

# Impact of Customer Service Techniques on Customer Satisfaction in Retail Bank

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## Abstract

The study sought to assess the impact of customer care delivery on customer satisfaction in retail banks. The specific objectives of this study are to examine 1. The impact of customer care delivery the quality of service, effectiveness, complaint handling and interpersonal relationship on customer satisfaction. 2. Examine the mediating role of interpersonal relationships between quality of service, effectiveness, complaint handling and customer satisfaction. The study uses quantitative approach with total of 395 questionnaires was collected from retail bank personnel. The result was analyzed using Structural Equation Modeling. The results of the study indicate that customer care delivery factors significantly impact customer satisfaction. Also, has an impact on Tanzania retail banking sector. In contrast, complaint handling does not impact customer satisfaction for Tanzania retail banks and interpersonal relationship does not have mediating effect on complaint handling and customer satisfaction. However, this study focuses on Tanzania retail banks but the study offers wide knowledge to banking professionals globally so as to improve and widen the scope of quality of customer services delivery for purpose of satisfying customer needs and demands in banking sector.

**Keywords:** Retail banking • Customer Relationship Management • Customer Services Delivery • Satisfaction

## Introduction

The main function of service delivery in any organisation is to provide quality assistance to customers in the process of business transaction. According to Ngo & Nguyen [1] the new trend of service quality makes global business to improve on customer ability by enforcing organisations to work toward new strategies that focus on customers' needs. Paul, Mittal and Srivastav [2] are of the view that, the service quality has a significant impact on the organisation performance, which also extends towards competitiveness among other firms in order to gain and improve quality of services. The quality assistance used by many organisation have always been used to determine the level of customer satisfaction and performance which means that different techniques are used to measure performance and check for customers' satisfaction. Even-though, there are other studies in the customer services sections such as manufacturing, banking, health and other corporate organisations. It is therefore showed that, the vase concept of quality of service is not new and it is has been applied to different organizational sectors [1,3]. However, only a few research has been done to bridge the gap on the new area that focus on quality of customer services delivery on customer satisfaction in retail banking sector [4-6]. The main characterization of customers in the service quality delivery demands 5 dimensions of quality of service - tangibility, uniformity, responsiveness, empathy, dependability and assurance [3,7,8] as the background theory on quality of customer services. Generally, Tanzanian banking sector is one of the crucial service industry in the country that is drastically affected by new global factors such as environmental, scientific, functional and economic factors. This is due to failure to embrace relationship marketing, free and open business transaction, improvement on technology innovation, no new banking regulatory reforms, rendering debilitated services and unresponsive to customers demands [9-11]. However, with the advent of new innovations in banking industries [12-14]. It is now necessary to implement a good service quality delivery in banking industries in order to

maintain business relationship with customers and to improve business integrity. This current study aim at investigating impact of customer service delivery - quality of service, effectiveness, complaint handling and interpersonal relationship to improve customer satisfaction in banks. This research examines the indirect effect of interpersonal relationship on service quality and customer satisfaction; interpersonal relationship on effectiveness and customer satisfaction; and interpersonal relationship on complain handling and customer satisfaction; and also to examine the mediating role of interpersonal relationship between customer service delivery and customer satisfaction in Tanzanian retail banking. With rigorous research on this study, we found no single study in this area considering quality of service, effectiveness, interpersonal relationship, complaint handling and customer satisfaction especially on impact of complaint handling on customer satisfaction and mediating role of interpersonal relationship on complaint handling and customer satisfaction. Also, the research focuses on retail banking sector in Tanzania, most of the retail banks still find it difficult to improve on quality of customer service and the change require to become customer- friendly banks. Again, varieties of studies focus on quality of service in banking sector [15,16] or quality of service on customer satisfaction in banking sector [17-19]. While few studies on some developing country such Jordan, Libya, Nigeria and South-Africa [6,17,20]. However, this study focus on the impact of quality of customer services delivery on customer satisfaction in retail banking sector using Tanzania as a case study which is important to improve and widen the scope of quality of customer services techniques for purpose of satisfying customer needs and demands in banking sector.

