UNIVERSITY OF CAPE COAST

ASSESSING SERVICE DELIVERY AT ZENITH BANK GHANA

LIMITED

BY

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Dissertation submitted to the Department of Management Studies, School of

Business, University of Cape Coast, in Partial Fulfillment of the requirements

for the award of Master of Business Administration degree in Marketing

SEPTEMBER, 2015

CHAPTER ONE

INTRODUCTION

Background to the study

The banking industry is facing rapid changes in the market, such as: new technologies, economic uncertainties, fierce competition, more demanding customers and the changing climate which lead to an unprecedented set of challenges (Hinson, 2006). One can infer that, the increased competition, highly educated consumers and increased standard of living are forcing many businesses to review their customer service strategy. Therefore service-based companies, such as banks, are compelled to provide excellent services to their customers in order to have sustainable competitive advantage, especially in the current trend of trade liberalization and globalization. They must realize that service quality has become an integral component of service quality (Karim & Chowdhury, 2014). By implication, for banks to maximize customer satisfaction they must strive to improve service delivery to their customers.

According to Saravan and Rao (2007), service quality remains critical in the service industries, as businesses strive to maintain a competitive advantage in the marketplace and achieve customer satisfaction. The financial services, particularly banks, compete in the marketplace with generally undifferentiated products; therefore service quality becomes a primary competitive weapon (Naeem & Saif; 2009; Karim et al., 2014). Literature has proven that providing quality service delivery to customers retains them, attracts new ones, enhances

corporate image, lead to positive referral by word of mouth, and above all guarantees survival and profitability (Negi, 2009; Ladhari, 2009).

Despite the criticality of service quality to businesses, measuring service quality poses difficulties to service providers, because of the unique characteristics of services: intangibility, heterogeneity, inseparability and perishability (Bateson, 1985; Douglas & Connor, 2003). In view of this, services require a distinct framework for quality clarification and measurement. Among the prominent frameworks, SERVQUAL model developed by Parasuraman et al (1985, 1988) is most preferred and widely used model for measuring service quality in the service industry. This study applied the SERVQUAL framework to investigate the nature of service delivery at Zenith Bank Ghana Limited.

Statement of problem

The liberalization of the financial market and globalization have resulted in keen competition among firms and industries. The Ghanaian banking industry is no exception especially with the proliferation of banking and financial institutions in the country (Idun & Aboagye, 2014). With the availability of goods and services, organizations need proactive strategies, the absence of which can lead to a steady decline of market share (Collier, 2006). Studies recommend that banks should make service quality a cornerstone of their marketing strategy in order to ensure successful business (Guo, Duff, & Hair; 2008; Karim et al., 2014). The customer is vital for the development of trade, industry and service sector

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particularly in financial services. Therefore effective customer service delivery would help bank to compete in a market driven environment.

Customers' choice of a bank over another is based on several factors such as the location, interest rates, quality of service delivery and the bank's reputation. However, service quality is seen as one of the key factor and thus has received considerable attention by organizations (Lohani & Bhatia, 2012). Stafford (1996) says that the financial services, particularly banks, compete in the marketplace with generally undifferentiated products, therefore service quality becomes a primary competitive weapon. The banking industry is highly competitive as banks do not only compete among themselves but also with non-banking and other financial institutions which are both local and foreign (Kaynak & Kucukemiroglu, 1992; Hull, 2002; Hinson, Mohammed & Mensah, 2006).

In the quest to improve its services, retain and attract customers, Zenith bank has introduced innovative measures such as extended business hours, ATM network, internet banking and improved banking hall facilities. This is all in the interest of enhancing customers' comfort. These efforts which aim at bringing satisfaction to the customers seem to be futile. Customers' preferences and expectations seem not to match up with the bank's initiatives. There is continuous complaint of long waiting periods at the banking hall, failure of network system and automatic teller machines, facility issues and quality customer service issues.

The emerging situation calls for the assessment of service quality in relation to customer expectation and service performance to help Zenith Bank to

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improve its service quality and enhance satisfaction so as to ensure customer retention.

