study may arise from the fact that it is only based on Finance Bank. The study may not give a thorough understanding of the antecedents and dimension of service quality that influence customer's perception of quality service.

The overall issue of customer's perception of quality service may still be unresolved. There is need to widen the understanding of service quality in the banking industry especially factors that drive customers' perception of quality service. This can only be achieved if a more encompassing study with large sample size and scope is conducted. It will be significant for banks to understand customers' perception of quality service in the banking industry and the drivers of such perceptions will be a sound basis for continuous improvement in the quality of service offered to customer, customer satisfaction and customer retention.

The bank under study

Finance Bank Zambia Plc (FBZ Plc) was incorporated in 1986 and was licensed to provide commercial banking services by the Bank of Zambia in that year. As one of the large local financial institutions in Zambia, FBZ Plc is one of the leading commercial banks that leverages on a strong nationwide presence to deliver a broad range of core banking and tailor made financial services to retail, SME and corporate customers. Moreover, Finance Bank Zambia Plc is a registered commercial bank and was incorporated on 23rd September 1986 as Leasing Finance Bank Limited. On 15th July 1988 the name changed to Finance Bank Zambia Plc.

It should be recalled that the operations of the bank commenced in 1987 with just two branches, one in Ndola and another in Lusaka. The number of branches has since increased over the years of which seven were acquired from Standard Chartered and four from Barclays. A total of 19 commercial banks currently operate in Zambia. It is a combination of local and foreign banks. All commercial banks offer the same range of standard facilities you would expect to find anywhere in the world. Selected banks also offer specialized unique accounts such as VIP, students or childrens accounts and electronic banking platforms.

The importance of service quality

Service quality has drawn the attention of researchers and managers because it is known to reduce costs and increase customer satisfaction, which are usually associated with customer loyalty which leads to increased economic returns for the company according to Buttle, McAdam, Seth, Edvardsson, Bontis and Booker [16-20]. Also, service quality was found to have a relationship with repeat purchase intention by Perez and Chen and consumption behavior by Dabholkar [1-3]. Therefore, service quality is a measure of the performance of an organization, which makes it important for both academics and practitioners to consider according to Karatepe [4]. According to Cook research indicates that companies with excellent customer service have reported a 72% increase in profit per employee compared to similar organizations that have poor customer service [5]; it is also five times costlier to attract new customers than to retain existing customers.

Further, Rust stated that service quality survey results can be used by managers to make important marketing decisions and to project the impact of different courses of action [6]. Firms might have to invest in finding new customers and/or retaining current customers, depending

on the market situation according to Bridges and Freytag [7]. Offensive marketing involves attracting new customers, while defensive marketing involves keeping existing customers according to Athanassopoulos [8]. Having a defensive marketing strategy is better because it is cheaper to retain existing customers for many reasons, such as lower expenses for advertising to attract new customers with whom it takes time to establish loyalty. As discussed earlier, providing high levels of service quality is one way to keep customers both satisfied and loyal.

It should be noted that service quality has become prominent since the 1970s according to Lages and Fernandes because in many industrialized economies the service sector accounts for more than half of the GDP [9]; this represent the service sector without considering the manufacturing sector, which has also started to provide services according to Gupta [10]. According to Zeithaml employment in the service sector has been larger than in the manufacturing sector in the United States since 1929 [11], with 55% of the labor force working in the service sector; this increased to 82% in 2006, and services represent 80% of the GDP. This is an indication of the magnitude of the service industry and thus the need for high levels of service quality.

Rationale of the study

Bank customers are becoming more discerning consumers of their products. In the context of a competitive banking market, banks are beginning to recognize that customers increasingly deserve and will demand a voice that is listened to. Customers do have a definite stake in the banking process, are ideally placed to comment on issues and are core participants in the banking sector. Customer feedback has been recognized as a foundation on which to build any future quality assurance policy, recognizing the customer as the principal role player, with a voice that should be listened to and acted upon in order to enhance quality in the total banking experience.

As the question of quality has materialized and become the object of study, feedback from customers, as 'quality indicators' in the quality assurance process, has grown in acceptance.

Similarly, as banks continue to become more customer orientated, customer perceptions of bank facilities and services are becoming more important. It is, therefore, critical that banks develop some form of evaluating, tracking and managing the customer perceptions of service quality.

Service Quality and Related Literature

Newman has indicated that the literature featuring service marketing, mainly that of the 1990s has supported excellence in customer service and solutions to improve service quality as a means towards improving customer satisfaction and loyalty; thus, causing increased profitability and competitiveness [21]. Lewis and Arasli further state that service organizations are more and more viewing service quality as one of their fundamental strategic values [22,23]. Marla also stated that this is also manifested in the case of banks where the achievement of superior service quality levels has become a primary objective for retail banking operations [24].

In this respect, Parasuraman and Newman have indicated that several studies found a strong relationship between service quality and performance, market share, profitability, competitiveness, or word-of-mouth recommendation [21,25]. Lewis, Newman, Caruana and Arasli indicated that service quality entails a point of differentiation from competitors, leading to various opportunities to enhance long-term customer relations and corporate image [21,22,26,27], through

customer satisfaction, and customer retention which cultivates favorable word-of-mouth. Accordingly, service quality is universally acknowledged as a victorious competitive strategy which is healthy for both service providers and their respective customers.

Moreover, in a study by Cronin and Taylor, service quality was found to be an antecedent of customer satisfaction refuting the suggestions of Bitner and Bolton and Drew that satisfaction is an antecedent of service quality [28-30]. Lee et al. [31] found further support to Cronin and Taylor's [28] conclusion in addition to that of Woodside, Oliver and Spreng and MacKoy [32-34]. Lee results revealed that service quality leads to satisfaction which in turn leads to purchase intention and the link between satisfaction and purchase intentions is stronger than the link between service quality and purchase intentions [31]. Their justification was that customers might not purchase services because of their high quality but because they lead to higher satisfaction. According to Cronin and Taylor (1992), factors like price, convenience, or availability may have an effect on satisfaction and consequently purchase intention [28]; but may not at all affect the perception of service quality. Lee suggests that because of this, service managers should not only focus on service quality improvement, but also try to locate and control variables that are related to customer satisfaction but not necessarily related to service quality [31].