## Literature Review and Conceptual Framework

Customer service is considered as one of the processes in an organization which companies operate on to improve their growth and competitiveness [21]. Though, Customer service was mentioned as a hypercritical need and part of factor of competitiveness that establish and sustain a significant relation with customers [17]. Many studies showed that there are relationships Customer service quality and customer satisfaction and also other techniques of managing customer services [22]. According to Lewis and Booms quality service delivery is a process of following customer' desires seamless with the fundamentals of their transactions. Most customers compare the quality of service delivery with their own desire to their previous occurrence, retention and word of mouth [23]. However, many researchers suggested that there

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are many success stories on quality of service delivery in service industries [24-26]. Felix [20] researched on Kigali branches in Rwanda and found that there is evidential and affirmative relationship between service quality and customer satisfaction and word of mouth which include customer loyalty (reliability, responsiveness and assurance) with other service quality as an important factors. Farooq et al. [25] identified seven factors of customer service quality that help in improving strategy of service delivery so as to improve customers' satisfaction. Al-Azzam [6] researched on previous theoretical account of service quality delivery by Parasuraman et al. to examine its impact on customer satisfaction in some banks within Jordan. Also, Narteh [27] studied on retail banks and highlighted that there is strong connection between effectiveness and customer satisfaction which incur to customer loyalty. Kim et al. [28] stated that effectiveness is one of many that is importance in the relationship between service quality and satisfaction. Also, researchers found that service quality measured the service quality of exchanges that are interpersonal in nature [15,29] previous researches have shown that interpersonal relationship and customer satisfaction are positively related to each other [30]. Interpersonal relationship is viewed as a one of the main element for improving the quality of services delivery in organisations also tend to improve satisfaction derived by customers. Many organizations now learn to respond quickly and effectively to the customers' challenges in order to regain trust, correct anomaly and maintain service delivery in accordance with organisational standards. The potentiality of customer service delivery also encompass complaint handling which serve as a critical point to every thriving commercial enterprise or servicing firm, this is because it affects the relationship between customers and organisation [31]. Past researchers suggested prompt handling of the complaints have effect on customer satisfaction, customer repurchase and customer loyalty [32]. In the context of banking, most banks are aware of customers' complaints and when handling the problems properly, the more customers are satisfied and loyal [33]. Generally, acquisition of many factors to customers satisfaction in today's service delivery is vital to achieve success especially in retailing banking systems.

### Impact of Quality of Services on customer satisfaction

Quality of Service in relationship marketing is the bedrock of any for organisational achievement and long-term competitiveness within the industry. The main purpose of organisation is to satisfy customers need, this is to influence more customers, with the service rendered and making them loyal to the product and services in the long term [34-35]. Design a model for Islamic bank that shows impact customer service quality on customer satisfaction using the six dimensions of service quality. Not just Islamic banking (all banking sectors); customer service quality cut across cultural practises, product and service firms, hospital, education, small and medium scale enterprises and manufacturing sectors [8,35,36,37] examine the impact of various customer service quality on customer satisfaction and ascertained that the various customer service quality - multidimensional service quality has a positive and significant impact on customer satisfaction unidimensional scale. However, the focus of every organisation quality of service is understand customers' needs, satisfied customers' intention and to keep improving on quality of service or product that benefits the customers. By improving on quality of service gives a optimistic result on the overall performance an organisation and also extends to adding value to improve quality indirectly assist in improving customer satisfaction [2]. However, both concepts show that the outcome of both is the relationship between the expectations of quality and the effectiveness of the service rendered. Quality of Service is one of the vital constructs for relationship marketing predictor for an effective organisational productivity and customer satisfaction. In recent study, Service quality now serves as the antecedent construct to customer satisfaction while customer satisfaction is consider as dominant factor in most studies [1]. Therefore, the function of quality of service is to understand customers' intent, satisfy with their services and products also help in improving their of necessity as important goal of relationship marketing. From the above studies varieties of research has been done in this area so as to increase the knowledge on quality of customer service in organisation especially in the banking sector. This shows that customer

satisfaction can further be measured in related to more constructs - service quality, employee courtesy, employee expertise, location, efficiency and relationship [2]. Hence, this study hypothesized the following:

H1. The impact of quality of Services is positively related to customer satisfaction.