Objectives of the study

The main aim of this study is to assess the level of service quality delivery at Zenith Bank, Cape Coast and Takoradi branches. The specific objectives of the study are to:

1. Assess the expected importance customers attach to each of the SERVQUAL dimensions service delivery at Zenith Bank Ghana Limited;

2. Assess the perceived importance customer attach to each of the SERVQUAL dimensions service delivery at Zenith Bank Ghana Limited;

3. Determine the correlation between the dimensions of the SERVQUAL model; and

4. Analyze the difference between what customers perceived and what they expected regarding service delivery at Zenith Bank Ghana Limited.

Research Questions

In order to provide answers to the research objectives, questions will be posed for investigations. For instance:

1. What is the expected importance customers attach to each of the SERVQUAL dimensions of service delivery at Zenith Bank Ghana Limited?

2. What is the perceived importance customers attach to each of the SERVQUAL dimensions service delivery at Zenith Bank Ghana Limited?

3. What is the relationship among the five SERVQUAL dimensions?; and

4. Is there a difference between customers' perception and customers' expectation of service delivery at Zenith Bank Ghana Limited?

Significance of the study

The study would be a great source of literature for all who would want to conduct further studies into the issue of service delivery. The study offers some explanations to some of the management and marketing principles that can influence service quality with special reference to the banking industry. This study stands to benefit the management, policy makers, and staff members of Zenith Bank Ghana Ltd on how to improve their customer services delivery. The study is also beneficial because it adds to the numerous voices that supports the SERVQUAL dimensions proposed by Parasuraman et al (1988). Above all, the study provides a formidable ground for other researchers who want to investigate the extent of service delivery in both banking and non-banking sectors in Ghana. Other academic professionals will also find the findings in this study useful for teaching and learning.

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Scope of Study

The study is limited to service quality practices of Zenith Bank. This study however focuses on Cape Coast and Takoradi branches. It is the expectation that results from this study will engineer further studies in all the branches across the country.

Organization of the Study

The study is structured in five chapters as follows: Chapter gives the background to the study, the problem statement, research objectives, research questions, significance of the study and the organization of the study. Chapter two reviews existing literature and other academic works written in line with the study being conducted. In effect, this chapter summarizes other works, which are similar and relevant to the research work. Chapter three discusses the methodology employed in executing the research work. In doing so the methods used in collecting and analyzing data collected were considered. Chapter four presented a detailed analysis of the data collected. Chapter five which is the final chapter brings to focus the findings of the research work based on the analysis in chapter four. The chapter closes with recommendations based on the findings.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

This chapter covers the literature reviewed of theories, models and empirical evidence of the variables of the study - service quality. The literature reviewed includes: historical background of the banking industry of Ghana, service, the concept of service quality, and the relationship between service quality and antecedents of service quality.

Theoretical review: The service quality models

The SERVQUAL model used in this study is based on the seminal contribution by Parasuraman et al. (1988, 1985) which asserts that users judge the service in terms of whether the service received is equal or exceeds what was expected. Berry et al (1985) conceptualized the SERVQUAL Model as an instrument to measure service quality based on the proposition that service quality is the difference between customer's expectations and perception of service delivery. In other words, service quality assessment is conceptualized as the gap between what customers expect from a category of service providers and the evaluations of the performance of a specific service provider within that category. The researchers found that high degrees of correlation exist between communication, competence, courtesy and security on the one hand, and access and understanding on the other hand. They then created two broad dimensions of

empathy and assurance to make up five consolidated dimensions namely, tangibility, reliability, responsiveness, assurance and empathy. These dimensions served as the basis for measuring service quality of Zenith Bank in this study.

In using SERVQUAL (Parasuraman, 2004, 2010), respondents are required to complete a series of skilled questions which measure customer expectations of a particular firm on a broad area of specific service characteristics, and the corresponding perceptions of the firm's performance. As posited by Lovelock (1983) and Lovelock and Wirtz (2007), when perceived performance rating exceeds expectations, the outcome is considered as a sign of good quality whilst the reverse is an indication of a poor quality.

