UNIVERSITY OF CAPE COAST

SERVICE QUALITY AND CUSTOMER SATISFACTION: PERCEPTION

OF CUSTOMERS OF ZENITH BANK ACHIMOTA BRANCH ACCRA

BY

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Dissertation submitted to the Department of Business Studies of the College of

Distance Education, University of Cape Coast, in partial fulfilment of the

requirements for the award of the Master of Business Administration

Degree in Marketing

SEPTEMBER 2016

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate's Signature:………………………… Date…………………

Name: Ezekiel Arthur-Mends

Supervisor's Declaration

I hereby declare that the preparation and the presentation of this dissertation were supervised in accordance with the guidelines on the supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature………………… Date……………………

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ABSTRACT

The study sought to examine the effects of service quality on customer satisfaction at Zenith bank Achimota branch Accra Ghana. The study adopted the quantitative research design and data collection was made with the random sampling technique. The study adopted the random sampling technique and in all three hundred and twenty customers of the bank was sampled for the study with the use of structured questionnaires as the research instrument. The findings of the study revealed that the customers were satisfied with the quality of service delivery by the bank. The customers irrespective of their gender, age, and educational level attributed equal level of satisfaction to the quality of service delivered by the bank. When regression analysis was applied to investigate the effects of service quality dimensions on customers' satisfaction, it was reflected in the results that reliability, responsiveness, assurance, empathy and tangible all have a positive and significant effect on customers' satisfaction. However, empathy and tangible have the highest positive and significant effect on the customers' satisfaction. Therefore, increasing service quality level increases customers' satisfaction. Based on the findings and conclusions of the study, the following recommendations are made:As Zenith bank have strengths in some dimensions of service quality (empathy and tangible) as identified in the research it is recommended to the bank to continue developing these dimensions and consider them as competitive weapons in influencing customer satisfaction. The assurance and reliability dimensions in service quality were identified as main factors that least affects customers' satisfaction therefore the study recommend to the bank to focus on these.

ACKNOWLEDGEMENTS

iv

DEDICATION

To my family

TABLE OF CONTENTS

CHAPTER FOUR: RESULTS AND DISCUSSION

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND

RECOMMENDATIONS

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

SERQUAL   Service Quality

CHAPTER ONE

INTRODUCTION

Background to the Study

In today's highly competitive global environment, quality of services is an essential element for enhancing customer satisfaction (Khan, 2014). These are important factors in improving the performance of banks and in determining their success, i.e. better profitability and a bigger market share (Khan, 2014). Efficient banking system greatly influences the growth of the Ghanaian economy in different sectors. Furthermore, practitioners in the banking sector face many complex challenges in the global market. It is important for banks to better understand the changing customer requirements and adopt the latest service quality system to compete more effectively with global organizations (Lau, Cheung, Lam & Chu, 2013). Moreover, service sector such as banks have the responsibility to provide the best services to their customers in order to have sustainable competitive advantages. Due to the critical quality of service demanded by customers, it is difficult for banks to meet the demands of their customers in relation to their satisfaction.

According to Panda, (2003), the success of a service provider depends on the high quality relationship with customers who determine customer satisfaction (Lymperopoulos, Chaniotakisand & Soureli, 2006). Armstrong (2002) posit that service quality play an important role in shaping customer satisfaction. The more quality products and services provided by the company is perceived by the customer satisfaction will be higher (Armstrong, 2002). Bloemer, De Ruyter and Peeters (1998) in their study showed a variable effect Service Quality on Customer Satisfaction. Cronin, Brady, and Hult (2000)

1

describe the research results found that there was no direct effect between service quality on customer satisfaction in the service of six companies studied.

As opined by Davoudian (2010), any organization cannot achieve success without regard to the customers' needs and demands and their satisfaction. Superior service quality enables companies to distinct from themselves competitors, obtained sustainable competitive advantage, and improve their functionality. Superior quality and effects provided by organizations provide customer satisfaction. Customer satisfaction is marker quality of marketing decisions (Chit, 2013).

According to Asubonteng, McCleary and Swan (1996), due to intense competition and the hostility of environmental factors, service quality has become a cornerstone marketing strategy for companies particularly banks. This highlights how important improving service quality is to organisations for their survival and growth since it could help them tackle these challenges they face in the competitive markets. This means that service-based companies are compelled to provide excellent services to their customers in order to have a sustainable competitive advantage. There is however, a need for these organisations to understand what service quality is in order to attain the demands of their customers.

The premise of "service quality" as a tool for gaining competitive advantage and lead in a market-driven system has been well recognized by the financial institutions. However in current highly competitive corporate environment it has become increasingly important to not only become the market leader but also to maintain that top position (Zeithaml & Bitner, 1996).

Researchers all over the globe claim that offering quality services give a sustainable competitive advantage to any business. It enables them to fulfil not only the present needs of their customers satisfactorily but also to anticipate their future needs. This ability to anticipate the future needs of customers allows them to delight their customers through quality services on consistent basis. Subsequently it enhances customer satisfaction and customer loyalty level towards these organizations (Naik, Gantasala & Prabhakar, 2010).

Even though Chit, (2013) observes that there is no consensus about conceptualizing and measuring (perceived) service quality, it has been suggested that service quality is "the consumer's judgment about the overall excellence or superiority of a service", or in other words, the brand's image. Perceived quality provides value to customers by providing them with a reason to buy and by differentiating the brand from competing brands. It is envisaged that customers' perception of quality will be associated with their brand loyalty. Customer is likely to perceive the brand as offering superior quality will become more brand loyal. Bolton and Drew (1991) suggested that service quality has significant effects on customer loyalty.

Lymperopoulos, Chaniotakisand and Soureli (2006) were among others who pointed out that there is a positive relationship between perceived service quality and repurchase intention, recommendation and resistance to better alternatives, which can be interpreted as customer loyalty. Service quality is decomposed into its five components (tangibility, reliability, responsiveness, assurance and empathy), hypotheses involving perceived quality have also been divided to show the relationship between each component with other customer-based brand equity variables. In addition,

3

customer satisfaction always follow the service quality as one of the most frequently used variables to measure the success of marketing (Wen, Lan and Cheng, 2005). The aim of this research is to analyse and explain the effects of service quality on customer satisfaction of Zenith Bank Achimota branch.

Statement of the Problem

Although much empirical evidence could be found in the literature worldwide investigating the relationship between service quality and customer satisfaction this domain has not been much considered in the Ghanaian context. A lot of research on service quality and its association with customer satisfaction has been conducted in developed countries but not in developing countries. With customers' increasing power, banks face a huge challenge to build a better service quality strategy to meet the demands of the customers. According to Wang, Lo and Hui (2003), up to 70% of organizations do not understand how service quality creates value in their customer base. Because of this lack of understanding, organizations have failed to develop good service quality strategies for their maximum benefit. This high rate of failure has provoked experts and researchers to dig into the causes of this problem.

The banking sector now faces stiff interbank competition in providing customer service, giving special facilities and ensuring customer satisfaction. At present, the banking sector of Ghana plays very important role in economic development and increasing GDP of the country as it is a basement of the money and capital market. For sustainable development of this sector mainly depends on the trust and loyalty of the customer to the server bank and quality customer service and better customer relationship. The purpose of this study is to assess the effects of service quality on customer satisfaction in Ghana.

4

Objectives of the Study

The main objective of the study is to examine the effects of service quality on customer satisfaction of Zenith Bank Achimota branch in Accra. The specific objectives are to:

1. Analyze the level of service quality being delivered by Zenith bank Achimota branch Accra.

2. Find out the satisfaction level of Zenith Bank customers at Achimota branch.

3. Examine the effects of service quality on customers' satisfaction.

Research Questions

This study intends to answer the following research questions;

1. What is the level of service quality being delivered by Zenith bank branch in Achimota Accra?

2. What is the satisfaction level of Zenith Bank customers of the branch?

3. What are the effects of service quality on customers' satisfaction?

Significance of the Study

The result of this study was expected to provide useful factors for establishing good service quality strategies in order to gain competitive advantage over the other banks. Further the same result can also be used as a baseline to compare the success of or impact of future improvement efforts in terms of consumer's preference of the bank's service quality in order to satisfy the customers. The study will reveal to the banking industry the risks and the benefits of employing better service quality that meets the demands of the customers. In this case by understanding and documenting the views of the

5

customers on their preferences of the level of service quality delivered by the bank, the bank will be more aware of what is required by their customers.

The work will again serve as a reference material for the banking industry in making decisions concerning ways of establishing good quality service systems that will enable their customers to be satisfactory. The data from this study will serve as benchmark data for any further investigation, and as a useful material for academic purposes, and as an added literature to the existing knowledge.

Delimitation

The study focused on Zenith Bank Ghana although there are other banks in the country that could have been conducted at. Secondly, the study focused on 320 of the customers of Zenith bank for primary data gathering. The study was also conducted using Zenith in Accra Achimota other than other parts of the country. The Achimota branch in Accra was chosen because it was more convenient to gather the data from that branch.

Limitations

The field of study for service quality on customer satisfaction is too large to be considered in one project work.Due to financial and time constraint this project focused on the customers of Zenith bank in Accra to have an in-depth understanding and appreciation of their service quality strategies for customers' satisfaction. Respondents were also apprehensive during data collection and as such were somehow reluctant in providing data. However, the respondents were persuaded to provide the information required for the study.

6

Lastly, the study did not seek to identify all procedures and processes in the firm under consideration and whether they are appropriate or not. Any procedure or process utilized in the study therefore represented that which was relevant to the work and the scope of the research. From this perspective, recommendations made from the study should not be generalized as representing the views of all customers of the bank.

Organisation of the Study

This dissertation is organized into five chapters. Chapter one constituted the introduction, which focused mainly on the background, statement of the problem, objectives, limitation and significance of the study. Review of the theoretical and empirical literature pertinent to the concern of the dissertation was presented in Chapter Two. Chapter Three described the research methodology that includes a brief description of the study area, data collection procedures and analytical techniques. Chapter Four reported on results and discussions of the study. Finally, summary of the major findings, conclusion and recommendation was presented in Chapter Five.

LITERATURE REVIEW

Introduction

This chapter reviews literature on the effects of service quality on customer satisfaction, loyalty and retention. Some of the issues discussed are service quality and customer satisfaction. Theories underpinning service quality are also discussed in this chapter. Also there is a review of the SERVQUAL and SERVPERF model.   The chapter ends with a summary of the literature review.

Theory of Service Quality

Researchers believe that the service quality theory is based on the literature of customer satisfaction and product quality (Brady & Cronin, 2001). There are many service quality models but scientists are not of one mind about these models and measurements. Service quality has different dimensions regarding the various service sectors (Pollack, 2009) Nevertheless, service quality measurement enables managers to recognize quality problems and enhance the efficiency and quality of services to exceed expectations and reach customer satisfaction.

Service quality perception wildly has been studied in last three decades. Zeithaml (1988) define service quality as an assessment of customer from the overall excellence of service. It is because of service quality nature, which is intangible, heterogeneous and inseparable. In recent decades, many models have been developed for measuring service quality and the first attempt was by Gronroos in 1984. He believes in distinguishing between technical quality as an outcome for performance of service and functional

quality as a subjective perception of service delivered. Rust and Oliver have expanded Gronroos model in 1994 by adding service environment as a new dimension.