### Impact of Effectiveness on customer satisfaction

Effectiveness refers to as "how successfully organisations achieve their missions" [38]. It also be can stated that most customer service quality prove to be dependent on the effectiveness of front-line employees in managing customer satisfaction. Hence, the effectiveness of customer service quality is always reflect on the organisation expertise approach towards managing of dealings or activities [39]. This includes well-timed delivery of service and ability and effective way to make customer feel comfortable, contented and customer service inclusion. Effectiveness is closely affiliated with customer service quality able to satisfy their customers [40]. Previous research on effectiveness in banking sector stated that managers need an effective customer relationship management (CRM) to improve their customer satisfaction, loyalty also serves as an opportunities within banking sectors [41]. Basically, one of the roles that effectiveness in banking industry is to satisfied customers. This is consistent with varieties of literature on impact of banking effectiveness on customers [23]. Also, a study on CRM that explore varieties of approaches and established the fact that effective CRM help in satisfying customers [23,42]. Even-though the effectiveness of any organisation does not ascertain the main factor of customer service quality delivery in banks at least, there are studies that relate that effectiveness as part of service quality in banks. Therefore, the study hypothesized that:

H2. The Effectiveness is positively related to customer satisfaction.

### Complaint handling impact on customer satisfaction

Most organisation have been working on ways to provide customers with good quality of services and provide beneficent service that is linked with organisation performance [7]. According to [43], the consequence of customers complaint usually gives the organisation the power to improve on the issues in an innovative way. In banking sector, the term complaint handling is defined as "the extent to which complaints are handled within the bank". However, most retailing banks have issues of customers having one-time inconvenience due to customer switching cost which usually cause dissatisfying experiences and either no complaint or complaint response. Most customers complain, need bank's response so as change their mindset from discontented to satisfaction [44]. Studies by [43], shows that complaint handling has an impact on satisfaction. Therefore, banks in this new generation do not handle complains lightly because customers viewed it as incompetent and lack of customer care. [45] found that there exists relationship between complaint handling and customer satisfaction including the process of handling complains. Hence, the study hypothesized that:

H3. The impact of Complaint handling is positively related to customer satisfaction.

### Mediating Role of Interpersonal Relationship

Most literature on interpersonal relationship reviewed that interpersonal relationship is one of the factor between quality of service and behavioural outcomes [19,46,47] that is it serves as an antecedent factor to customer relationships. Interpersonal relationship plays more an important role in the banking success profile especially in the customer care section. 1. It makes customers feel more connected to the bank 2. Increase high costs of switching [19], i.e. interpersonal relationship increase through face-to-face interaction with customers which graduate into feelings. Therefore, the higher the interpersonal relationship the more personal experiences on services and contiguous receptive bodily contentment. Thus, customers received a lot of benefit from being acquainted with the process and the service providers. In most retail firms, customers are the fore-runner, the link and external representative of any customer services business. According to Ngo [48] interpersonal relationship shows a positive and significant impact and service quality also on customer loyalty and serves as full mediator

for both service quality and customer loyalty. Based on interpersonal relationship, most organisations has turned to modern mode of operations, through effectiveness and efficiency service delivery to achieve better outcomes and performance. This help to enhance customer satisfaction and to constantly fulfilling and modifying customers' needs [49], suggest that interactive effects mediate customer-oriented and personality on customer service performance and complaint-handling. Also, many authors have confirmed that interpersonal relationship can mediate the relationship between quality of service; efficiency of service; complaint handling with customer satisfaction. Specifically, some studies on [45]. Therefore, the study hypothesized that:

H4. The impact of interpersonal relationship is positively related to customer satisfaction

H5. The impact of interpersonal relationship mediates the effect on quality of service with customer satisfaction

H6. The impact of interpersonal relationship mediates the effect on Efficiency of service with customer satisfaction

H7. The impact of interpersonal relationship mediates the effect on complaint handling with customer satisfaction

## Methodology

The conceptual model of this study is shown in Figure 1. The customer service delivery measurement model consist of four dimensions - Quality of service, effectiveness, complaint handling, interpersonal relationship and customer satisfaction. The study uses these dimensions to examine the impact of customer service delivery in Tanzania retail banks. Furthermore, based on the previous studies, Figure 1 shows the relationship between customer service delivery and customer satisfaction; the interpersonal relationship mediating effect on customer service delivery and customer satisfaction.

### Sample and data collection

To obtain the objectives of the study, the research. Therefore, a questionnaire was designed from previous studies that focused on management perceptual experience to measure the constructs and dispersed to the population of the study. The data were collected through self-administered questionnaire survey method from the various administrators and managers of customer service department within Tanzania retail banking sectors and the questionnaire items were carefully modified and replaced to fit the study in the context of Tanzania retail banking sectors. Also, all items used were written in English and validity of the content was ascertained by experts and professional in the field of marketing and retailing services. It is therefore confirmed by group of experts that all items are related and easy to construe. The study was conducted in September-December, 2019, and quasi-convenience snowball sampling method (convenience sampling) was used.