The SERVQUAL model has been criticised on the basis that it does not account for the influence of corporate image and reputation on the scores. To what extent does SERVQUAL measure customer perceptions and expectations engendered by a highly favourable corporate brand and reputation? Does the corporate brand and reputation affect the expectations and perceptions customers have of the service under study? The SERVQUAL is further criticized on the basis that, measuring customer expectation and perceptions separately, necessarily requires that respondents have prior knowledge of the service they are to evaluate.

As an alternative, Cronin and Taylor (1994) proposed the SERVPERF model, with the assumption that it is a better reflection of the long term service quality attribute than the SERVQUAL and excludes the measurements of expectation. To corroborate this, Bakakus and Boller (1992) reported that results on SERVQUAL were not compatible with the gap formation for service quality;

rather, service quality was directly influenced only by perceptions of performance.

Lovelock and Wirtz (1996) observed that a degree of roles exist in defining service quality primarily on the basis of customer satisfaction with outcomes relative to prior expectation. If customer expectations are relatively low whiles the actual service delivery is perceived to be marginally better than the dismal level that had been expected, the potential claim that customers would be receiving a good quality service would have on basis. Despite these criticisms many researchers still consider the SERVQUAL model as an excellent method of measuring service quality. This study therefore adopts the SERVQUAL method of evaluating service delivery in the banking sector in Ghana.

Empirical literature

Various studies on service delivery within the banking industry in challenging environments as reviewed have focused on marketing themes spanning bank service quality, relationship marketing and customer satisfaction.

According to Sureschander et al. (2003) the research literature on service quality contains several models by different researchers across the globe. Gerpott et al. (2001) on the other hand indicated that in order to increase the customer confidence in the capabilities of a service provider, customer satisfaction and customer loyalty are the key factors considered in the existing literature. Further, the marketing literature has recognized the importance of developing and

maintaining enduring relationships with customers of service businesses (Henning-Thurau et al., 2002) and as cited in So and Speece (2000), Perrien et al (1992) suggested that strong competitive pressure has forced financial institutions to revise their marketing strategies and to stress long-lasting relationships with customers. Indeed, Joseph and Stone (2003) indicated that the importance of service delivery and its impact on improving satisfaction and retention of customers cannot be overstated.

Mobolaji (2009) studied banking development, human capital and economic growth in Sub-Saharan Africa (resource challenged environment) and posited that despite the myriads of hope, growth and performance of Africa has been very poor. He concluded that human capital impacts positively on growth. Since people play a key role in service delivery, human capital development should positively impact service delivery. He however indicated that due to poor development of institutions in the region, poor infrastructure facilities, high transaction costs, weak property rights, and inefficient legal systems, financial development has not had much impact on economic growth. These findings provide empirical evidence that the resource –challenged environments have stalled service delivery in these countries.

Kaur et al. (2009) in their study of the internal market orientation in Indian banking stated that to survive in a highly competitive environment would require organizations to deliver services that might yield satisfied and loyal customers. They argued that in order to gain excellent service delivery, an organization need an effective internal system aimed to serve the external customers. They therefore

concluded that managements must empower employees, involve them in decision making, understand their needs and give them more authority and responsibility thereby allowing them to become innovative in delivering the service. This study therefore focuses on the people aspect of service delivery.

Muhammad et al. (2012) examined the short-run and the long-run relationships between Islamic banking development and economic growth in the case of Indonesia. The study attributed the showdown of Islamic financial institutions to political and economic threats from the government. The paper therefore concluded that political and economic dilemma can either encourage or restrain a global phenomenon like Islamic Banking. Whilst this study relates specifically to Islamic Banking, it highlights the influence of environmental factors, namely economic, political and social variables on the success or otherwise of financial institutions in resource-challenged environments.

Hinson et al. (2011) discovered that International bank brands fared better than local bank brands in Ghana with regards to specific dimensions of service brand quality and attributed this disparity in performance to factors such as the presence of service standards and exposure to well –structured training programmes. The argument therefore is that geographical context per se does not guarantee success of a bank, but adherence to best practices globally is what guarantees success. The findings hare are revealing as it debunks the myth that geographical location of a financial institutions is a determinant of its success. Thus, foreign banks operating in resource challenged environments which have

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adopted best practices in the world appear to be doing better as compared to their local counterparts.