Furthermore, Karatepe indicated that service quality has been the main focus of many studies in the field of services marketing nevertheless and Legcevic stated that there is no universally agreed upon definition of service quality although most of them are close in meaning [35,36]. Before presenting the different definitions of service quality, the term "quality" should be discussed. Quality has been generally defined as the customer's overall impression of the relative inferiority or superiority of the organization and its services. Whereas, service quality is considered the "perceived quality" of services [37,38] and a "complex construct" [35]. It is distinct from "objective or actual quality" since it is based on consumer judgment [37]. Parasuraman present Lewis and Booms' definition of service quality declaring that it is "a measure of how well the service level delivered matches customer expectations [39]. Delivering quality service means conforming to customer expectations on a consistent basis". However, according to Spathis [40], perceived service quality is a customer's "judgment on the overall service"; hence, it is an "attitude". Moreover, Fogli present a similar definition declaring that service quality is "a global judgment or attitude relating to a particular service" and add that service quality is "a cognitive judgment" [41]. Therefore, the focus in this study is on the subjective perception of service quality; that is, from the point of view of customers trying to understand their own perceptions and find a better way to serve them.

Researchers have defined customer perceptions as global judgments of customers relating to the superiority of a service, which is influenced by a number of factors including education level and social background [42-44], consumers' beliefs concerning the service received [38], consumer directed interactions with services [45], the evaluation of customers when interacting with the service at a specific moment in time [11,46], consumer judgment of the actual service performance [39], the process by which an individual selects, interprets and organizes stimuli into a coherent and meaningful image of the world [47], and customers' opinions of the service or product. More precisely, customer perceptions are consumer judgments on the actual service performance. This is connected to how customers see and assess the quality of service they actually receive. More significantly, their evaluation and judgment on it will determine their perception. For instance, if they are satisfied

after evaluating and judging the service they have received then their perceptions should be high.

Based on the literature studies regarding the service quality concept, measuring service quality, a summary can be drawn that the literature review in this research starts by examining various definitions and meanings attributed to the concept of service quality, the importance of service quality, and how service quality can be improved. It also explored the measurement of banking service quality, and the outcomes seem to suggest that service quality levels in banks can be measured.

The rationale behind this research, focusing on the literature studies, is to enable the researcher to undertake quantitative research, aimed not only at examining the meaning of service quality and how service quality can be measured, but also to assist in exploring answers to research questions. To address research questions, the researcher explored issues set out within the main research aim and research objectives which are:

- What do retail customers perceive as quality service?
- Of these factors which ones are significant?
- What factors constitute quality service?

The broad objective of the study is to assess Retail customers perception of quality service using a modified Servqual scale and to determine relative influence of each dimension in determining overall service quality

The specific objectives are to:-

- Identify factors that influence customers perception of service quality
- To determine the significant factors that influence customer's perception of quality service.
- Define service quality through tracing out customers' expectations
- To provide suggestions and recommendations.

It can be seen that the research questions and objectives provide the need for exploring further studies on the issues associated service quality especially in Zambia.

The conclusions arising from this review are summarized below:

- Within the literature there are various definitions of service quality aimed at contributing to the meaning of service quality.
- By gathering the most commonly used definitions in the literature from the last four decades, it is possible to emphasize that service quality means meeting customer satisfaction, meeting customer expectations and meeting service specifications [42,48].

It was also found that there is an overlap between the three definitions that cannot be separated since they are dependent on each other, for example, by meeting service specifications, the customer expectations and satisfaction will be met. These three definitions are more acceptable to this research. More importantly, this research adopted the modified SERVQUAL scale to measure perception service quality.

- The review of various service quality models revealed that the models, in addition to their evident role in conceptualizing service quality, also provided key elements to service quality measurements and improvements. In other words, the models suggested a number of facets which can lead to an improvement in service quality levels such as a clear understanding of service quality and the factors influencing it, the measurement of service quality and feedback, clear market, customer focus, customer care, an effective processes and system and motivated staff.

- The theoretical framework of service quality can be described through two schools of thought. These are the North American School (Gap Analysis Model) and the Nordic School. The North American School is the most widely reported theoretical framework in the literature proposed by Parasuraman [38]. The model identified a set of gaps existing between customer perceptions and the tasks associated with service delivered. These gaps are measured by the difference between the two scores - performance-minus-expectation (P-E). While the Nordic School, proposed by Gronroos [12], suggests that service quality is conceptualized as the result of comparisons between perceived and expected service, with perceived service quality being influenced by technical and functional dimensions.
- To help conceptualize service quality, service quality models were classified into three types: multidimensional reflective models (hierarchical model); multidimensional formative models (SERVQUAL); and multidimensional formative-reflective models (Brady and Cronin's hierarchical model). This research adopted a multidimensional formative model based on SERVQUAL, as the most appropriate scale for measuring perception of service quality by retail customers at Finance Bank.
- The review of the literature also found that the SERVQUAL instrument had been replicated and modified specifically for the banking-service sector [49-51]. It was also found from the review that despite the widespread usage of the SERVQUAL instrument, it was questioned in terms of theoretical and operational criticisms which led researchers to agree on possible modifications of SERVQUAL based on the type of service industry under review [51-53]. The researcher selected a modified version of the original SERVQUAL scale and specifically suits research conducted within the banking sector. It includes five dimensions from the SERVQUAL scale (assurance, tangibles, responsiveness, empathy and reliability) and three additional dimensions related to banking (access, image, convenience and ATM effectiveness).
- The review of literature found that there have been negligible studies on service quality in Zambia even though some isolated studies were done in South Africa and Kenya.