In 1985 Parasuraman, Zeithaml, and Berry suggested the most used and famous model named SERVQUAL. At first, they suggested ten dimensions for service quality but after some initial study in 1988, they reduced to five dimensions for service quality model. The SERVQUAL model was based on difference between perception and expectation of quality of service through five dimensions. Some researchers believe measuring the gap between expectation and perception, psychometrically cannot obtain superior assessment of service quality. Hence, in 1992 Cronin and Taylor recommended the SERVPERF model that was based on performance in service quality measurement. SERVPERF was inclusive more of variance in overall service quality measurement than SERVQUAL. In addition, Dobholkar, Thorpe, and Rentz in 1996 tested SERVQUAL and reported that this measurement has not been adapted in some areas like retail store environment. They proposed a new model so called Retail Service Quality Scale (RSQS). Brady and Cronin proposed Hierarchical and Multidimensional model for service quality in 2001. They combined Rust and Oliver (1994) three components model and Dabholkar et al. (1996) the multilevel model.

Empirical Review

Jabnoun and Al-Tamimi (2003) found that banks with better ambience enhance customer satisfaction in a better way. Association between service quality and customer satisfaction in banking sector of Sweden is examined by Zineldin (2005). He found that by combining tangible and intangible attributes

of premium quality in products and services provided by banks, they may create a strong and long-term relationship with their customers. This service quality dimension comprises of bank ambience, service equipment, human resources (staff) and the means of communication. In simple words tangibles are about creating foremost impressions. All organizations desire that their consumers get an exceptional and positive foremost impression. Focusing on this particular dimension will help them to gain maximum benefit. (Swar & Sahoo, 2012).Ladhari et al., (2011) concisely explain the idea of tangibles role in banking sector. Service quality is key tool to achieve customer's attention. Varying behaviors and attitudes of customers demand high service quality to attain their perception of service.

The association between dimensions of service quality and customer satisfaction was investigated by Ibáñez et al. (2006). They found a significant relationship between reliability of services on the satisfaction level of customers. In addition to tangibles, reliability and responsiveness; assurance has been identified as a significant dimension of service quality by Parasuraman et al. (1988). They propose that all of these dimensions significantly enhance customer satisfaction. It is believed that if the employees of financial institutions display trustworthy behavior, the satisfaction level of customers can be enhanced significantly. It may also positively influence repurchase intension of customers (Ndubisi, 2006; & Ndubisi & Wah, 2005).

Research conducted by Sackey, Adebayo, Oppong, Mensah, and Annor, (2012) on the effects of service quality on customer satisfaction using the SERVQUAL model revealed that Barclays bank in Ghana implements all the five service quality dimensions (Empathy, Assurance, Tangibility,

10

Reliability, and Responsiveness), which is to say that the bank strives to be at its best when it comes to quality. This quality service has also become a major critical cause of satisfaction for the banks customers.

Ilhaamie (2010) examined the level of service quality, expectation and perception of the external customers towards the Malaysian public services using the SERVQUAL instrument. The study found that tangible is the most important dimension. It also has the lowest scores of perception. On the other hand, service quality gap is neither the lowest nor the highest. Finally, these external customers have the highest expectation on the reliability of the Malaysian public service.

Ojo (2010) investigated the relationship between service quality and customer satisfaction in the telecommunication industry with a focus on Mobile Telecommunication Network (MTN) Nigeria. A total of 230 respondents participated in the study. Regression analysis and Pearson product moment correlation coefficient were employed in analyzing the data. The study revealed a positive relationship between service quality and customer satisfaction. The researcher therefore recommended that organizations should focus more attention on service quality, because of its effects on customer satisfaction. To ensure that customer satisfaction level is high organization must first of all know the expectations of the customers and how they can meet such expectations. It has been discovered that the cost of attracting new customer far exceeds the cost involved in retaining existing ones.

Again, Kheng, Mahamad, Ramayah, and Rahim, (2010) employed the SERVQUAL model developed by (Parasuraman, et al., 1988) with five dimensions to evaluate the impact of service quality on customer satisfaction

11

among bank customers in Penang, Malaysia. The findings show that improvement in service quality can enhance customer satisfaction. The service quality dimensions that play a significant role in the equation are reliability, empathy, and assurance. The findings indicate that the overall respondents evaluate the bank positively, but still there are rooms for improvements.

Saghier and Demyana (2013), in their research on service quality dimensions and customers' satisfactions of banks in Egypt also revealed that customer satisfaction in the Egyptian banking services is significantly affected by Reliability, Empathy, Assurance and Responsiveness, while the effect of the dimension of Tangibility does not have any significant impact on customer satisfaction.

Sammons (1982) conducted an exploratory study of customer satisfaction of fine dining restaurants in Singapore. The paper seeks to find out the service dimensions of service quality, which lead to higher levels of customer satisfaction. The findings from the study indicated that the service dimensions of assurance, empathy and tangibles are the most important to customers' evaluation of service quality, and thus, may have a positive influence on customer satisfaction.

Anderson (1995) measured the quality of service provided by a public university health clinic. Using 15 statements representing the five-dimensions of SERVQUAL (Parasuraman *et al.,* 1988), she assessed the quality of service provided by the clinic at the University of Houston Health Center. Patients were found to be generally dissatisfied with the five dimensions of SERVQUAL. The highest dissatisfaction was felt with assurance. On the other hand, tangibles and empathy exhibited the lowest level of dissatisfaction.

12

Using the SERVQUAL approach, Wisniewski (2001) carried out a study to assess customer satisfaction within the public sector across a range of Scottish Councils services. In the library service, the analysis of gap scores revealed that tangibles and reliability had negative gaps which indicate that customer expectations were not met. On the other hand, responsiveness and assurance were positive implying that customer expectations were actually exceeded by the service provided.

Furthermore, Donnelly *et al.* (2006) carried out a study to explore the application of SERVQUAL approach to access the quality of service of Strathclyde Police in Scotland. The survey captures customers' expectations of an excellent police service and compares these with their perceptions of the service delivered by Strathclyde Police. The paper also reports on a parallel SERVQUAL survey of police officers in Strathclyde to examine how well the force understands its customers' expectations and how well its internal processes support the delivery of quality services in the police department. It was found that Strathclyde Police appears to have a good understanding of the service quality expectations of their customers as represented by the responses of elected councillors in the area covered by the force. There is room for improvement in service quality performance both from the viewpoint of the customer and through police force attention to the definition of, and compliance with, service quality standards.

Service Quality

In order for a company's offer to reach the customers there is a need for services. These services depend on the type of product and it differs in the various organizations. Service can be defined in many ways depending on

13

which area the term is being used. An author defines service as "any intangible act or performance that one party offers to another that does not result in the ownership of anything" (Kotler & Keller, 2009).

In all, service can also be defined as an intangible offer by one party to another in exchange of money for pleasure. Quality is one of the things that consumers look for in an offer, which service happens to be one (Solomon, 2009). Quality can also be defined as the totality of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs (Kotler & Keller, 2002).

It is evident that quality is also related to the value of an offer, which could evoke satisfaction or dissatisfaction on the part of the user. Service quality in the management and marketing literature is the extent to which customers' perceptions of service meet and/or exceed their expectations for example as defined by Zeithaml, Berry and Parasuraman (1990), cited in Bowen and David, (2005).

Thus service quality can intend to be the way in which customers are served in an organization which could be good or poor. Parasuraman defines service quality as "the differences between customer expectations and perceptions of service" (Parasuraman, 1988). Parasuraman argued that measuring service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services.

Customer Satisfaction

Fornell (1992) simply defines customer satisfaction as 'an overall post purchase evaluation'. Wilton and Tse (1988) went on to include three

componenets to the working description of customer satisfaction, hence developing the following definition that is 'the customers response to evaluation of perceived discrepancy between prior expectations and the actual performance of the product (and/ or service) as perceived after its consumption'.

While the literature contains significant differences in the definition of satisfaction, all the definitions share some common elements. When examined as a whole, three general components can be identified:

1. Consumer satisfaction is a response (either emotional or cognitive);

2. The response pertains to a particular focus (expectations, product, consumption experience, etc.);

3. The response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc.). Consumer responses followed a general pattern similar to the literature. Satisfaction was comprised of three basic components, a response pertaining to a particular focus determined at a particular time (Giese & Cote, 2002; Anderson, Fornell & Lehmann, 1994).

In other words, customer satisfaction is a term used to in marketing to measure how products and services supplied by a company meet customer expectation. It is seen as a key performance indicator within the business.

Studies show satisfaction and loyalty are positively related (Zins, 2001; Verhoef, 2003). Satisfied customers are more inclined to remain in a relationship, whereas dissatisfied customers are likely to look for alternative options. In a service context, overall satisfaction is similar to overall evaluations of service quality (Zeithaml, Berry & Parasuraman,

1996; Gustafsson, Johnson & Roos, 2005). Hence, as firms seek effective ways to measure customer relationships, many have turned to the traditional tool of customer satisfaction monitoring, which historically was used to understand consumer perceptions of products and services. Another positive relationship exists between satisfaction and the duration of the relationships Nguyen and Mutum, (2012). Bolton and Lemon (1999) show a positive effect of overall customer satisfaction on the duration of the relationship for telecommunication subscriptions services. The duration of the relationship depends on the customers' subjective assessment of the value of a relationship that is continuously updated based on perceptions of previous experiences (Britton & Rose, 2004).

Services

In order to evaluate service quality, it is vital to take a step back to first understand 'services'. Fisk, Brown and Bitner (2007), in their book, mentions and adopts Rathmell's (1996) definition of a 'service' which is "a deed, a performance, and an effort" (Rathmell 1996) that reflects a process (activity). A product can be defined as "anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need". This includes physical objects, services, persons, places, organizations and ideas (Kotler, Amstrong, Saunders & Wong, 2003). Kotler, et al. (2003), in their study, defined product broadly to include both tangible goods as well as services in-response to the notion that there exist few "pure" versions of either physical products or services.

While Kotler, et al., (2003) state that services are encompassed by products, Fisk, et al. (2007) argue that services can be distinguished from

16

products by several characteristics namely; intangibility, simultaneity, heterogeneity and perishability.

Intangibility of a service means it cannot be seen, touched, held or put on a shelf. Such intangible aspects of a service are those that cannot be physically perceived and whose performance is difficult to measure. The intangible nature of services makes the service evaluation and establishing of expectations more difficult as compared to the tangible nature of products (Fisk et al. 2007). Because of the intangibility of services, customers often evaluate services based on the limited tangible elements.

Simultaneity of a service suggests that in order for the service to happen, interaction between the customer and service provider must occur. And in most services, the production and consumption of the service performance occur simultaneously. This simultaneity makes the separation of the service from its provider difficult (Fisk et al. 2007). In comparison to products, the consumption of the product normally occurs after its production and this implies that the product is easier to separate from its provider.

Heterogeneity - refers to the difference and diversity of customers' needs. Due to this diversity, it makes the offering of a standard service that satisfies all customers very difficult. Unlike physical products, services depend on human performance which is subjected to variations across workers and customers and from one service encounter to another (Fisk et al. 2007).

Perishability of a service refers to its temporal existence in the sense that it cannot be produced and stored before consumption but only exists at the time of production (Fisk et al. 2007). This is in contrast to a product whereby it can be produced, stored and consumed at a later date.

Problems with Measuring Service Quality

Studies have noted that a leading measure of performance in the service sector is quality, however, service quality is neither easy to define nor operationalize (Rosen & Karwan, 1994). Across different industries, there are many interpretations of the term service quality from the collection of service quality literature (both past and present). There has been considerable progress to how service quality perceptions should be measured but little advance as to what should be measured. Dabholkar, Shepherd and Thorpe (2000) made a vital contribution to the former by stating (from their research) that both approaches (that is disconfirmation and perceptions-only) of measuring service quality perceptions have their merits and the more appropriate approach would depend on the objective(s) of the study. Although it is apparent that the perceptions of service quality are based on multiple dimensions, there is no agreement as to the nature or content of these dimensions (Brady & Cronin 2001). Even within a particular industry (example banking), there have been various models consisting of varying number and nature of service quality dimensions.