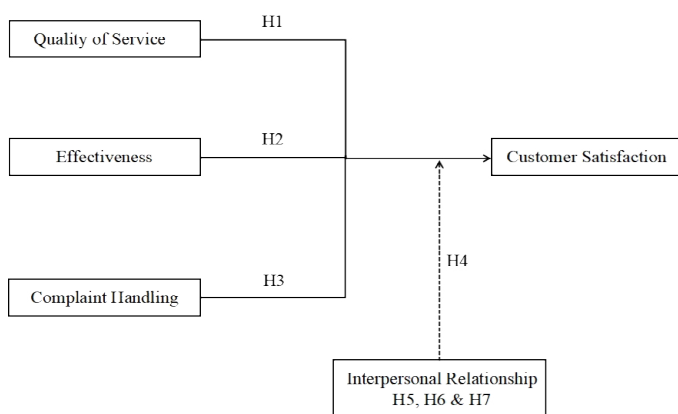


Figure 1. Conceptual model.

The items of the instrument were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) based on the impact of customer service delivery in Tanzania retail banks. In addition, items on service quality were obtained and adapted from. Also, items were obtained for complaint handling and customer satisfaction; items on interpersonal relationship were obtained and adapted from [19] and items on effectiveness were obtained and adapted from [41]. These items reflect on the relationship between customer service delivery and customer satisfaction in Tanzania retail banks. Lastly, demographic profile of respondents of this study is collected and data collection is classified and never to be disclosed to public that is information is kept confidentially. The total number of items use is twenty-one which satisfies the requirement suggested by Kline, (2015). Table 1 summarizes the response rate and a total of 395 questionnaires were collected and were valid and 25 were deleted based on missing data or unavailable from the survey. During the process, all respondents were politely ask willing for maximum cooperation and participate during the survey. The total population of respondents by gender, age, marital status, position in customer service unit. In terms of gender, the distribution of the sample was 60.8% male and 39.2% female. This results shows sample appeared to be male dominant in gender distribution. Having analyzed the demographic characteristics of age distribution among Customer service units, it is concluded that most of them (39.7%) were in the age group of 35–44 years followed by those in the age group of 45–54 years (29.8%) because the population of Tanzania banking sector is more of the working class. In addition, Position, Junior Manager (50%) dominates other units - Customer service attendance (2%), Cashier (2%).

## Statistical Analysis

The theoretical framework is analyzed using SPSS (Statistical Package for Social Science) and JASP 10.0.2.0. As suggested by [50], a two-stage Structural Equation Modeling (SEM) procedure was applied to test the hypothesized model structure. In the first step, a confirmatory factor analysis (CFA) was conducted to evaluate the reliability and validity of the measurement model and second step, full structural model was estimated to assess overall model fit and the hypothesized relationships with the help of standardized regression coefficients (b) and p-values.

### Convergent validity and Discriminant validity

First, the Kaiser –Meyer –Olkin (KMO) is performed to check the adequacy of study sampling and the result of all KMO.value is 0.786 which indicates 78.6% above the recommended value of 50% by [51] and the common

Table 1. The demographic characteristics of the sample.

		Frequency	Percent
Gender	Female	155	39.2
	Male	240	60.8
Age	18–24 years	21	5.49
	25–34 years	49	12.4
	35–44 years	157	39.7
	45–54 years	118	29.8
	55–64 years	57	14.6
	65 years or older	13	3.29
Marital Status	Single	60	15.2
	Married	219	55.4
	Divorced/Widowed	116	29.4
position	Senior Manager	33	8.4
	Junior Manager	200	50.6
	Clerk	145	36.7
	Cashier	9	2.27
	Customer service attendance	8	2.02