Methodology

A preliminary study was undertaken to examine Finance Banks' retail customers' perception of service quality using a modified Servqual scale. Pilot studies have several advantages, the main one being providing warnings about where failures might occur in the research project and whether the instruments used are unsuitable or too complex. The finding of the study revealed that most of the respondents rated all service dimensions namely-tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness as critical. The preliminary study served as a base and suggested the direction to the current study to further study Finance Bank retail customer's perception of quality service.

To address this research issue, a research framework exhibited based on a modified SERVQUAL scale as the foundation of the theoretical basis has been used to probe customer's perception of service quality. In addition to the original variables of SERVQUAL scale, namely tangibility, responsiveness, empathy, assurance, reliability, other variables such as convenience, image, access and ATM effectiveness were integrated into the model.

Other than that, the nine main variables of the modified SERVQUAL scale had their individual attributes outlined for each service dimension as exhibited under Annexure 1.

The study examined the nature of factors that influence customer's perception of quality service. The research problem was anchored at exploring retail customer's perception of quality service and the relative influence of each service dimension in determining overall service quality. Finance Bank Zambia Plc is a private sector indigenous bank in the country. It is now 25 years old and has 35 branches and 20 agencies throughout the country. This is an analytical study based mainly on the primary data collected through a scientifically developed questionnaire and Secondary information sources. Based on the outcomes originating from the literature review, this research has used a modified SERVQUAL scale. This approach was seen as the most suitable and helped in the comparison of retail customers with bank branch staff in terms of perception of service quality, thus addressing the research aims, questions and objectives (Figure 1).

The selected scale was piloted for scale validity and modification before the main data collection. After preparing the questionnaire in its final version, 540 questionnaires were administered to retail customers and branch staff based on the selected sampling procedure.

The questionnaire to customers was administered on a sample size of 357, chosen on a convenient basis across the branch network. The questionnaire to staff was e-mailed to a sample of 124 staff chosen on a convenient basis across the branch network. The nine independent variables are tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness. The dependent variable is customer satisfaction. A 4-point Likert type scale was used for rating of customers and staff perception of quality service. The scale is represented as follows: 1=unimportant, 2=some importance, 3=important and 4=very important. The influence of a particular factor was measured both by a mean index score and the percentage of customers indicating that a factor was either very important or important in their decision. A critical factor will be characterised by a mean index score of 2.0 or greater and for which 50% or more customers affirmed it to be very important or important. In order to test the hypotheses factors pertaining to a certain service dimensions were tested.

Statistical methods have been used to help address the research aims, questions and objectives. These statistical methods are as follows: frequencies - to describe the respondent's characteristics; means - to identify level of perception (questionnaire statements); Independent-Samples T-Test - to identify the significance of differences in the means of retail customers and branch staff perceptions of quality service; factor analysis: to identify the differences between customers and bank branch staff in terms of the degree of importance they attach to various dimensions of service quality and Cronbach's coefficient alpha test: to examine scale reliability and internal consistency.

Measurement of reliability

The SERVQUAL questionnaire was the instrument of choice in this research project and was originally developed in 1985 by Parasuraman, Berry and Zeithaml. Critics of the SERVQUAL instrument include Brown [54], who tested the instrument and showed strong reliabilities for both the expectation (0.94) and perception (0.96) component of the questionnaire using Cronbach's Alpha, suggesting high levels of reliability and internal consistency [54].

According to Zeithaml [55], published studies have used SERVQUAL and adaptations of it in a variety of service contexts