Rosen and Karwan (1994)'s conducted a study on the claims that service quality dimensions have similar relative importance across various service types. Results from their study claim the relative importance of service quality dimensions varies according to the service setting. This is in-contrast to Parasuraman et al.'s (1988) and Zeithaml et al.'s (1990) results that indicate that the 'reliability' dimension consistently proved to be most crucial (important) in all services investigated and 'empathy' dimension being the least important. Rosen and Karwan (1994) also add that a major debate still

continues to be waged in marketing literature regarding the relationships and distinctions among service quality, satisfaction and service value (Rosen & Karwan, 1994).

Service quality is difficult to measure due to the unique characteristics of a service which comprises of intangibility, heterogeneity, inseparability and perishability (Bateson 1995). The measurement approach of service quality seems to be dependent on how service quality is perceived. To-date, no concrete consensus has been found. If service quality is perceived based on the satisfaction theory (example: SERVQUAL), the disconfirmation (comparison of perceptions to expectations) approach is supported. If service quality is perceived as an attitude, the attitudinal theory is adopted which supports the perceptions-only approach. Over a span of several years, there has been a major debate focusing on whether service quality should be measured as perceptions (Cronin & Taylor 1992; Cronin & Taylor 1994) or as disconfirmation (Parasuraman et al. 1988 and Parasuraman, et al., 1994). Both approaches have their strengths and weaknesses.

Measuring Service Quality

The most widely used models in measuring service quality in the banking sector are the SERVQUAL and SERVPERF models. According to the SERVQUAL model (Parasuraman et al., 1985), service quality can be measured by identifying the gaps between customers' expectations of the service to be rendered and their perceptions of the actual performance of the service. SERVQUAL is based on five dimensions of service equality (Parasuraman et al., 1985; (Zeithaml, et al., 1996):- Tangibles: the physical surroundings represented by objects (for example, interior design) and subjects

19

(for example, the appearance of employees). - Reliability: the service provider's ability to provide accurate and dependable services. - Responsiveness: a firm's willingness to assist its customers by providing fast and efficient service performances. - Assurance: diverse features that provide confidence to customers (such as the firm's specific service knowledge, polite and trustworthy behavior of employees). - Empathy: the service firm's readiness to provide each customer with personal (Rudie & Wansley, 1985)

Each dimension is measured by four to five items. Each of these combined 21 items is measured in two ways: the expectations of customers concerning a service and the perceived levels of service actually provided. In making these measurements, respondents asked to indicate their degree of agreement with certain statements on liker type scale. For each item, a gap score (G) is then calculated as the difference between the perception score (P) and the expectation score (E). The greater the gap scores the higher the score for perceived service quality.

SERVQUAL VS SERVPERF

The SERVQUAL versus SERVPERF debate is ongoing as both groups of researchers have presented further arguments to support their respective perspectives (Parasuraman et al. 1994, Cronin &Taylor 1994).

i. **SERVQUAL**

The purpose of the SERVQUAL tool is to provide a basic "skeleton" (group of core evaluation criteria) underlying service quality that would transcend multiple measurement contexts and provide managers with deeper insights concerning the areas (dimensions) for improvement.

20

The initial SERVQUAL was developed based on a set of focus group interviews of consumers and in-depth interviews of executives in four nationally recognized service firms. Their responses fell into ten key dimensions (Parasuraman, et al., 1985) which were later revised to five that are encompassed by statements (Parasuraman et al. 1988). Parasuraman et al. (1988) mention that customers use these five dimensions to evaluate service quality. The definitions of the ten dimensions (Parasuraman et al. 1985) are as follows:

1. Tangibles - appearance of physical facilities, equipment, personnel and communication materials

2. Reliability- ability to perform the promised service dependably and accurately

3. Responsiveness- willingness to help customers and provide prompt service

4. Competence – possession of the required skills and knowledge to perform the service

5. Courtesy – politeness, respect, consideration and friendliness of contact personnel

6. Credibility - trustworthiness, believability and honesty of the service provider

7. Security– freedom from danger, risk or doubt;

8. Communication – keeping customers informed in the language that they can understand and listening to them

9. Access– approachability and ease of contact

Over time, only the 'tangibles', 'reliability' and 'responsiveness' dimensions from the original SERVQUAL(1985) remained. The 'competence', courtesy', 'credibility', security' and 'communication' dimensions formed the 'assurance' dimension which is defined as knowledge and courtesy of employees and their ability to convey trust and confidence. The 'access' and 'understanding the customer' dimensions formed the 'empathy' dimension which is defined as caring, individualized attention the firm provides its customers (Parasuraman et al. 1988).

Benefits of SERVQUAL

SERVQUAL provides superior managerial diagnostic capability via the gap measure (Jiang et al. 2002) by indicating service quality strengths and shortfalls (Pitt, Watson & Kavan, 1997; Kettinger and Lee 1997). Inferring from the latter statement, one of the key benefits of SERVQUAL is its ability to identify gaps (discrepancies between consumers' perceptions and expectations) that would provide vital process-improvement information (Saravanan & Rao 2007). Such information would greatly assist in improving service quality.

Another benefit of SERVQUAL is its ability to evaluate the relative importance of service quality dimensions in influencing customers' overall perceptions of a service.

Problems with SERVQUAL

In as much as SERVQUAL is beneficial, sections of literature have highlighted the following as problems of SERVQUAL.

22

Conceptual problems - Problems include subtraction as a "simulation" of a psychological process, ambiguity of the "expectations" construct and applicability issues of SERVQUAL across industries.

Empirical difficulties - Difficulties include reliability problems with different scores, predictive and convergent validity issues with difference scores and unstable dimensionality (Dyke, et al., 1997).

Paradigmatic objections - Buttle (1996) states that SERVQUAL has been inappropriately based on an expectations-disconfirmation model which is widely adopted in the customer satisfaction literature, rather than on an attitudinal model of service. Cronin & Taylor (1992; 1994) agree with Buttle (1996) by stating that perceived quality is best conceptualized as an attitude and suggest the adequacy-importance model of attitude measurement be adopted instead. This model states that an individual's attitude (towards SQ in this case) is defined by his/her importance-weighted evaluation of the performance of specific dimensions of a product or service (Cohen, Fishbein & Ahtola 1972). Experimental evidence indicates that the performance dimension alone predicts behavioral intensions and behavior thus suggesting that perceptions-only (and not the comparison of perceptions to expectations) is a good measure of service quality (Cronin & Taylor 1992).

Process orientation - SERVQUAL's dimensions have been criticized for focusing more on the service delivery process rather than the outcomes of the service (Cronin & Taylor 1992; Buttle 1996; Kang 2006).

Dimensionality - SERVQUAL's (1988) intention is to be able to transcend various industries to measure SQ, however, studies have indicated that SERVQUAL (1988) can't be used just as it is and had to be customized to

23

fit into a particular context (Dyke et al. 1997; Carman 1990; Bouman&Wiele 1992; Li et al. 2002; Dagger et al. 2007; Cook, Heath & Thompson 2001; Saravanan& Rao 2007). Li et al. (2002) further illustrates the latter point by applying SERVQUAL to various contexts with the aim of identifying the total number of SQ dimensions

Reliability of dimensions - The reliability of SERVQUAL's (1998) dimensions was questioned when tested in a study conducted. The results showed the 'tangibles' dimension being broken down into two parts namely (1) appearance and (2) hardware and software (Pitt et al. 1995). There have been situations whereby users perceive the 'responsiveness', 'assurance' and 'empathy' dimensions very similarly because they are closely aligned and semantically similar in concepts (Pitt et al. 1995). Spreng& Singh (1993) are in agreement with the latter statement by commenting that SERVQUAL lack in discrimination between several of the dimensions.

Culture issues - Imrie, et al., (2002) mention that SERVQUAL was developed in the North American context and did not take into consideration the culture values of other "foreign" contexts (in their study, they used Taiwan as an example of a foreign context) which in combination make up the variety of cultures found in International markets. They state that culture values endow consumers with rules that guide their evaluation of service quality, and therefore is the focus of their study. Results from their study, revealed that SERVQUAL (1988) did not fully encompass the dimensions that Taiwanese consumers use to evaluate service quality. They found that Taiwanese consumers consider relational factors as a dimension of service quality evaluation which consists of three main themes namely sincerity, generosity

24

and courtesy/politeness. Results from applying SERVQUAL in the Taiwan context revealed only four (reliability, assurance, tangibles, responsiveness) out of five SERVQUAL (1988) dimensions were evident while the 'empathy' dimension failed to truly capture the relational factors. From their study, they concluded that culture values not only influence the nature (content) and hierarchy of SQ dimensions but also put the global applicability of SERVQUAL into question.

SERVPERF

Cronin and Taylor (1992) were amongst the researchers who leveled maximum attack on the SERVQUAL scale. They questioned the conceptual basis of the SERVQUAL scale and found it confusing with service satisfaction. They, therefore, opined that expectation (E) component of SERVQUAL be discarded and instead performance (P) component alone be used. They proposed what is referred to as the 'SERVPERF' scale. Besides theoretical arguments, Cronin & Taylor (1992) provided empirical evidence across four industries (namely banks, pest control, dry cleaning, and fast food) to corroborate the superiority of their 'performance-only' instrument over disconfirmation-based SERVQUAL scale. Being a variant of the SERVQUAL scale and containing perceived performance component alone, 'performance only' scale is comprised of only 22 items.

Methodologically, the SERVPERF scale represents marked improvement over the SERVQUAL scale. Not only is the scale more efficient in reducing the number of items to be measured by 50 per cent, it has also been empirically found superior to the SERVQUAL scale for being able to explain greater variance in the overall service quality measured through the

use of single-item scale. This explains the considerable support that has emerged over time in favour of the SERVPERF scale. Though still lagging behind the SERVQUAL scale in application, researchers have increasingly started making use of the performance-only measure of service quality (Brady et al., 2002; Cronin et al., 2000; Cronin & Taylor, 1992, 1994). Also when applied in conjunction with the SERVQUAL scale, the SERVPERF measure has outperformed the SERVQUAL scale (Babakus&Boller, 1992; Brady, Cronin and Brand, 2002; Cronin and Taylor, 1992; Dabholkar et al., 2000). Seeing its superiority, even Zeithaml (one of the founders of the SERVQUAL scale) in a recent study observed that "…Our results are in- compatible with both the one-dimensional view of expectations and the gap formation for service quality.

Dimensionality of Service Quality

Identification of the multi-dimensional nature of service quality aids attainment of the marketing concept, and there is general agreement that quality evaluations are made on the outcome of the service and on the process of service delivery (ONeill& Palmer, 2003). This point of view is also supported by Gronroos (1982), who identified technical and functional quality. Functional quality is associated with the process of service delivery, whereas technical quality is associated with the actual output of the service (Palmer, 2001).

Research suggests that customers perceive quality in a multi-dimensional way, based on multiple factors relevant to the context (Zeithaml & Bitner, 2003). Berry *et al* (1985) provide a solid basis or foundation for understanding the dimensionality of service quality. In their original

qualitative study, they identified ten key dimensions, each of which relates not only to the service consumed, but also to the customer's confidence in those providing the service. These included tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and empathy. For the past years, several authors have coined this list into five major categories. These dimensions represent how consumers perceive service quality, and may use all or a combination of dimensions (Zeithaml& Berry, 2003). Widely referred to as SERVQUAL, the five elements include reliability, assurance, tangibles, empathy and responsiveness.