method bias is measure to assess the IVF values. However, the values for at IVF ranged from 1.343 to 3.192 which is < 3.3 as recommended by [41]. To test the reliability, convergent validity, and discriminant validity of the model, this study adopted the suggestion by [52], in which all loadings must be higher than 0.40 and the constructed Average Variance Extracted (AVE) must exceed 0.50. According to Table 2, all loadings satisfied the requirement. Table 2 shows that the entire constructed of AVE ranged from 0.611 to 0.788. Thus, the convergent validity of this research model is acceptable due to the AVE of all items exceeded 0.50 [53]. Based on [54], measuring composite reliability is more satisfactory than Cronbach's alpha and composite reliability assesses within the scale consistency of responses. All composite reliability measures were greater than 0.793, consistent with study of recommended the accepting values > 0.7. The cronbach's alpha values vary between 0.722 and 0.975, all exceeding the recommended values of 0.7 [52]. The Cross Loading measurement criteria by was used to analyse the discriminant validity of this study model. It was suggested that the cross loading measurement and the model variables' square root of AVE must exceed the correlation between the measurement and other measurements. Cross loading occurs when the indicator factors are higher against others constructed measurement within the model.

Table 3 indicates the measurement of model discriminant validity is acceptable; all square root of the AVE for each construct are higher compared to each inter-correlation value between the construct. Thus, the Fornell and Larcker's criterion were met. The results showed that the mean scores for each variable of this study vary from 3.04 to 4.16, and standard deviation for these components ranges from 0.55 to 0.84. Quality of service almost lowest mean score of 3.04 with a standard deviation of 0.56, and customer satisfaction with highest mean of 4.15 with standard deviation of Generally, all variables presented in the study were found to be average in

score (a mean score less than 2 is rated as low, 2-4 rated as an average, and a mean score higher than 4 is rated as high).

Overall, the final constructs and items of the model tested were satisfactory in terms of the discriminant validity assessment. However, during the cross loading assessment, some of the constructs items were deleted. Thus, the constructs' items were deleted due to cross loading values after the deduction of 0.40 and each has higher values derived from other construct items.

**Model testing, Path coefficient and Level of significance**

According to [50] the measurement model, the structural model and model fit - Goodness of Fit Index (GFI), Normed Fit Index (NFI), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA) estimates must be well above the recommended values by and In this study the CFA presented an acceptable model fit. ( $X^2 = 483.40$ , and  $df = 254$ ,  $X^2/df = 1.90$ , Goodness of Fit index (GFI) = 0.988, Normed fit index (NFI) = 0.944, Incremental Fit Index (IFI) = 0.972, Tucker-Lewis Index (TLI) = 0.967, Comparative Fit Index (CFI) = 0.972, Standardized root mean square residual (SRMR) = 0.034, Root Mean Square Error of Approximation (RMSEA) = 0.048,  $p <= 0.05$  that is RMSEA is less than 0.08 as shown in Table 4.

The second step after model testing is to estimate the original coefficients ( $\beta$ ) and p-values of structural model. This is to determine the model fit of any given conceptual framework. So, this study employed the structural equations modelling by using JASP 10.0.2.0. Jeffreys's Amazing Statistics Program (JASP 10.0.2.0), is used for variance-based structural equation modelling and tests of model fit. As listed in Table 5, the main factors include the relationship between quality of service ( $\beta = 0.774$ ,  $p < 0.01$ ); effectiveness ( $\beta = 0.370$ ,

**Table 2.** Convergent validity.

Construct	Factor Loading	Average variance extracted (AVE)	Composite Reliability	Cronbach's alpha( $\alpha$ )
Quality of services	0.909	0.788	0.919	0.911
	0.878			
	0.873			
	0.891			
Effectiveness	0.777	0.611	0.991	0.824
	0.765			
	0.767			
	0.818			
Complaint Handling	0.709	0.586	0.931	0.815
	0.935			
	0.618			
Interpersonal Relationship	0.834	0.729	0.825	0.722
	0.875			
	0.853			
	0.935			
Customer Satisfaction	0.618	0.741	0.893	0.844
	0.873			
	0.868			
	0.849			
	0.853			

**Table 3.** The measurement of discriminant validity.

Constructs	Mean	SD	1	2	3	4	5
Effectiveness	3.43	0.55	0.611				
Quality of services	3.04	0.56	0.001	0.788			
Complaint Handling	4.15	0.84	0.191	0.001	0.586		
Customer Satisfaction	4.01	0.80	0.180	0.007	0.204	0.741	
Interpersonal Relationship	4.06	0.70	0.007	0.039	0.001	0.024	0.729

**Table 4.** Coefficient of the the model.

Sample Coefficient	X2	df	p	X2/df	RMSEA	GFI	TLI	CFI
Model fit	483.40	254	<001	1.90	.048	.988	.967	.972