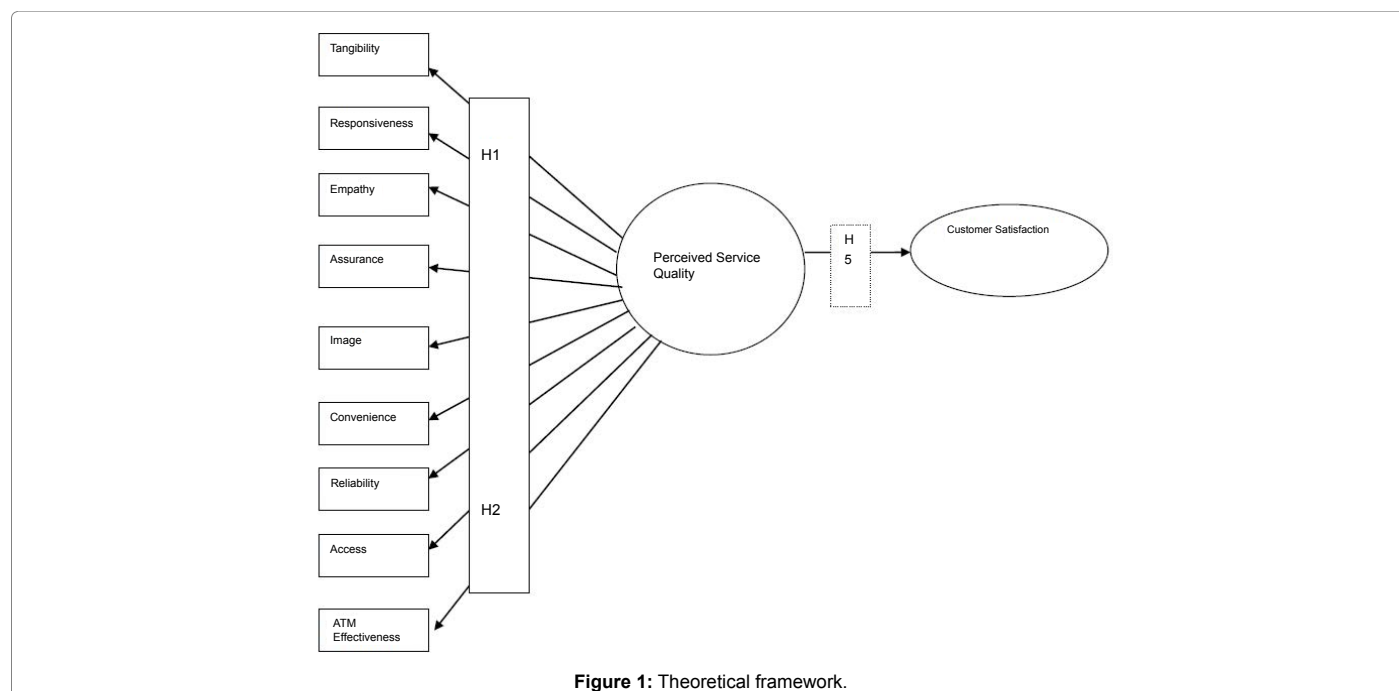


Figure 1: Theoretical framework.

including real estate brokers, hospitals, banks and higher education. Based on the fact that SERVQUAL has proven to be the most extensively utilized instrument in the service quality field of study, the researcher opted to use SERVQUAL modified manner with additional dimensions as the basis for measuring customers and staff perception of service quality at Finance Bank. However, a reliability test was carried out.

Empirical Findings

This section explains the empirical findings of the study based on the primary data analysis and second information to show the contribution of the study in the field of banking service quality issues and customer acceptability to the services provided by the bank under study.

Demographic profile of respondents

The questionnaire was designed to obtain information about the user groups, age, gender, education and their occupation. In total 383 questionnaires were distributed to branches for customers and 167 to staff. A total of 540 questionnaires were distributed of which 307 and 157 were for customers and staff respectively. The response rate for customers was at 80% and that of staff at 79%. The overall response rate stood at 80% as illustrated under table below. Annexure 2 shows the combined demographic profiles of respondents.

Gender - There was a total of 431 respondents of which male were 207 representing 48% and 224 female constituting 52%.

Age - The age distribution in year was that 18-25 age group, 119 respondents representing 28%, 26-35 age group, 113 respondents representing 26%, 36-45 age group, 155 respondents representing 36% and 46-55 age group, 44 representing 10%.

Education - There were 270 respondents with college level education representing 63%, 72 respondents with Bachelor degrees representing 17%, 45 respondents had masters degrees representing 10% and 44 respondents had doctoral qualifications.

Occupation - Out of the 431 respondents, 44 were accounts

representing 10%, professionals 212 representing 50%, 131 school teachers representing 30% and 44 self-employed representing 10%.

Discussion on descriptive statistics of customers' perception

The following are discussions on each of the parameters of retail customers and staff perception of service quality and refer to Annexure 3 for actual statistics:

- Tangibility is a critical factor as the mean index score was above rating of 2 and responses of 3=important and 4=very important were above 50%. There have been complaints raised in relation to state of branch infrastructure, poor internet banking channel and long queues at ATMs. The bank has put emphasis on tangibility issues as evidenced by renovations that are going, system upgrade and installation of ATMs in strategic locations. It is very important for the bank to invest in modern looking equipment especially those that interface with the customer such as ATMs. For visually appealing physical facilities, the bank has to invest in modern looking branch infrastructure. Distribution channels are keys and as such the physical branch foot print has continued to grow. The ATM foot print has equally continued to grow as this critical in reducing distance to bank and are usually installed in strategic locations that are easily accessible. There has been growth in additional self-service banking channels such mobile banking and internet banking that tends to promote remote banking.
- Responsiveness is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it of Staff telling customers when services will be performed, prompt service, Staff willingness to help, ATMs responsive to financial requests and Reliable on line banking. This is consistent with customer complaints that have been received.
- Empathy is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it of Bank employees

give customers individual attention, Bank employees deal with customers in a caring way, Bank employees have the customer's best interest at heart and Bank employees understand the needs of customers. This is consistent with customer complaints that have been received.

- Assurance-is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it are Bank employees make customers feels safe in their transactions, Bank employees instil confidence in customer, Bank employees are consistently courteous, and Bank employees have knowledge to answer customer questions.
- Image is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it are Bank highly reputable, Services of the bank by people I do business with and Services of the bank have a high image in the society.
- Convenience-Convenience is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it are ATM conveniently located, Special services/counters for elderly /disabled, clear guidance on how to use banks services and facilities and convenient operating hours.
- Reliability-Reliability is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it are No contradictions in decisions between staff and management, Delivering when promised, Feeling of security, Absence of errors in security, Good reputation, well trained staff, Precision of filing systems and Indication (communication) of quality.
- Access is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it are waiting not to long, Queues that move rapidly, sufficient number of open tellers, No delays due to bureaucratic factors and procedures and sufficient number of ATMs per branch.
- ATM effectiveness is a critical factor as the mean index score was above 2 and responses of 3=important and 4=very important were above 50%. The service attributes under it are Safe to use ATMs, Easy to use and directions clearly provided, Always operating well, Always responding to financial requests and Services designed to serve best interest of customers.

Hypothesis testing

The hypothetical assumptions informed the basis of this research study, as this research measures retail customers and bank branch staff perception of service quality using a modified Servqual scale. The modified Servqual scale originating from the earlier discussion in Chapter Three of this research entails the service quality dimensions of tangibility, responsiveness, empathy, assurance, image, convenience, reliability, and access and ATM effectiveness. These nine service quality dimensions were used to determine and assess perception of service quality by branch staff and customers. Research hypotheses generated and developed based on the nine service quality dimensions of the modified Servqual scale. Additionally, the literature supported the view that addressing every service quality dimension was vital. The following hypotheses were therefore, subjected to statistical test and outcomes are stated below.