1. Reliability; the ability to perform the promised service dependably and accurately. Among all the five dimensions mentioned above, reliability has been identified as the most important determinant of perception of service quality. Reliability simply means that the said organization delivers on its promises, particularly promises about the service outcomes and core service attributes (Heskett, 2002).

2. Assurance; this is termed as the knowledge and courtesy of employees and their ability to inspire trust and confidence. This is a particularly important dimension for services with high risk perceptions. Relationship management forms a core part of the assurance dimension (Peck *et al.*, 1999).

3. Tangibles; these comprise of the physical facilities, equipment, and appearance of personnel. This type of dimension is particularly imperative in service quality perceptions of new customers (Zeithaml& Bitner, 2003), with emphasis on hospitality industries such as restaurants, retail stores and entertainment organizations. This tangible

27

dimension is known to be mostly used in combination with other service quality dimensions to enhance quality perceptions.

4. Empathy; this type of dimension is described as the caring and individualized attention given to customers. The essence of empathy is conveying to consumers that they are unique and special, through personalized or customized service offerings (Zeithaml& Bitner, 2003). Business –to-business services are usually prone to the empathy dimension.

5. Responsiveness; this is defined as the willingness of service providers to help customers and provide prompt service to customers. This type of service quality dimension captures the notion of flexibility and ability to customize the service to consumer requirements, and emphasizes attentiveness and promptness in dealing with the consumer (Zeithaml& Bitner, 2003).

Measuring Service Quality – Two Contradicting Paradigms

Service quality is an elusive and indistinct construct that is difficult to define and measure (e.g. Rathmell 1966, Pirsig 1974, Crosby 1979, Garvin 1983, Parasuraman et al. 1985, Carman 1990, Cronin and Taylor 1992, Grönroos 2000). Over the last three decades, however, various researchers have sought to define and measure the concept of service quality (e.g. Lewis & Booms 1983, Grönroos 1984, Parasuraman et al. 1985 and 1988, Carman 1990, Cronin and Taylor 1992, Teas 1993, Westbrook & Peterson 1998).

Although the operationalization of service quality differs from researcher to researcher, one can clearly identify two schools of thought: one group of researchers supporting the disconfirmation paradigm of perceptions-minus-

28

expectations; and one group supporting the performance-based paradigm of a perceptions only version of service quality.

Disconfirmation Paradigm

According to Grönroos (1984), consumers evaluate (perceived) service quality by comparing expectations with experiences of the service received. In line with this thinking Lewis and Booms (1983) stated that service quality is a measure of how well the service level delivered matches customer expectations. Delivering quality service therefore means conforming to customer expectations on a consistent basis.

Following the writings of Sasser et al. (1978), Lethinen & Lethinen (1982) & Grönroos (1984), extensive focus group interviews held by Parasuraman et al. (1985) affirmed that service quality is derived from the comparison between a consumer's expectations for service quality performance versus the actual perceived performance of service quality (perceptions-minus-expectations). In addition, Parasuraman et al. (1988) stated that "perceived service quality is viewed as the level of discrepancy between consumers' perceptions and expectations" (p.17).

Based on extensive focus group interviews and subsequent research, Parasuraman et al. (1985 and 1988) concluded that;

1. Service quality is an overall evaluation similar to attitude

2. The 'expectancy-disconfirmation' model is an appropriate operationalization of service quality

3. Service quality (as a form of attitude) results from the comparison of perceptions with expectations.

29

Performance-Based Paradigm

Carman (1990) argued that there is little, if any, theoretical evidence supporting the relevance of perceptions-minus-expectations gaps as the appropriate basis for assessing service quality. In addition, Brown et al. (1993) concluded that there are serious problems in conceptualizing service quality as a difference score.

Following considerable support for simple performance-based measures of service quality in the marketing literature (e.g. Mazis et al. 1975, Woodruffet al.1983, Bolton &Drew 1991), research by Cronin & Taylor (1992) affirmed that an unweighted performance-based approach is a more appropriate basis for assessing service quality. Similarly, Babakus&Boller (1992) reported results supporting the use of performance-based measures of service quality over gap measures.

Based on extensive literature review and subsequent research, Cronin and Taylor (1992) concluded that;

1. Perceived service quality is best conceptualized as an attitude

2. The 'adequacy-importance' model is the most effective 'attitude-based' operationalization of service quality.

3. Current performance adequately captures consumers' perceptions of the service quality offered by a specific service provider.

Additional comparison of weighted versus unweighted models by Teas (1993) indicated that unweighted models generally perform better than weighted models in terms of concurrent and construct validity.

Service Quality and Customer Satisfaction

Kotler & Armstrong (2010), address that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Researchers are divided over the antecedents of service quality and satisfaction. Whilst some believe service quality leads to satisfaction, others think otherwise (Ting, 2004). The studies of Lee, et al., (2000); Gilbert & Veloutsou (2006); Sulieman (2011); Buttle, (1996) and Buttle & Ahmad (2001) all suggest service quality leads to customer satisfaction. To achieve a high level of customer satisfaction, most researchers suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction. As service quality improves, the probability of customer satisfaction increases. Quality was only one of many dimensions on which satisfaction was based; satisfaction was also one potential influence on future quality perceptions (Clemes et al., 2008)

Service quality is an important tool to measure customer satisfaction (Zairi, 2000). Empirical studies show that the quality of service offered is related to overall satisfaction of the customer. According to Jamal & Anatasiadou (2009), reliability, tangibility and empathy positively related with customer satisfaction.

Sulieman (2011) observed that reliability, tangibility, responsiveness and assurance have significant and positive relationship with customer satisfaction. Meanwhile empathy was found to have a significant and negative effect on customer satisfaction .Moreover, the result of (Ravichandran, et al.,

2010) indicates responsiveness is the only significant dimension of service quality that affects the satisfaction of customers positively.

Conceptual Framework

The Gap Analysis Model pioneered by Parasuraman et al (1985) is a model illustrating the cooperation between a firms activities and the satisfactory level of quality offered from the view point of the client. The underlying assumption is that before a customers purchases a service, they have expectations about services quality that are based on personal needs, previous expectations and advertisements of the service provider. After buying and consuming the services, customers then compared their perceived quality expected to that which they have really derived (Sadeghi & Bemani, 2011; Zeithaml, et al., 1996).
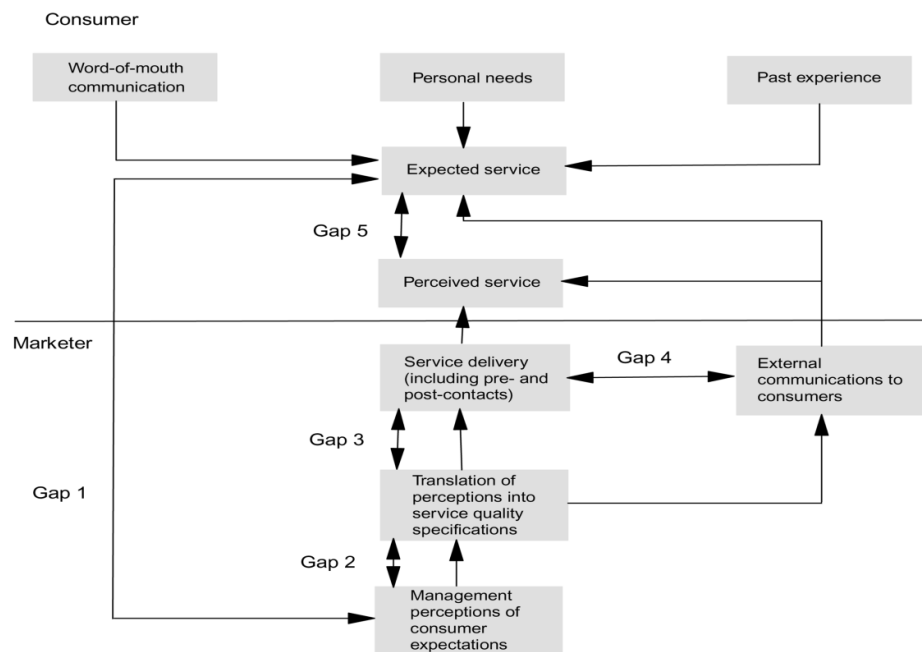
Source: Parasuraman, Zeithaml and Berry, 1985.

Figure 1: Gap analysis model

This conceptual framework is useful as it helps practitioners to understand service quality components. It is initially divided into two main

32

areas that represent the customer and the organization. The following conceptual framework illustrates the gap model by highlighting the initial customer gap and the four corresponding organizational gaps.

Gap 1

The Customer Gap: The Gap between Customer Expectations and Customer Perceptions

The customer gap is the difference between customer expectations and customer perceptions. Customer expectation is what the customer expects according to available resources and is influenced by cultural background, family lifestyle, personality, demographics, advertising, experience with similar products and information available online. Customer perception is totally subjective and is based on the customer's interaction with the product or service. Perception is derived from the customer's satisfaction of the specific product or service and the quality of service delivery. The customer gap is the most important gap and in an ideal world the customer's expectation would be almost identical to the customer's perception (Fornell, 1992; Gilbert & Veloutsou, 2006; Kotler & Armstrong, 2010). In a customer orientated strategy, delivering a quality service for a specific product should be based on a clear understanding of the target market. Understanding customer needs and knowing customer expectations could be the best way to close the gap.

Gap 2

The Knowledge Gap: The Gap between Consumer Expectation and Management Perception

The knowledge gap is the difference between the customer's expectations of the service provided and the company's provision of the

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service. In this case, managers are not aware or have not correctly interpreted the customer's expectation in relation to the company's services or products. If a knowledge gap exists, it may mean companies are trying to meet wrong or non-existing consumer needs. In a customer-orientated business, it is important to have a clear understanding of the consumer's need for service. To close the gap between the consumer's expectations for service and management's perception of service delivery will require comprehensive market research (Buttle, 1996; Anderson, et al., 1994; Kotler & Armstrong, 2010).

Gap 3

The Policy Pap: The Gap between Management Perception and Service Quality Specification

According to Kasper & Bloener (2010), this gap reflects management's incorrect translation of the service policy into rules and guidelines for employees. Some companies experience difficulties translating consumer expectation into specific service quality delivery. This can include poor service design, failure to maintain and continually update their provision of good customer service or simply a lack of standardization. This gap may see consumers seek a similar product with better service elsewhere.

Gap 4

The Delivery Gap: The Gap between Service Quality Specification and Service Delivery

This gap exposes the weakness in employee performance. Organizations with a Delivery Gap may specify the service required to support

34

consumers but have subsequently failed to train their employees, put good processes and guidelines in action

(Parasuraman,et al,, 1985; Zeithaml, et al,, 1996). As a result, employees are ill equipped to manage consumer's needs. Some of the problems experienced if there is a delivery gap are:

1. Employees lack of product knowledge and have difficulty managing customer questions and issues

2. Organizations have poor human resource policies

3. Lack of cohesive teams and the inability to deliver

Gap 5

The Communication Gap: The Gap between Service Delivery and External Communications

In some cases, promises made by companies through advertising media and communication raise customer expectations. When over-promising in advertising does not match the actual service delivery, it creates a communication gap. Consumers are disappointed because the promised service does not match the expected service and consequently may seek alternative product sources.