**Table 5.** Path coefficients and level of significance.

Effects	Original Coefficient	t-value	p-value
QS→CS	0.774	38.08	0.000
EF→CS	0.370	6.544	0.000
CH→CS	0.089	1.630	0.103
IR→CS	0.120	2.536	0.011
QS→IR→SC	-0.173	-3.622	0.000
EF → IR→SC	0.282	4.057	0.000
CH→ IR→SC	-0.020	-0.418	0.676

Note: QS- Quality of Service, EF - Effectiveness, CH - Complaint Handling , IR - Interpersonal Relationship

p < 0.01); and interpersonal relationship ( $\beta = 0.120$ ,  $p < 0.01$ ) had positive and significant on customer satisfaction and complaint handling on customer satisfaction ( $\beta = 0.089$ ) shows insignificant. Therefore, all paths except H3 is not supported. These results indicate that the four endogenous variables are useful and significant to determine the core construct of customer service delivery model. The indirect effect predicted in H5 shows that interpersonal relationship would mediate the relationship between quality of service and customer satisfaction for customer service delivery, the result shows verifiable support ( $\beta = -0.173$ ,  $\rho < .00$ ), which indicate that interpersonal relationship is full mediate the relationship between quality of service and customer satisfaction. Also, H6 shows that interpersonal relationship would mediate the relationship between effectiveness and customer satisfaction for customer service delivery, the result shows verifiable support ( $\beta = 0.282$ ,  $\rho < .00$ ), which indicate that interpersonal relationship is fully mediate the relationship between effectiveness and customer satisfaction. In contrast, H7 is assumed that interpersonal relationship would mediate the relationship between the relationship between complaint handling and customer satisfaction for customer service delivery in retail banking, the result shows no verifiable support ( $\beta = -0.020$ ,  $\rho > .00$ ). The results are discussed further.

## Conclusion and Discussion

The study sought to assess the impact of customer care delivery on customer satisfaction in retail banks. The specific objectives of this study are to examine the impact of customer care delivery - the quality of service, effectiveness, complaint handling and interpersonal relationship on customer satisfaction. To eexamine the mediating role of interpersonal relationships between quality of service, effectiveness, complaint handling and customer satisfaction. The study uses quantitative approach with total of 395 questionnaires was collected from retail bank personnel. The result was analyzed using Structural Equation Modeling. According to [8] examine the impact of customer service quality on customer satisfaction and ascertained that the various customer service quality - multidimensional service quality has a positive and significant impact on customer satisfaction, in-line with the current study indicate that quality of service, effectiveness, complaint handling and interpersonal relationship have effect on customer satisfaction. Wah et al. [43] state that the customers complaint usually gives negative consequence to organisation but tends to improve on the issues in an innovative way, in-line with the current study indicate that complaint handling shows insignificant impact on customer satisfaction. Due to several issue in retail banking. 1. customer switching cost which usually cause dissatisfying experiences. 2. Slow bank’s response to issues. 3. Little or no interpersonal relationship between employee and customer. Also, the results of the current study show that quality of service does have a positive impact on customer satisfaction ( $\beta = 0.774$ ,  $p = 0.000$ ), which also shows effectiveness contributing to customer satisfaction in retail banks ( $\beta = 0.370$ ,  $p = 0.000$ ); and interpersonal relationship ( $\beta = 0.120$ ,  $p = 0.001$ ) does have a positive

and significant impact on customer satisfaction. For indirect effects, shows interpersonal relationship plays a mediating role in quality of service and customer satisfaction for service delivery in retail banking ( $\beta = -0.173$ ,  $\rho = 0.000$ ). Therefore, the current study results indicate that interpersonal relationship boost retail banking productivity (employee-customer relationship) as the bank’ quality of service tends to satisfy customers’ needs in term of customer service delivery. Previous studies have recognized that the higher the interpersonal relationship the more personal experiences on services and contiguous receptive bodily contentment (Hung et al., 2018), Moreover, interpersonal relationship plays a mediating role in effectiveness and customer satisfaction for service delivery in retail banking ( $\beta = 0.282$ ,  $\rho = 0.000$ ). Therefore, the current study result indicates that interpersonal relationship helps if proper effective and efficiency service delivery is given to customers for their satisfaction. Thus, the result of the current study provides similar result as previous studies [49].