H1₀: The customer's perception of service quality is not dependent on tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness.

H1_a: Customers perception of service quality is dependent on tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness.

H2₀: There is no significant difference in influence of different factors on customer's perception of service quality.

H2_a: There is a significant difference in influence of different factors on customer's perception of service quality. In order to further examine other relationships, the following hypothesis needed to be tested.

H3₀: There is no difference between customer's perception of service quality and that of staff.

H3_a: There is a difference in customer's perception of service quality and that of staff.

H4₀: There is a significant relationship between perceived service quality and customer satisfaction.

H4_a: There is no relationship between perceived service quality and customer satisfaction.

H5₀: There is a difference in perception of service quality based on gender.

H5_a: There is no difference in perception of service quality based on gender.

Hypothesis test results

The following measures will be used in the test of hypothesis.

- Statistical correlation was used to understand the relationship between research variables. It was used to understand whether the relationships were positive or negative and the strength of the relationship. Statistical correlation is measured by what is called coefficient of correlation (r). Its numerical value ranges from +1 to - 1. It gives an indication of the strength of relationship. In general, $r > 0$ indicates positive relationship, $r < 0$ indicates negative relationship while $r=0$ indicates no relationship (or that the variables are independent and not related). Here $r=+1.0$ describes a perfect positive relation and $r=-1$ describes a perfect negative correlation. Closer the coefficients are to +1.0 and -1.0; greater is the strength of the relationship between the variables. Correlation is suitable for examining the relationship between meaningful quantifiable data rather than categorical data.
- Independent-samples t-test is used to compare "the mean scores of two different groups of people", for example men and women, and check whether the difference between them is "real or statistically significant". Therefore, the objective of using the t-test is to test the "null hypothesis that two population means are equal". This method is used when the dependent variable, whose mean scores of two different populations are under investigation, is a continuous variable according to Pallant, like overall perceived service quality and customer satisfaction in the context of this study. The assumptions that need to be checked before using the independent-samples t-test is that all the observations are independent, and that the data is coming from a population with normal distribution if the sample is small, less than 40; otherwise there is no need to check the assumption of normality according to Norusis, which applies to this study having a large population of 431 respondents. The t-statistic is the "ratio of the difference between the two sample means divided by the standard error of the difference".
- Regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for

modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables (or 'predictors'). More specifically, regression analysis helps one understand how the typical value of the dependent variable (or 'criterion variable') changes when any one of the independent variables is varied, while the other independent variables are held fixed. Most commonly, regression analysis estimates the conditional expectation of the dependent variable given the independent variables – that is, the average value of the dependent variable when the independent variables are fixed. Less commonly, the focus is on a quartile, or other location parameter of the conditional distribution of the dependent variable given the independent variables. In all cases, the estimation target is a function of the independent variables called the regression function. In regression analysis, it is also of interest to characterize the variation of the dependent variable around the regression function which can be described by a probability distribution.

- Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance that is observed in a much larger number of manifest variables. Factor analysis can also be used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis (for example, to identify collinearity prior to performing a linear regression analysis).

Hypothesis 1

H_{1o}: The customer's perception of service quality is not dependent on tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness.

H_{1a}: Customers perception of service quality is dependent on tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness.

Using paired sample statistics and paired sample correlation the null hypothesis was rejected and alternative hypothesis retained implying that customer's perception of quality service was dependent on tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness (Table 1a).

Pair 1-9 is the list of variables. N is the number of valid (i.e., non-missing) observations used in calculating the t-test. Correlation - This is the correlation coefficient of the pair of variables indicated. This is a measure of the strength and direction of the linear relationship between the two variables. The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all. (A variable

correlated with it will always have a correlation coefficient of 1.) The correlation coefficient explains the extent to which you can guess the value of one variable given a value of the other variable. Sig - This is the p-value associated with the correlation. Here, correlation is significant at the .05 level (Table 1b).

Pair 1-9 is the list of variables. Mean are the respective means of the variables. N - This is the number of valid (i.e., non-missing) observations used in calculating the t-test. Std. Deviation - This is the standard deviations of the variables. Std Error Mean - Standard Error Mean is the estimated standard deviation of the sample mean. This value is estimated as the standard deviation of one sample divided by the square root of sample size. This provides a measure of the variability of the sample mean which in this case is zero.

Hypothesis 2

H_{2o}: There is no significant difference in influence of different factors on customer's perception of service quality.

H_{2a}: There is a significant difference in influence of different factors on customer's perception of service quality.

Using paired sample correlation test and factor analysis the null hypothesis was retained and alternative hypothesis was dropped implying there was no significant difference in influence of different factors on customer's perception of service quality (Table 1c).

Pair 1-9 is the list of variables. N is the number of valid (i.e., non-missing) observations used in calculating the t-test. Correlation - This is the correlation coefficient of the pair of variables indicated. This is a

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Efficiency	3.3	307	0.625	0.036
Pair 2	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Access	3.356	307	0.4731	0.027
Pair 3	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Reliability	3.4023	307	0.39583	0.02259
Pair 4	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Convenience	3.371	307	0.5118	0.0292
Pair 5	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Image	3.4375679	307	0.384891	0.0219669
Pair 6	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Assurance	3.5049	307	0.37483	0.02139
Pair 7	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Empathy	3.394	307	0.4337	0.0248
Pair 8	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Responsiveness	3.451	307	0.3854	0.022
Pair 9	Perceived quality	3.3911208	307	0.4046426	0.0230942
	Tangibility	3.3013	307	0.56285	0.03212

Table 1b: Paired samples statistics.