Zeithaml, et al., (1996) belive the foundation of the gaps model analysis is warranted due to the stronng focus on the customer and the need to use knowledge about the customer to drive business strategy.

Why Measure Service Quality

Over the years, organizations have become aware that it is not feasible to rely on products (or product quality per se) for the upper edge in profitability because such is common in the contemporary context. There have

been several studies that confirm an empirical link between superior service quality and key performance indicators (or service quality dimensions) that positively impact upon financial returns (Imrie, Cadogan& McNaughton, 2002). Key outcomes of good service quality include:

1. A higher than normal share of the market;

2. Improved profitability relative to the competition;

3. Consumer loyalty;

4. The realization of a competitive price premium

5. An increased probability of purchase.

The former and latter statements have encouraged organizations to shift their attention from product quality to service quality which serves as a key competitor differentiator (Dabholkar, Shepherd & Thorpe, 1996; Parasuraman, Zeithmal & Berry, 1988). This shift has made organizations realize that in order to retain customers, survive, grow and thrive financially, they must be able to provide high quality services (Dabholkar et al. 2000). The resulting effect from the latter statement is the organization's shift of focus from profit maximization to maximizing profits through increased customer satisfaction (Seth, Deshmukh&Vrat, 2005). Satisfaction with Service quality has an impact on behavioral intentions which drives repurchase intentions (Dabholkar et al. 2000; Brady, Knight, Cronin, Tomas, Hult&Keillor 2005).

Chapter Summary

From the above discussions it is evident that customer satisfaction is always taken as a central point in almost all business ventures. There are various factors that actually generate customer satisfaction, loyalty and retention. Service quality is key in generating customer satisfaction, loyalty

36

and retention. There has not been any scientific study where service quality has been taken as an independent variable to study customer satisfaction, customer loyalty and customer retention as dependent variables specifically in commercial banking sector. Keeping in view this gap in the body of knowledge, this study has been designed to examine the impact of service quality on customer satisfaction, loyalty and retention in Access bank.

CHAPTER THREE

RESEARCH METHODS

Introduction

The methodology section of the study provides the basis through which the empirical data was obtained to answer the research questions and hence the research problem. This chapter gives complete understanding and explanation of the research techniques and the reason of choosing a particular technique for this dissertation. It discussed the research design, research approach, population for the research, sample and sampling procedure, the research instruments, data collection procedure and data analysis procedure.

Research Design

There are basically the exploratory, descriptive, causal or explanatory and case study methods. The research design chosen for this research is descriptive. The overall objective of the study was to analyze the effect of service quality on customer satisfaction. The concepts and constructs in this research are areas other studies have contributed to. Thus one cannot use exploratory design. The use of the descriptive study design allows for testing relationships and effects between one variable and another.

The approach mainly talks about the type of data to be collected and how the data was analyzed to answer the research questions posed. Generally, there are quantitative, qualitative and mixed. The decision to choose a specific methodology should be based on its suitability to answer the research questions. Denzin& Lincoln (1998) asserted that qualitative research emphasizes the process of discovering how the social meaning is constructed and stresses the relationship between the investigator and the topic studied.

38

Conversely, quantitative research is based on the measurement and the analysis of causal relationships between variables. Berg (2001) discriminated between qualitative and quantitative research arguing that qualitative research referred to the meanings, concepts, definitions, characteristics, metaphors, symbols and descriptions of things, while quantitative research referred to the measures and counts of things.

Qualitative and quantitative research approaches differ basically in some major areas, including: their analytical objectives; types of questions posed; types of data collection methods used; types of data produced; degree of flexibility in study design (Mack *et al.,* 2005). This study employed the quantitative research approach in its data gathering and analysis. Quantitative approach allowed the use of questionnaire to gather primary data from targeted respondents and hence this study employed well-structured questionnaire for gathering its primary data.

Study Area

Zenith Bank (Ghana) Limited, a financial services provider, was incorporated in April 2005 under the Ghana Banking Law 2004 (Act 673) as a private limited company and commenced universal banking operation in September 2005. It has been consistently proactive with heavy investment in staff, technology and infrastructure. It is a subsidiary of Zenith Bank Plc the second largest bank in Nigeria and one of the largest financial services companies in Nigeria by market capitalisation, assets and profitability.

Vision

The vision of Zenith is to be a reference point in the provision of prompt, flawless and innovative banking services, by which other banks in the country are measured.

Mission

Its mission is to continue to invest in the best people, technology and environment to underscore its commitment to achieving customer enthusiasm and to be the best place to bank, the best place to work and the best place to invest.

Zenith Bank's business model is designed to bring banking services to the doorstep of customers through branches, agencies, ATMs, and electronic banking products and personal contact. For this reason, each Zenith customer has a Relationship Manager who handles every aspect of the customer business from winning the customer to handling all banking transactions and credit processes. The success of the bank emanates from the experience, leadership, vision and passion of its staff.

Though increased competition has infused a high degree of homogeneity in the Ghanaian banking industry, Zenith has distinguished itself with a unique culture of passion and warmth-driven service delivery and catalysing competition in the industry. The bank has developed products and services that veritably satisfy the requirements of various economic units in the country. For instance, Zenith was a pioneering bank in the development of a Children's Account as well as specialized products designed to serve the cash management needs of religious organizations. It is also the first and only bank in the country to introduce a toll free phone service. It has employed

40

sound industry practices to expand its market share and to gain profitability and cost-structure competitive advantage.

Core Values

Zenith's core values are: People, Technology and Service. Zenith consistently offers a unique range of financial services that underscores corporate commitment to customer enthusiasm and value creation for stakeholders. This is at the core of the Zenith values. This serves to drive and mould the Bank's corporate and business strategy built on:

1. Cutting edge information technology

2. Superior leadership

3. Professional management

4. Highly skilled staff and

5. Excellence in service delivery.

At Zenith Bank, speed, efficiency and flexibility are abiding watchwords, and the bank's customer specific approach to business has consistently reinforced its value creation processes aimed at assisting customers to develop strategies for excellence in their various endeavours

Population

Population and Sample are two important terms in the subject 'Statistics'. In simple terms, population is the largest collection of items that we are interested to study, and the sample is a subset of a population. In other words, sample should represent the population with fewer but sufficient number of items. One population can have several samples with different sizes. A population is the whole group that the research focuses on. A population consists of all elements- individuals, item or objects whose

41

characteristics are being studied (Bryman& Bell, 2003). Sample is the segment of the population that is selected for investigation (Bryman & Bell, 2003). In quantitative research, the need to sample is one that is almost invariably encountered. And sampling constitutes a key step in the research process in social survey research. The population of the study was expected to involve all the customers of Zenith bank Achimota Branch. The population of the study was estimated to be 1500.

Sampling Procedure

Brewerton & Millward (2002) asserted that in research it is impractical to investigate all member of a target population hence, the need to draw a sample from this population of interest. The results from the study of the sample can be used to make inferences about the entire population as long as it is truly representative of the population (Creswell, 2009). A sample is a portion of the population of interest selected to partake in the study (Polit & Hungler, 1999).

Sampling the entire population of all the customers of Zenith bank was going to be hectic, time consuming and costly. Therefore, to obtain a representative sample, the study selected three hundred and thirty (330) customers of Zenith bank however 320 of the questionnaires were properly filled and hence used for the data analysis. The sample size for the study was achieved as follows.

The target population was 1500. Based on this population size, the minimum sample size was calculated using the formula below:

$n = N/(1+N[e^2])$

Source: Galero-Tejero (2011).

42

Where n is the sample size, N is the population size, and e is the level of precision.

$$n = N/(1+N[e^2]) \quad n = \quad 1500/(1+1500[0.05]^2) = 315.78$$

Thus, using a population size of 1500, the appropriate sample size for this study should not be less than approximately 315 as indicated by the sample size calculation. A non-respondent rate of 5% is factored in to give the required sample size of approximately 330. Non-response bias occurs in statistical surveys if the answers of respondents differ from the potential answers of those who did not answer.

Creswell (2009) noted that sampling technique is a process of selecting research participants. In this study the researcher made use of the random sampling technique. Random sampling was used to select the customers of Zenith bank Achimota branch in Accra for the study. In random sampling, each member of the population has equal chances of being included in the sample.

Data Collection Instrument

The survey was constructed as an interviewer-administered questionnaire. The survey questionnaire is adjudged to be the perfect method of gathering data. The questions asked in the questionnaire were mostly made up of closed ended questions to facilitate easy administration of the questionnaire.

The questionnaire consisted of closed ended and open ended questions. Open-ended questions are questions to which there is not one definite answer. Closed-ended questions have a finite set of answers from which the respondent chooses. One of the choices may be "Other." It is a good idea to

43

allow respondents to write in an optional response if they choose "Other." The benefit of closed-ended questions is that they are easy to standardize, and data gathered from closed-ended questions lend themselves to statistical analysis (Fink, 1995). The down side to closed-ended questions is that they are more difficult to write than open-ended questions. This is because the evaluator must design choices to include all the possible answers a respondent could give for each question. The closed ended questions helped the researchers to analyze the information gotten without difficulties using a 5 point Likert scale (The Likert Scale is an ordered, one-dimensional scale from which respondents choose one option that best aligns with their view).

Likert scale: The Likert scale is a psychometric response scale primarily used in questionnaires to obtain participant's preferences or degree of agreement with a statement or set of statements. Likert scales are a non-comparative scaling technique and are uni-dimensional (only measure a single trait) in nature. Respondents are asked to indicate their level of agreement with a given statement by way of an ordinal scale. Most commonly seen as a 5-point scale ranging from "Strongly agree" on one end to "Strongly disagree" on the other end. Each level on the scale is assigned a numeric value or coding, usually starting at 1 and incremented by one for each level.

The structured questionnaire survey was used to collect data for the researcher to obtain vital information about the views and thoughts of staff and customers on the problem. The questionnaires were administered to the selected respondents of the bank. Since the success or failure of the research, the outcome and intended implementation depends on the information given, much attention was given in the gathering of the data.

44

Respondents were familiar with answering of questionnaires. All the respondents had some experience in completing questionnaires and were generally not apprehensive. There was uniform question presentation and no middle-man bias. The researcher's own opinions did not influence the respondent to answer questions in a certain manner. There were no verbal or visual clues to influence the respondent.

Data Collection Procedure

Data was collected for this study in 2016 between 8 July and 22 July. The questionnaires were self-administered. A formal letter was written to the management of the bank. Respondents were asked to provide responses to the questionnaire as they visited the bank to transact business with the bank. A period of 2 weeks was used to collect the data. Cross checking of questionnaire was done daily to avoid or minimize the incidence of nonresponse error.

Data Processing and Analysis

After receiving all the questionnaires from the data collection survey, they were checked to ensure that they were well answered and that they are eligible for inclusion in the sample. Questionnaires that have important missing responses or dubious responses to questions were considered as invalid and excluded from the analysis. Good response questionnaires were then coded and entered into the Software Package for Social Sciences (SPSS V. 21).

The entered data was checked for accuracy and edited when it requires editing. When it was observed that a clean data have been produced, statistical analysis, such as frequency tables, charts and graph was used to make relative

comparison. Also descriptive measures of central tendency such as mean and measures of dispersion such as standard deviation was initially carried out on the data for each of the constructs in the proposed questionnaire to gain insights into the nature of the data and the characteristics of the responses the respondents would report on.