Finally, complaint handling shows an insignificant impact on customer satisfaction ( $\beta = 0.089$ ,  $p = 0.103$ ), even interpersonal relationship serves as intermediary, it does not impact complaint handling and customer satisfaction for service delivery in retail banking. The current study result indicates that there is need to work on complaint handling within the customer service delivery unit. As rightly stated by Wah [43] that the consequence of customers complaint usually gives the organisation the power to improve on the issues in an innovative way especially customer service delivery on customer satisfaction in retail bank.

## Policy Implications and Contributions

The use of SEM help confirm the impact of customer service delivery on customer satisfaction in retail bank [1,4]. Literature on the study provided verifiable grounds on how these concepts of the customer service delivery on customer satisfaction in retail bank [24,26]. However, this study outcomes contribute towards the body of knowledge by examine a detailed knowledge of customer service delivery and the customer relationship. The results appear that the determinants of customer service delivery have an impact on customer relationship. From the perspective of these dimensions of customer service delivery in banking sectors. Retail banks may need to focus on strategy for customer’ needs and provide innovative ways to satisfy customers. Also, retail banks may potentially target the market niche through innovative customer service delivery rather than the old approach of customer service such as appeal and sustain customer approach. The new trend presented in this study pointed out new approach to customer service delivery and customer satisfaction, especially in Tanzania in retail banks. In fact, this study contribute towards Tanzania in retail banking services by presenting the framework of customer service delivery model with agreeable factors. However, quality of service, effectiveness and interpersonal relationship of Tanzania in retail banks were found to be more satisfied by the customers. This implies that the constructs are productive and of which can be recommended to the management of retail banks as part of customer service delivery factors for service and customer relationship marketing. Part of the function of retail banks is to focus on promoting the customer service delivery factors through improving models and applying it to strategic decisions towards improving customer care section to gain more competitive advantage. Presently, retail banks in Tanzania are working towards achieving upgrading their complaint handling section due to customers complain and the rapid development of information and communication technologies across the globe especially in banking sectors. Therefore, availability and up-grading to modern technology may improve the quality of service rendering by the retail banks in Tanzania to improve customer satisfaction.

The study complements the growing interest on customer service delivery to customer satisfaction that is considered as highly sensible area of banking

sector, the retail banks in Tanzania should therefore ensure excellent customer service delivery through frequently organizing sensitisation programme for both customer and employees in order to improve or their skills and showcase new service innovations for customer service delivery so as to make customer feel secure and to boost their level of confidence, specifically in area of security (Dark-age). Also, the seminar or workshops should concentration on employee's professional and meeting customer needs so that both customer and employee understand the need to develop interpersonal relationship in handling complaints, improve quality of service and effectiveness banking sector in return will improve on customer satisfaction in Tanzania retail banks. Tanzania retail banks must also improve their level of service delivery as it is supposed to be their almost priority in terms of service delivery. Generally, the dimensions of customer service delivery model in this study are significant to customer service, this implies that the Tanzania retail bank management should utilise this study to improve on the available knowledge on the the service It expected that through this study the Managers should put in place friendly switching costs of their goods so as to encourage many customers to be satisfied through bank services in the way handling customer complaints, Management should improve their services along with ensuring that customers complains are promptly responded and feedbacks timely given to customers, Management should be creative to innovate their products so as to attract many customers in the market and Management should focus on market research so as to understand the bank customer needs, so that they can effectively satisfy them.

### Limitations and further research

This study was conducted based on the research on the impact of customer care delivery on customer satisfaction in retail banks. This study provided an extensive study on the relationship of customer service delivery constructs the interactions with customer satisfaction and the contribution towards retail banking. Further research includes 1. A cross-cultural approach to this study might be a more effective approach for further research to determine the difference in customer care delivery in retail banks in a cross-cultural environment. 2. In the meta-analysis and longitudinal approach to the study might be a more effective method. Also, more customer relationship factors can be added to determine the relationship between customer care delivery on customer satisfaction in retail banks. Consequently, the addition of moderation analysis to the study might be a more effective method for further research to determine the moderation effect of age, gender on customer care delivery on customer satisfaction in retail banks. 3. The impact of complaint handling on customer satisfaction needs further research, especially in the banking sector. 4. It would be interesting to compare customer service delivery with other servicing firms to determine the extent to which customer service delivery is relevant to other forms of customer relationships.

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