		N	Correlation	Sig.
Pair 1	Perceived quality and Efficiency	307	0.824	0
Pair 2	Perceived quality and Access	307	0.975	0
Pair 3	Perceived quality and Reliability	307	0.955	0
Pair 4	Perceived quality and Convenience	307	0.922	0
Pair 5	Perceived quality and Image	307	0.948	0
Pair 6	Perceived quality and Assurance	307	0.741	0
Pair 7	Perceived quality and Empathy	307	0.844	0
Pair 8	Perceived quality and Responsiveness	307	0.846	0
Pair 9	Perceived quality and Tangibility	307	0.854	0

Table 1a: Paired samples correlations.

		N	Correlation	Sig.
Pair 1	Perceived quality and Efficiency	307	0.824	0
Pair 2	Perceived quality and Access	307	0.975	0
Pair 3	Perceived quality and Reliability	307	0.955	0
Pair 4	Perceived quality and Convenience	307	0.922	0
Pair 5	Perceived quality and Image	307	0.948	0
Pair 6	Perceived quality and Assurance	307	0.741	0
Pair 7	Perceived quality and Empathy	307	0.844	0
Pair 8	Perceived quality and Responsiveness	307	0.846	0
Pair 9	Perceived quality and Tangibility	307	0.854	0

Table 1c: Paired samples correlations.

measure of the strength and direction of the linear relationship between the two variables. The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all. (A variable correlated with it will always have a correlation coefficient of 1.) You can think of the correlation coefficient as telling you the extent to which you can guess the value of one variable given a value of the other variable. Sig - This is the p-value associated with the correlation. Here, correlation is significant at the .05 level.

Factor analysis was further undertaken as it identifies underlying dimensions within a list of separate variables was found suitable for the importance data though here also couple of items loaded heavily into more than one factor namely Tangibility and responsiveness. The extracted components explain nearly 95% of the variability in the nine original variables, so complexity can be reduced by using these components with only 5% loss of information. Principle component analysis was undertaken and the two underlying dimensions which emerged from the analysis are classified below (Table 1d).

The above table shows that the actual factors that were extracted. Under the column on 'Rotation Sums of Squared Loadings', it shows those factors that met the cut-off criterion (extraction method). In this case, two factors with eigenvalues greater than 1. The per cent of variance indicates how much of the total variability can be accounted for by each of the factors and this case Tangibility accounted for 78% and Responsiveness accounted for 95%.

Hypothesis 3

H_{3o}: There is a difference between customer's perception of service quality and that of staff.

H₃: There is no difference in customer's perception of service quality and that of staff.

The Mann-Whitney U test was used to compare differences between two independent groups when the dependent variable is either ordinal or continuous, but not normally distributed. The Mann-Whitney U test is often considered the nonparametric alternative to the independent t-test although this is not always the case. This was done to determine whether there was a significant difference between staff and customers perception of service quality and the null hypothesis was rejected implying there was no difference between customer's perception of service quality and staff (Table 2a).

Hypothesis 4

H_{4o}: There is a significant relationship between perceived service quality and customer satisfaction.

H_{4a}: There is no relationship between perceived service quality and customer satisfaction.

Using a paired sample t-test and regression to determine whether there was a relationship between perceived service quality and customer satisfaction, null hypothesis was accepted implying there is a significant relationship between perceived service quality and customer satisfaction.

Through Kruskal-Wallis H test (sometimes also called the "one-way ANOVA on ranks") a rank-based nonparametric test that can be used to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable. It is considered the nonparametric alternative to the one-way ANOVA, and an extension of the Mann-Whitney U test to allow the comparison of more than two independent groups. With a Sig .value of 0.855 associated with the correlation, the correlation was significant at the .05 level and the null hypothesis was retained (Table 2b).

Using regression (Table 3);

Model - SPSS allows you to specify multiple models in a single regression command. This tells you the number of the model being reported. R - R is the square root of R-Squared and is the correlation between the observed and predicted values of dependent variable. R-Square - This is the proportion of variance in the dependent variable (satisfaction) which can be explained by the independent variables (tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness). This is an overall measure of the strength of association and does not reflect the extent to which any particular independent variable is associated with the dependent variable. Adjusted R-square - This is an adjustment of the R-squared that penalizes the addition of extraneous predictors to the model.

The R square statistic represents how much of the variance in the response is explained by the weighted combination of predictors. The closer the R square to one, better the model fit. Regressing preference on the six predictors results in R square of 0.899 or 90% of variance in the preference rankings being explained by the predictor variables in the linear regression.

Hypothesis 5

H_{5o}: There is no difference in perception of service quality based on gender.

H_{5a}: There is a difference in perception of service quality based on gender.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.042	78.244	78.244	7.042	78.244	78.244	4.585	50.943	50.943
2	1.506	16.739	94.983	1.506	16.739	94.983	3.964	44.04	94.983
3	0.293	3.26	98.243						
4	0.112	1.246	99.489						
5	0.035	0.393	99.882						
6	0.011	0.118	100						
7	4.42E-06	4.91E-05	100						
8	3.40E-15	3.78E-14	100						
9	-5.15E-16	-5.73E-15	100						

Extraction Method: Principal Component Analysis.

Table 1d: Total Variance Explained.

	Null Hypothesis	Test	sig.	Decision
1	The distribution of perceived quality is the same across categories of Staff/Customer	Independent samples Mann-Whitney U Test	.000	Reject the null hypothesis

Asymptotic significances are displayed. The significance level is 0.05.

Table 2a: Hypothesis test summary.

	Null Hypothesis	Test	sig.	Decision
1	The distribution of perceived quality is the same across of Satisfaction with services.	Independent samples Kruskal-Wallis Test	0.855	Retain the null hypothesis

Asymptotic significances are displayed. The significance level is 0.05.

Table 2b: Hypothesis test summary.

Using t-test to ascertain whether there was a difference in perception based on gender under model summary output below under model summary came out.

T-Test (Table 4a)

The above output shows that the average for Males is 68.10 and Females 70.30 (Table 4b).