Summary

The study adopted the descriptive research design with a quantitative research approach. The population of the study was estimated to be 1500 and using the sample size calculation formula the sample size obtained was 315 and with a 5% error it was increased to 330. The random sampling technique was used to sample all the respondents.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents the analysis of data collected for the study. For the purpose of responding to the objectives of this study, a total of 330 questionnaires were distributed to the customers of Zenith bank Ghana Limited of which 320 of the questionnaires were filled properly and returned representing a valid response rate of 96.97% which is considered very good response rate. Interpretation and discussion of the data was done per the factors that constituted the framework for the research. Considering the audience and users of the report, the use of frequency tables, charts mean values and regression analysis for the presentation of the survey results was deemed the most appropriate, because it can be easily interpreted and understood.

Demographic Profile of the Respondents

This section orderly outlines the customers' gender, age group, educational level, and longevity of being a customer of the bank. These data are presented in the sub sections below. The size of the response across available response categories is indicated in percentage (%) terms.

Gender of Respondents

The study examines and describes the gender details of the respondents in this study and details of their respective gender are displayed on Figure 4.1 below.

47
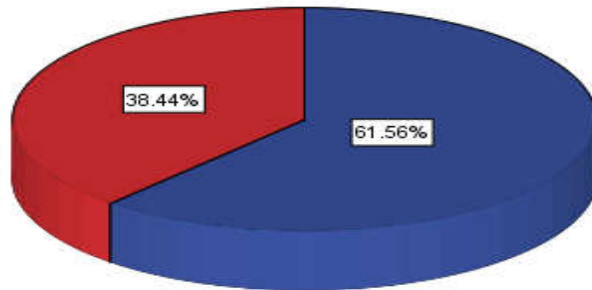
Figure 2: Gender distribution

Source: Field data, (2016)

Per the illustration on the figure, majority (61.56%) of the customers of the bank are male, whereas the remaining 38.44% are females. This implies that both male and female customers of the study are involved in the study to mitigate any bias that might be attributed to gender association.

Age Distribution

Figure 3 presents the age details of the respondents who are also the customers of the bank.
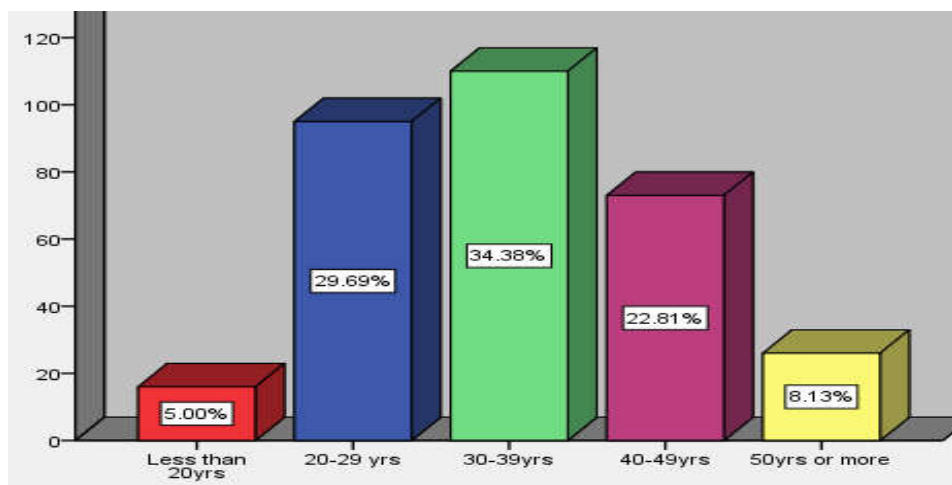
Figure 3: Age distribution

Source: Field data, (2016)

48

According to the figure, there are five different age groups of the respondents. From these, majority of the respondents which represents 34.38% fall in the age bracket of 30-39 years, followed by those in the age group of 20-29 years and then those between 40-49 years in the orders of 29.69% and 22.81% respectively. The percentage of the customers at the extreme age groups of less than 20 years and 50 years and more constituted the least part of the customers with 5% and 8.13% respectively. This suggests that the average age group of the customers of the bank is from 30 to 40 years.

Educational Level

The educational level of the respondents is featured on Figure 4 below.
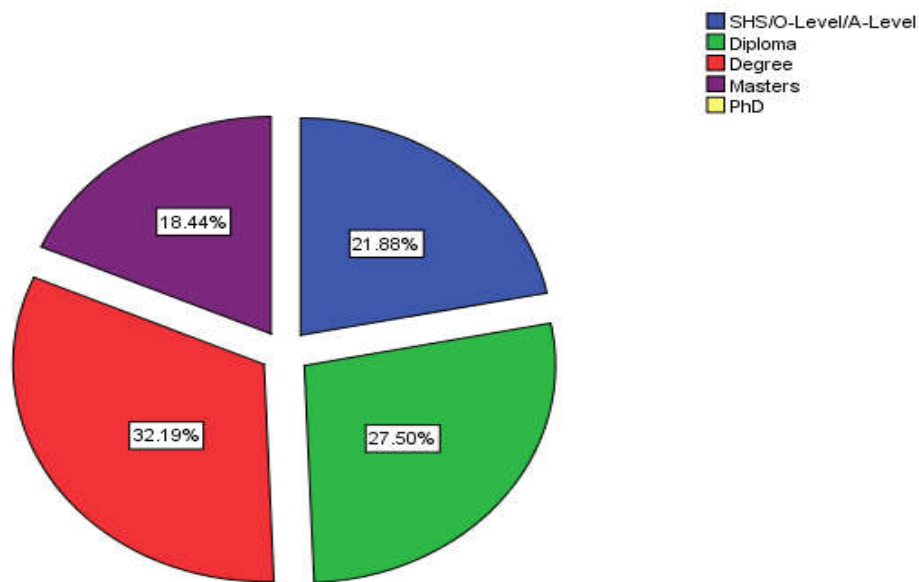
Figure 4: Educational level

Source: Field data, (2016)

Majority of the customers representing 32.19% reported that they hold their bachelor's degree, 27.50% have diploma certificates, with 21.88% and 18.44% claiming to possess SHS/O-Level/A-Level and Master's degree respectively. This indicates that the study captured customers with good

49

educational background which helps them to better understand the purpose of the study and give reasonable answers.

Longevity of Transacting with the Bank

The study investigated the length in years the customers have spent in transacting with the bank for the purpose of giving accurate responses. Figure 5 displays this result.
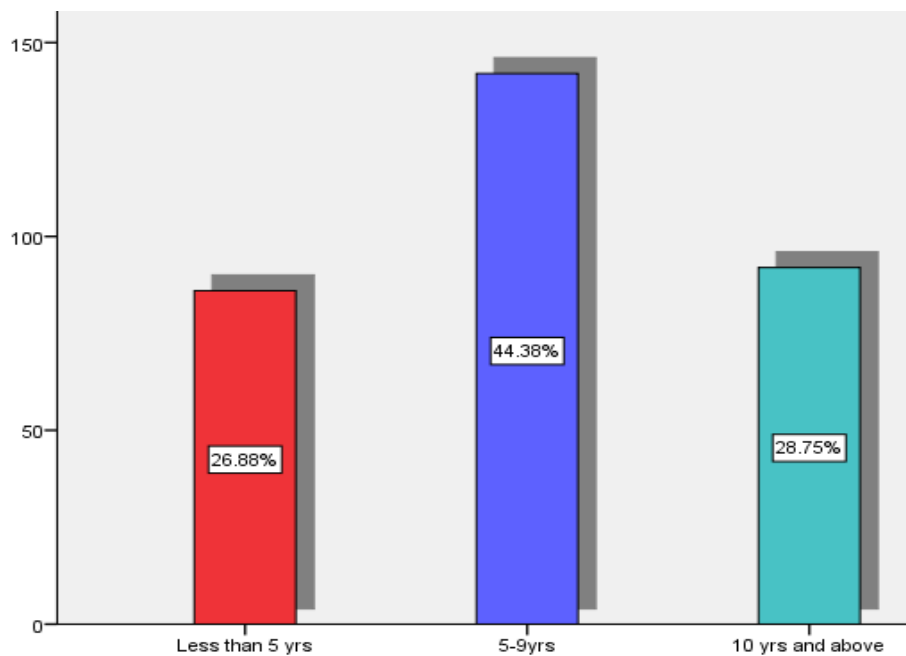
Figure 5: Longevity of transacting with the bank

Source: Field data, (2016)

As presented on the figure, majority (44.38%) of the customers have transacted with the bank for 5-9 years, followed by 28.75% and 26.88% stating that they have worked with the bank for the period of 10 years and above and less than 5 years respectively. Since the number of years the customers have transacted with the bank is respectable, the responses are deemed to reflect the quality dimensions taking place at the bank.

50

Service Quality Delivered by Zenith Bank

The research revealed a lot of statements about the quality of service delivered by the bank. The respondents rated these statements on a five-point likert scale. To find out the statements or constructs that are eligible for inclusion in the data analysis reliability analysis is employed. Reliability analysis represents the degree to which the data gathering technique will yield consistent findings when the study is repeated. The author utilized the Cronbach's Alpha(α) reliability tests to check the reliability of the service quality dimensions. If the reliability coefficient is less than 0.6 it is considered poor, coefficients greater than 0.6, but less than 0.8, are considered acceptable and coefficients greater than 0.8 are considered good, and the more reliable when the score is closer to 1 (Leech, Barrett, & Morgan 2008). Table 1 summarizes the findings of the average Cronbach's Alpha Reliability Coefficient Score for the service quality dimensions.

Table 1: *Reliability Statistics*

Cronbach's Alpha	N of Items
.826	21

Source: Field data, (2016)

From the table, there are a total of 21 items under the 5 main service quality dimensions. The average Cronbach's alpha reliability coefficient for the service quality instrument as presented on Table 1 is 0.826, which is considered good. Table 2 shows the Cronbach's alpha reliability coefficients for all the items under the 5 main service quality dimensions for the purpose of finding out the items that are eligible for inclusion in the service quality instrument for further analysis.

51

Table 2: *Cronbach's Alpha Reliability Coefficients*

Service Quality Dimensions	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The bank shows an honest interest and care, if I have a problem	121.443	.256	.826
The bank always delivers its services at the times it promises to do so	119.903	.324	.822
The bank always delivers its services right the first time	118.271	.379	.820
When the bank promises to do something by certain time, it does so	119.038	.377	.820
The bank insists on error free records	133.393	-.190	.845
Reliability	5.884	.557	.833
The bank employees provide me with prompt services	118.100	.378	.820
The bank employees are always willing to assist me	116.169	.506	.814
The bank employees are never too busy to respond to my enquiries and requests	118.915	.341	.822
The bank employees always inform me about their new offers and services	119.444	.395	.819
Responsiveness	5.053	.600	.822
The bank employees always instil confidence in me	114.352	.555	.811
I feel safe and secure in the bank transactions	113.382	.636	.808
The bank employees are always friendly	119.165	.388	.819
The bank employees have the knowledge to answer my enquiries	121.209	.276	.825
Assurance	4.759	.710	.789
The bank employees have the customer's interest at heart	118.900	.350	.821
Employees in the bank understand my specific needs	116.776	.487	.815
The bank has employees who give me individual attention	118.170	.422	.818
Employees in the bank go out of their way to make me feel like VIP	120.436	.322	.822
Empathy	5.106	.620	.815

52

Table 2 (Continued)

Materials associated with the bank are visually appealing	114.566	.567	.811
The bank employees are well dressed and appear neat	112.822	.671	.806
Physical facilities are visually appealing at the bank's office	116.339	.497	.814
The bank has convenient business hours	120.547	.345	.821
Tangible	4.552	.758	.775

Source: Field data, (2016)

The results in Table 2 above indicate reasonably high alpha values that are all above the reliability coefficient of 0.6 and that the service quality instrument is reliable. This indicates that all the 5 dimensions of the service quality instrument are eligible for inclusion for further analysis. Therefore, for this research, the service quality instrument is a reliable measure of reliability, responsiveness, assurance, empathy and tangible.

Service Quality delivered by Zenith Bank – Descriptive Analysis

As part of the survey, it was ideal to critically investigate the service quality dimensions used by the bank. Details are presented in the descriptive statistics shown by the values of the respective means and standard deviations of the key empirical references. Table 4.2 presents the mean values and the standard deviation values for the 5 main service quality dimensions under which each statement regarding the service quality dimensions were made. However, details of the individual statements with regards to the service quality dimensions are presented as the appendix.

Table 3: *Service Quality Delivered by Zenith Bank*

	N	Minimum	Maximum	Mean	Std. Deviation
REL	320	1.80	4.80	3.3844	.53575
RESP	320	1.50	5.00	3.4328	.74579
ASS	320	1.25	5.00	3.7156	.74436
EMP	320	1.00	5.00	3.3169	.71453
TAN	320	1.00	5.00	3.7182	.76666
Valid N 320					
(listwise)					

NB: REL = Reliability, RESP = Responsiveness, ASS = Assurance, EMP = Empathy, TAN = Tangible
Source: Field data, (2016)

It is evident from the table (see appendix) that there is a total of 5 items/statements (subscales) under the dimension; reliability, and 4 items are under each of the dimensions; responsiveness, assurance, empathy, and tangible respectively. All the statements/items under the dimension; reliability have mean values which are all above the midpoint scale of 3 and tends toward the agree scale of 4 on the rating scale. This implies that the customers agree to all the statements under the service dimension; reliability. Moreover, the overall mean value for reliability is 3.38 which tends towards the agree scale suggesting that the customers agree that the bank is reliable in its service delivery. However, the standard deviation value of 0.54 assigned to this service quality dimension reveals some variability in the responses provided by the customers with regards to the bank's reliability.

Responsiveness as a service quality dimension also revealed subscales with mean values which are all above the midpoint scale of 3, suggesting their agreement that the bank meet this service quality dimension. This shows that the customers are likely to proceed to transact with the bank when the bank is

54

very responsive in its services. Even though responsiveness received mean value of 3.43, its standard deviation value of 0.75 shows that the customers were not on equal consensus in agreeing to this service quality dimension.

Concerning assurance as a service quality dimension, all the subscales have mean values that are close to the agree scale of 4. To buttress this assertion, assurance received mean value of 3.72, implying that assurance influence customers to transact with the bank. The standard deviation value of 0.74 penned by the same respondents to this dimension shows the differences in opinion of the customers about this service quality dimension.

With mean value of 3.32 assigned to empathy and all its subscales being above the midpoint scale suggest that the customers agree that empathy is one of the service quality delivered by the bank. The corresponding standard deviation value of 0.71 indicates that the customers have different views to this service quality dimension.

Moreover, tangible is also regarded by the customers as the service quality dimension provided by the bank. This is confirmed by the customers indicating mean value of 3.72 to this dimension and all its subscales. Nevertheless, the standard deviation value of 0.77 signifies the variability in their responses.

In all, it can be stated that reliability, responsiveness, assurance, empathy, and tangible are the service quality delivered by the bank. However, tangible, assurance, and responsiveness are the best service quality delivered by Zenith bank, since these service quality dimensions have high mean values. The customers evaluate the perceived services of the bank is displayed on Figure 6.

55
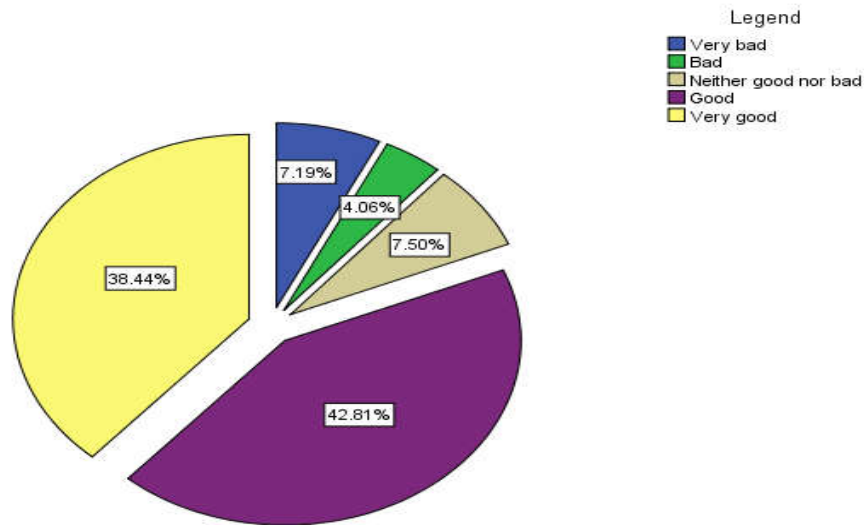
Figure 6: Customers perception of services delivered by the bank

Source: Field data, (2016)

According to the figure, majority (42.81%) of the customers claim that the services delivered by the bank is good, followed by 38.44% who said it is very good, and 7.50% reported that it is neither good nor bad. This means that Zenith bank has good services that their customers cherish. These good services are attributed to the level of service quality provided by the bank. Meanwhile, 7.19% and 4.06% perceived that the service delivered by the bank is very bad and bad respectively. This might result from some uncontrolled conditions by the bank during these customers visit to the bank.

Satisfaction Level of Customers

The rate at which a customer becomes satisfied to a service of products depends on the quality level of the services and products delivered to the customer. Based on this the researcher investigated the satisfaction level of the customers as a result of the quality of service delivered by the bank. The use of mean values and standard deviations are used for the interpretation of the results for key empirical references. Table 5 presents the results.

56

Table 4: *Satisfaction Level of Customers*

	N	Minimum	Maximum	Mean	Std. Deviation
My loyalty to the bank has increased because of service delivery	320	1.00	5.00	3.8875	1.06519
Overall I am satisfied with being a valued customer of my current bank	320	1.00	5.00	3.8125	1.12363
Current quality of service has kept me with the bank	320	1.00	5.00	3.8000	1.12146
I am satisfied with my bank reputation	319	1.00	5.00	3.7618	1.07266
I am confident of giving positive word of mouth to others about this bank	320	1.00	5.00	3.6781	1.05914
I intend to keep purchasing the products and services of this bank	320	1.00	5.00	3.6281	1.11803
I have considered not leaving the bank	320	1.00	5.00	3.5938	1.14085
It would be difficult to change my beliefs about the services of this bank	320	1.00	5.00	3.5688	1.11486
I will buy/deal with this bank the next time I want to access new products and services	320	1.00	5.00	3.5156	1.21372
I will stay with the bank for the next 10 years	320	1.00	5.00	3.5125	1.06813
Even if close friends recommend another bank, my preference for this bank will still not change	320	1.00	5.00	3.5063	1.20082
The bank stimulates me to buy repeatedly	320	1.00	5.00	3.4625	1.15771

Table 4: continued

I am satisfied with the services and products quality provided by my bank	319	1.00	5.00	3.3699	1.21359
I intend patronizing other products of the bank	320	1.00	5.00	3.2906	1.12254
I am satisfied with my bank's branches locations	320	1.00	5.00	2.7875	1.21324
I am satisfied with the prices I pay for the services I get from my bank	319	1.00	5.00	2.5643	1.14983
My preference for the services of this bank would not willingly change	320	1.00	5.00	2.1969	1.14003
Valid N (listwise)	317				

Source: Field data, (2016)

58

The customers noted that as a result of the service quality, their loyalty to the bank has increased; they are satisfied with being a valued customer of the bank; the current quality of service has kept them with the bank; and they are satisfied with the bank's reputation. They assigned respective mean values of 3.89, 3.81, 3.80, and 3.76 to these statements which fall close on the agree scale. The standard deviation values of 1.07, 1.12, 1.12, and 1.07 testify the variability in their responses.

Some of the customers also reported that they are confident of giving positive word of mouth to others about this bank; intend to keep purchasing the products and services of the bank; have considered not leaving the bank; and It would be difficult for them to change their beliefs about the services of the bank by giving mean values of 3.67, 3.63, 3.59, and 3.57 respectively to these statements. The corresponding standard deviation values of 1.06, 1.12, 1.14, and 1.11 respectively to these statements show that the customers have varied views about these statements.

The customers further rated their buying/dealing with the bank the next time they want to access new products and services; staying with the bank for the next 10 years; and their preference for the bank will still not change on even if a close friends recommend another bank on the agree scale of 4. Suggesting that they are much satisfied with the quality of service delivery by the bank. The differences in their opinions are reflected by standard deviation values of 1.21, 1.07, and 1.20 respectively.

With mean values of 3.46, 3.37, and 3.29, the customers seem to be slightly satisfied with how the bank stimulates them to buy repeatedly; the services and products quality provided by my bank; and agree to it that they

intend patronizing other products of the bank. Nevertheless, there are differences in their opinions as shown by standard deviation values of 1.16, 1.21, and 1.12 respectively.

On the other hand, the customers reported that they are dissatisfied with the bank's branches location of the bank; the prices they pay for the services they get from my bank, and disagree that their preference for the services of the bank would not willingly change. They rated these statements on mean scale of 2.79, 2.56, and 2.20 respectively. Consequently, the standard deviation values of 1.21, 1.15, and 1.14 shows that there are some variations in their responses to these statements.

Effect of Service Quality on Customer's Satisfaction

The researcher finds it ideal to investigate hoe the service quality dimensions affects customers' satisfaction. To achieve this objective, the regression analysis is employed. Regression analysis is a statistical process model used to describe how the independent variables significantly affect or predict the dependent variable (Saunders et al., 2007). In this case the dependent variable is customers' satisfaction whilst, the independent variables are reliability (REL), responsiveness (RESP), assurance (ASS), empathy (EMP)and tangible (TAN). The regression results are presented on Table 5 below.

60

Table 5: *Effect of Service Quality on Customer's satisfaction – Regression*
Coefficients

	Coefficients (Beta)	T – statistic	Sig.
(Constant)	0.404	4.458	0.000***
REL	0.147	4.961	0.000***
RESP	0.165	7.400	0.000***
ASS	0.098	3.322	0.001***
EMP	0.200	8.577	0.000***
TAN	0.245	8.104	0.000***
R	0.903		
R – Square	0.815		
F – Statistic	277.448		
p-value	0.000		

***, represent 1% significant levels

NB: REL = Reliability, RESP = Responsiveness, ASS = Assurance,

EMP = Empathy, TAN = Tangible

Source: Field data, (2016)

From the table, the R Square value of 0.815 from the regression model indicates that the independent variables explain 81.5% of the variations in the customers' satisfaction. Since, the independent variables explain more than half (81.5%) of the dependent variable, the model can be considered very goodfor analysis. Also, the regression result is statistically significant as the level of significance (p-value = 0.00) is less than 0.05.

It is evident that all the service quality dimension (reliability, responsiveness, assurance, empathy, and tangible) exhibits positive (with

positive Beta values) and significant (all with sig. = 0.00) effect on customers'
satisfaction. This mean increasing reliability, responsiveness, assurance,
empathy, and tangible leads to an increase in customers' satisfaction. Based on
the beta values an equation can be formulated as;

$$Satisfaction = 0.147(REL) + 0.165(RESP) + 0.098(ASS) + 0.200(EMP) + 0.245(TAN)$$

From the equation, tangible, and empathy are the two most influential
service quality dimensions that positively contributes to an increase in
customers' satisfaction since they have large Beta values of 0.245 and 0.200
respectively. Moreover, increasing reliability and responsiveness by 1 unit
leads to an increase in customers' satisfaction by 0.147 and 0.165 respectively.
Meanwhile, assurance is regarded as the least influential service quality
dimension that positively affects customers' satisfaction. In all, the regression
coefficient (R) value of 0.903 shows that service quality has a positive and
significant effect on customers' satisfaction.