The significance value of the statistic is 0.493 and because this is greater than 0.10, it can be assumed that both males and females have equal variance implying there are differences in perception of service quality arising from gender.

With the results presented thus far, this thesis is ready to evaluate on the hypotheses previously set upon in the beginning of section 3.3. The results of those hypotheses are listed in the table below (Table 4c).

Conclusion and Implications

The purpose of the study was to assess Finance Banks retail customers' perception of service quality using a modified Servqual scale. The findings of the study have revealed that most of the respondents rated all service dimensions namely-tangibility, responsiveness, empathy, assurance, image, convenience reliability, access and ATM effectiveness as important.

Based on statistical tests carried out it has been found that - customer's perception of service quality is dependent on tangibility, responsiveness, empathy, assurance, image, convenience reliability, access and ATM effectiveness.

There is no significant difference in influence of different factors on customer's perception of service quality and there is equally no difference in perception of service quality between customers and bank branch staff. There is a significant relationship between perceived quality and customer satisfaction and there is equally no difference in perception of service quality between male and female customers.

Based on the data collected from the 307 respondents a mathematical expression was formulated to determine the percentage level of satisfaction based on the data given.

To come up with the mathematical expression, the following was done:

- 'No' was represented by 1 while 'Yes' was represented by 2.
- The average score for all the nine attributes by each respondent were calculated.
- This score was then divided by four expressed as a percentage.
- For any respondent that gave a 'No' 30% was subtracted from the answer above. It was observed that respondents would give

high score to the individual attributes but end up saying 'No'. By subtracting 30% bias and other attributes influencing the scores are adjusted for.

- For those that gave yes, no changes were made.

The answer above gives the level of satisfaction expressed as a percentage.

"Equation 5.1"

$$Y = -55.518 + 2.572X_1 + 4.327X_2 - 0.731X_3 + 6.250X_4 + 12.292X_5 - 0.350X_6 + 27.707X_7$$

Where X_1 = Tangibility

X_2 = Responsiveness

X_3 = Assurance

X_4 = Convenience

X_5 = Reliability

X_6 = ATM Effectiveness

X_7 = Satisfaction

The model is 94.8% accurate as exhibited under Equation 5.1.

Predictive model results

Modern banking business is significantly influenced by the process of globalization. The impact is expressed, mainly, in financial market liberalization that, in turn, causes increased competition. To survive in a competitive struggle, banks should offer their customers affordable innovative products, because the competitive power of a bank is largely defined by the degree of its conformance to customer needs. In the information age, organizations require new capabilities for competitive success, such as customer relationships, product innovation, customized products, employee skills, motivation, and information technology (Table 5).

Many researchers believe that success of a bank depends directly on the bank's ability to capture and retain clients, as well as on intensity of relationships with clients. In turn, the human factors – bank employees – are the key instrument to enhance value of products and services perceived by customers. Thus, it is extremely important to determine factors affecting service quality, and to examine the gaps in customers' and employees' perceptions of these factors.

It is vital at this stage now to conclude on the main findings of the research. In order to facilitate this main findings are recapitulated below.

The findings of the study have revealed that most of the respondents rated all service dimensions namely-tangibility, responsiveness, empathy, assurance, image, convenience reliability, access and ATM effectiveness as important.

The research findings also support the following hypothesis.

H1₀: The customer's perception of service quality is dependent on tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness.

H2₀: There is no significant difference in influence of different factors on customer's perception of service quality.

H3a: There is no difference in customer's perception of service quality and that of staff.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.948 ^a	0.899	0.896	5.769	0.899	379.044	7	299	0

^aPredictors: (Constant), Satisfaction, Reliability, ATM Effectiveness, Responsiveness, Tangibility, Assurance, Convenience.

Table 3: Model summary.

	Sex	N	Mean	Std. Deviation	Std. Error Mean
Satisfaction _level _percentage	1	175	68.1	19.542	1.477
	2	132	70.3	15.49	1.348

The above output shows that the average for Males is 68.10 and Females 70.30.

Table 4a: Group statistics.

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Satisfaction_level_percentage	Equal variances assumed	0.472	0.493	-1.067	305	0.287	-2.203	2.065	-6.267	1.861
	Equal variances not assumed			-1.102	304.228	0.272	-2.203	2	-6.139	1.732

Table 4b: Independent samples test.

Hypothesis	Description of Null hypothesis	Remarks
Hypothesis 1	The customer's perception of service quality is not dependent on tangibility, responsiveness, empathy, assurance, image, convenience, reliability, access and ATM effectiveness.	Rejected
Hypothesis 2	There is no significant difference in influence of different factors on customer's perception of service quality.	Retained
Hypothesis 3	There is no difference between customer's perception of service quality and that of staff	Retained
Hypothesis 4	There is a significant relationship between perceived service quality and customer satisfaction	
Hypothesis 5	There is no difference in perception of service quality based on gender	Retained

Table 4c: Hypothesis Evaluation Summary.

H₄₀: There is a significant relationship between perceived service quality and customer satisfaction.

H₅_a: There is no difference in perception of service quality based on gender.

As observed from the study, customer's expectations are high and calls for consistent delivery of high service quality. Service quality is an antecedent of customer satisfaction. There is obvious need to pay attention to quality.