Discussion

Thefindings of the study have revealed that all the service quality
dimensions (reliability, responsiveness, assurance, empathy and tangibility)
shows a positive Beta values and are also has a significant (all with sig. =
0.00) effect on customers' satisfaction. This mean increasing reliability,
responsiveness, assurance, empathy, and tangible leads to an increase in
customers' satisfaction.

The findings of this study are consistent with the findings of Jabnoun
& Al-Tamimi (2003) who found out that banks with better ambience enhance
customer satisfaction in a better way. Also association between service quality
and customer satisfaction in banking sector of Sweden is examined by

Zineldin (2005). He found that by combining tangible and intangible attributes of premium quality in products and services provided by banks, they may create a strong and long-term relationship with their customers by enhancing customer satisfaction. This service quality dimension comprises of bank ambience, service equipment, human resources (staff) and the means of communication. In simple words tangibles are about creating foremost impressions. All organizations desire that their consumers get an exceptional and positive foremost impression. Focusing on this particular dimension will help them to gain maximum benefit (Swar & Sahoo, 2012).

The findings of this study are also consistent with the findings of Ibanez et al. (2006) who studied the association between dimensions of service quality and customer satisfaction. They found a significant relationship between reliability of services on the satisfaction level of customers. In addition to tangibles, reliability and responsiveness; assurance has been identified as a significant dimension of service quality by Parasuraman et al. (1988). They propose that all of these dimensions significantly enhance customer satisfaction. It is believed that if the employees of financial institutions display trustworthy behavior, the satisfaction level of customers can be enhanced significantly.

The findings of this study are also consistent with the findings of Iglesias & Guillén (2004) who also found a positive and significant relationship between empathy and customer satisfaction. It was also established by Al-Marri et al. (2007) that customer satisfaction is significantly impacted by empathy. Wieseke et al. (2012) empirically investigated the role of empathy in service quality and its impact on customer satisfaction. It was

63

established that customers treated emphatically are more often visitors and prone forgive any mistakes that may occur. Empathy creates an emotional relationship with customer, providing customer a touch of importance for business.

Research conducted by (Sackey, Adebayo, Oppong, Mensah, &Annor, 2012) on the effects of service quality on customer satisfaction using the SERVQUAL model revealed that Barclays bank in Ghana implements all the five service quality dimensions (Empathy, Assurance, Tangibility, Reliability, and Responsiveness), which is to say that the bank strives to be at its best when it comes to quality. This quality service has also become a major critical cause of satisfaction for the banks customers. The findings of this study are also consistent with the findings of Saghier & Demyana (2013), in their research on service quality dimensions and customers' satisfactions of banks in Egypt which also revealed that customer satisfaction in the Egyptian banking services is significantly affected by Reliability, Empathy, Assurance and Responsiveness.

64

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This last chapter focuses on the summary of findings of the study and assesses to what extent the research questions were answered and the research objectives achieved. This is followed by conclusion and presentation of recommendations based on the research findings.

Summary of Findings

This part presents the summarized results and interpretation (findings) based on the study objectives as established at the beginning of the study. This research covered a sample of 330 customers of Zenith bank Achimota branch in Accra Ghana and 320 of the questionnaires were properly filled which makes a valid response rate of 96.97%. This response rate was considered good for research work.

In assessing the analyzed data gained from the quantitative correlated study, the summary of results are as follows;

When reliability analysis was applied, it was discovered that all the subscales of the service quality dimensions were reliable for inclusion in the data analysis. With reference to the level of service quality being delivered by Zenith bank, it was evident that the bank embarks on reliability, responsiveness, assurance, empathy, and tangibles. Among these service quality dimensions, tangible, and assurance were the leading service quality dimensions delivered by the bank. However, the bank being empathy in its service delivery is least performed by the bank.

65

The findings further revealed that irrespective of the customers' gender, age or educational level the bank deliver equal quality of services to their clients.

With reference, to the satisfaction level of the customers as a result from the quality of service delivered by the bank, it was reflected in the results that the customers were satisfied with the quality of service delivery by the bank. For instance, the customers claimed to be satisfied with current quality of service, the bank's reputation etc. this level of satisfaction has caused the customers to increase their loyalty to the bank, give positive word of mouth to friends about the bank, keep purchasing the bank's products and services, and will continue to stay with the bank even for the next 10 years. Moreover, the customers irrespective of their gender, age, and educational level attributed equal level of satisfaction to the quality of service delivered by the bank.

When regression analysis was applied to investigate the effects of service quality dimensions on customers' satisfaction, it was reflected in the results that reliability, responsiveness, assurance, empathy and tangible all have a positive and significant effect on customers' satisfaction. However, empathy and tangible have the highest positive and significant effect on the customers' satisfaction. Therefore, increasing service quality level increases customers' satisfaction.

Conclusions

In conclusion, the results of this study have shown that, currently there are five quality service dimensions that are used by Zenith bank Ghana Limited. The study has also identified the satisfaction level of the customers and most importantly how the quality of service delivered by the bank affects

66

their satisfaction. Descriptive analysis and regression analysis were performed to examine the service quality dimensions and how it affects customers' satisfaction. The results indicate that reliability, responsiveness, assurance, empathy, and tangible were the service quality dimensions delivered by the bank. Among these empathy and tangible were the best used service quality dimensions. However, the bank does not discriminate irrespective the customers' gender, age and educational level in its quality service delivery. Moreover, all the customers, irrespective of gender, age and educational level are satisfied with the bank's quality of services. In addition, all the service quality dimensions had positive and significant effect on the customers' satisfaction.

It is important to mention that, the service quality dimensions used by Zenith bank might be unique to many other banking institutions in Ghana. Therefore, suggestion is made to the banking institutions to take into account all the identified service quality dimensions and implement them in order to increase their customers' satisfaction level. However, this result should be interpreted with caution given the quantitative methodology used. Finally, from the results the study concludes that Zenith bank has better level of service quality delivery and that customers' satisfaction is positively influenced or affected by service quality. Overall, the findings have provided knowledge to how service quality affects customers' satisfaction.

Recommendations

Based on the findings and conclusions made above, the following recommendations are made for improving the service quality of the bank so as to assure customer satisfaction.

As Zenith bank have strengths in some dimensions of service quality (empathy and tangible) as identified in the research it is recommended to the bank to continue developing these dimensions and consider them as competitive weapons in influencing customer satisfaction.

Zenith bank management should focus their attention on the location of the bank branches, and reconsider the amount paid by customers for service delivery, as the customers were dissatisfied with these. They can be improved by opening more branches in residential and business areas with extended working hours of some branches in order to suit the routine of some customers, as well as providing convenient parking space.

The assurance and reliability dimensions in service quality were identified as main factors that least affects customers' satisfaction therefore the study recommend to the bank to focus on these. This should be done by improving the security of the customers in transacting with the bank, delivering the promised services correctly on time, showing better care to reduce errors or problem, understanding customer needs and paying more attention to customers.

Finally, it is recommended to the bank management to continue to be aware of the needs of each demographic (gender, age, and educational level) of their customer base in order to influence the satisfaction levels of their own customers as well as improving service quality to attract and retain new customers.

68

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70

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APPENDIX A

SAMPLE QUESTIONNAIRE

UNIVERSITY OF CAPE COAST

COLLEGE OF DISTANCE EDUCATION

RESEARCH QUESTIONNAIRE

The researcher is a student on a Master of Business Administration (MBA) programme at the University of Cape Coast. He is conducting a study into **'SERVICE QUALITY AND CUSTOMER SATISFACTION: PERCEPTION OF CUSTOMERS OF ZENITH BANK ACHIMOTA BRANCH ACCRA'.**

The researcher will be most grateful for answering the following research questions. Absolutely, all information provided will be used for academic purposes only. Time spent answering the questionnaire is highly appreciated. Also, your candid opinion is highly solicited. Thank you.

Section A: Demographic Profile of Respondents

1) Gender of respondent

   1. Male [ ]   **2.** Female [ ]

2) Age of respondent

1. Less than 20yrs [ ]   **2**. 20-29 yrs [ ]   **3.**30-39yrs [ ]   **4.** 40-49yrs [ ]

5. 50yrs or more [ ]

3) Educational level of Respondent

1. SHS/O-Level/A-Level [ ]   **2.**Diploma [ ]   **3.**Degree [ ]   **4.**Masters [ ]

5.PhD [ ]

4) For how long have you been a customer of the bank?

77

1. Less than 5 yrs [ ]   **2**. 5-9yrs [ ]   **3 .** 10 yrs and above [ ]

Section B: Service Quality delivered by Zenith Bank

Below are statements about the factors that influence your satisfaction on the quality of services rendered by Zenith Bank. Please TICK the number that most reflects your answer on a scale of 5 to 1 (where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree).

Service Quality Dimensions	Scale				
	1	2	3	4	5
Reliability					
The bank shows an honest interest and care, if I have a problem					
The bank always delivers its services at the times it promises to do so					
The bank always delivers its services right the first time					
When the bank promises to do something by certain time, it does so					
The bank insists on error free records					
Responsiveness					
The bank employees provide me with prompt services					
The bank employees are always willing to assist me					
The bank employees are never too busy to respond to my enquiries and requests					
The bank employees always inform me about their new offers and services					
Assurance					
The bank employees always instil confidence in me					
I feel safe and secure in the bank transactions					

78

The bank employees are always friendly					
The bank employees have the knowledge to answer my enquiries					
Empathy					
The bank employees have the customer's interest at heart					
Employees in the bank understand my specific needs					
The bank has employees who give me individual attention					
Employees in the bank go out of their way to make me feel like VIP					
Tangible					
Materials associated with the bank are visually appealing					
The bank employees are well dressed and appear neat					
Physical facilities are visually appealing at the bank's office					
The bank has convenient business hours					

How do you evaluate the perceived services of this telecommunication network?

1) Very good [ ] 2) Good [ ] 3) Neither good nor bad [ ] 4) Bad [ ]

5) Very bad [ ]

Section C: Satisfaction level

Below are statements about your satisfaction level, loyalty and retention to your bank based on the quality of services rendered by the bank. Please TICK the number that most reflects your answer on a scale of 5 to 1 (where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree).

Statements	Scale				
	1	2	3	4	5
Satisfaction					
I am satisfied with the services and products quality provided by my bank					
I am satisfied with the prices I pay for the services I get from my bank					
I am satisfied with my bank reputation					
I am satisfied with my bank's branches locations					
Overall I am satisfied with being a valued customer of my current bank					
My preference for the services of this bank would not willingly change					
It would be difficult to change my beliefs about the services of this bank					
Even if close friends recommend another bank, my preference for this bank will still not change					
I will buy/deal with this bank the next time I want to access new products and services					
I intend to keep purchasing the products and services of this bank					
My loyalty to the bank has increased because of service delivery					
I am confident of giving positive word of mouth to others					

about this bank					
The bank stimulates me to buy repeatedly					
I will stay with the bank for the next 10 years					
I have considered not leaving the bank					
Current quality of service has kept me with the bank					
I intend patronizing other products of the bank					