In order, to manage service quality successfully, there is need to know the level of service customers expect. The bank should run surveys. Once what customers expect is known the position to deliver is solid. Frequently the easiest way to improve service quality is by providing front-line staff with more training. This gives customer contact a more solid background in solving problems and completing transactions more quickly. Another technique to improve quality is to

Satisfaction with services	Satisfaction with services	Level of satisfaction %	Expected level of satisfaction % (with model)
Yes	2	74.68	72.96
Yes	2	66.97	64.97
Yes	2	83.38	81.05
Yes	2	91.97	89.33
Yes	2	83.59	81.26
Yes	2	91.62	89.26
No	1	70	69.63
Yes	2	74.68	72.96
Yes	2	66.97	64.97
Yes	2	83.38	81.05
Yes	2	91.97	89.33
Yes	2	83.59	81.26
Yes	2	91.62	89.26
Yes	2	100	97.34
Yes	2	74.68	72.96
Yes	2	66.97	64.97
Yes	2	83.38	81.05
Yes	2	91.97	89.33
Yes	2	83.59	81.26
Yes	2	91.62	89.26
Yes	2	100	97.34
Yes	2	74.68	72.96
No	1	36.97	37.26
No	1	53.38	53.34
No	1	61.97	61.62
No	1	53.59	53.55

Table 5: Predictive model results.

provide additional automated equipment. It is very common now that service providers have websites, toll free phone lines, 24 hour automatic access to account data for this allows greater customization of service.

Recommendations

Research of this nature is of great importance to the bank so that the institution can implement an appropriate set of processes to continuously review and refine customer service quality. Customer expectations based on perception are high based on the results from this survey and calls for customer service improvements to be put in place. The following recommendations are, therefore, made:

- With respect to service quality, branch managers should focus on improving all these nine dimensions.
- However, on the overall improvement of all nine dimensions of service quality, it is recommended that management invests in effective human resources programs to recruit, select, train, and support qualified employees. The selection process of employees should depend on finding certain qualities in potential candidates especially for reliability and empathy. For employees to be reliable, they should be ready to deliver on time, be sympathetic and understanding, reassuring and comforting, be dependable, and keep accurate records. To show the needed empathy, they need to have the ability to give personal attention, respond promptly to customer requests, attend accurately to customer needs, and be willing to help customers at any time. After selecting the right people with the basic qualities of reliability and empathy, managers should train these employees on providing better customer service and reveal their capabilities of being reliable and empathetic in the right way.
- Managers should provide adequate support to customer service employees especially when a problem arises.
- Front liners at the bank should be continuously trained and retained to improve their competency and on-the-job training is not enough; it has to be supported by training on soft skills, for instance, handling customer objections, service recovery, and effective communication skills.
- In addition to investing in reliable and empathetic employees, the bank should create a culture that focuses on quality customer service and customer satisfaction. Having a high-quality-supportive culture is extremely essential for service organizations. Members of the bank staff, from the highest to the lowest position, should have service quality and customer satisfaction at heart, and perform their jobs accurately to serve that purpose. With this culture instilled, the bank would be able to maintain a trust-worthy workforce that helps the customers feel safe when dealing with the bank.
- All channels operated by the bank should be easy and convenient to access since waiting is unsatisfying for customers. Therefore, the bank must think of innovative ways to create additional types of channels to connect with customers through exploiting new technological breakthroughs to reduce waiting time and service access effort for customers i.e. Internet Banking, Mobile Banking and Agency Banking.
- As for improving the tangibility dimension, bank management should invest in the interior design of the branches to portray a professional image. This is highly recommended in the sections where customers are most likely to visit, such as the front desk or counter, and managers' offices. Therefore, the physical facilities should be visually appealing and consistent with the type of service provided. In addition to that, all bank employees should maintain a professional look by dressing formally and

neatly. The bank should maintain a network of enough and easily accessible ATMs and branches to serve the geographically dispersed target markets. Finally, the bank should make sure that each of the equipment used are also up-to-date, reliable and consistent.

- The bank should continuously and consistently review the service quality levels looking for discernments about what areas need more scrutiny for enhancement or retention. This would definitely aid banks in the process of formulating appropriate strategies and adapting quickly to the changing behaviour of bank customers. Moreover bank products/services should be designed using the customer perspective. This means that managers should first comprehend customer needs, wants, and desires to maximize customer satisfaction levels.
- Finally Branch Managers are advised to adopt FBSQPT1 questionnaire and use as a tool to collect customer feedback.

However, recommendations for improvements in the satisfaction gaps noticed include the following:-

- The bank should have measures of performance based on rigid measure of customer satisfaction. The measures should be regularly monitored and fed back to all internal stakeholders and a system of planning put in place to close all any gaps between actual performance and expectations;
- Teamwork should be encouraged to create the best influence of synergy by offering team building training and rewarding team efforts with group incentives;
- Winning the "hearts and minds" of employees and cultivating motivation and commitment amongst the staff should remain a key issue. The Senior Management Team must strive to share the bank's vision, mission and values and ensure that it becomes a reality, and also foster and promote an environment where people feel secure, trusted and respected;
- Timely and accurate data are a prerequisite of effective, quality-related decision-making. Quality information systems and quality databases need to be developed further in order to facilitate this accuracy. Feedback of internal and external data is a key issue;
- Most service quality problems are caused by poor communications. The bank needs to develop effective methods and channels which encourage open and honest communication between employees at all levels and customers; and
- Quality must start with education. The bank must invest to train employees at all levels in improvement skills in order to facilitate changes in behavior and attitude.

Limitations of the Study and Future Research

Limitations and constrictions exist within every field of study and research. This is simply because not one study is capable of comprehensively dealing with every aspect involved, studying all variables under all conditions and in all contexts, and using all different methodologies available. This research only adds a brick to the overall body of knowledge, thus it is only obvious that constraints exist. The following section presents all the possible limitations of the study; Limitations due to the constraint to a specific customer segment, Limitations due to the probability of having additional dimensions affecting service quality, Limitations due to the possibility of the presence of additional demographic-related differences and Limitations concerning the methodology followed.

Future research can build on this study's interesting findings and add further value through two approaches: research model consolidation and research model extension. Relative suggestions are put forward. The research model could be consolidated through eliminating or dealing with the limitations discussed above to reach a better understanding of perceived service quality and customer satisfaction in the banking industry. The research model could be easily broadened by including new ideas or variables thus transcending the research questions at hand (Annexures 1-4).

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