Thuy and Hau (2010) studied the concept of service personal values and its ability to predict customer satisfaction and loyalty towards banking services in Vietnam. The study implied that service providers in resource challenged environments should understand personal values of customer that may be different by culture and social demographic characteristics. These findings lend credence to the conclusions drawn by Hinson et at (2011) that training of bank employees is critical to ensure successful service delivery. At the same time the finding also indicate the need for banks operating in resource –challenged environments to consider the influence of culture on customers so as to help deliver services effectively.

Ladhari et al (2011) compared perceptions of bank service quality among Canadian (a developed economy) and Tunisian (resource –challenged) customers. The study concluded that bank priorities vary depending on the origin of their customers. For instance in Canada empathy was identified as the most important dimension for predicting satisfaction and loyalty among customers whilst ''reliability" and "responsiveness" dimensions of service quality were identified as the most important predictors of satisfaction and loyalty among Tunisian customers. It can be deduced from these findings that marketing practitioners must identify the dimensions of service quality that determine satisfaction and loyalty in their own country. Thus, it can be argued that a standardized marketing strategy in environment characterized by different economic, social and cultural

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environment is not appropriate. Ladhari et al (2011) further acknowledge the contribution of internet banking as an alternative for developing, operating and offering bank services and products. They however caution banks operating in resource –challenged environment to consider the challenges posed by adopting internet banking as internet users may have different demand expectations and needs from in-person customers.

Alam et al. (2007) drew conclusions relating to Technology in the banking sector in Bangladesh. The research indicated that some selected segments of the Bangladeshi banking community have embraced technology with reasonable success. The study further indicated that personal computers and the internet are as day-to-day banking tools which are positive indicators and thus favour the prospects of electronic banking in Bangladesh. The research however postulated that, in order to successfully implement the internet banking in Bangladesh liberalizing the Telecommunication and IT sectors as well as reforming the financial sectors were seen as the preconditions. The study also noted that a better understanding of the potential benefits of internet banking by the policy makers and bureaucrats is vital for a speedy implementation and further reforms.

However, the converse is the case with respect to the findings of Maumbe in 2006 whose study focused on Digital Financial Service Delivery to Poor Communities in South Africa. The study sought to understand how ICT could be extended to banking services. The study however concluded that, some clients still prefer face-to-face interactions and the personal touch characteristics of traditional banking. This was attributed to the absence of computer literacy in

rural areas in Africa. There was another contrasting finding in Thailand by Srijumpet in 2007 who studied satisfaction and dissatisfaction in service encounters in the retail stockbrokerage and corporate banking industry. The aim was to examine the customer satisfaction and dissatisfaction with reference to interpersonal versus internet service encounters in Thai retail stockbrokerage and corporate banking. Interpersonal interaction was preferred to the internet encounter.

A study was conducted by Ehigie (2006) on the correlations between customers' loyalty to their banks. The study specifically sought to examine how customer expectations, perceived service quality and satisfaction predict loyalty among bank customers in Nigeria. The results revealed that it is important to study and understand consumer behavior for the purpose of improving customer services in the banking system in Nigeria. According to Ehigie (2006), in order to improve on customer loyalty, bank management ought to satisfy their customers and can best be done when customers' needs are known and machineries are put in place at getting them satisfied. Thus identifying and satisfying customers' needs is imperative to improving bank customer services because what is offered can be used to separate own services from those of competitors.

Megicks et al. (2005) studied market-oriented service development in Indian Regional Rural Banks. Their study aimed to develop a conceptual understanding of the factors influencing market orientation in the Rural Banks and also assess its impact on outreach performance. The research concluded that market orientation is key to attaining organizational performance goals in Indian

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Regional Rural Bank. The research further found out that, there should a relationship between the constituent variables of the MO thereby developing a proposition that relate to effective New Service Delivery which would inevitably lead to improved outreach performance.

Furthermore, Petridou et al. (2007) did a research on Bank service quality with evidence from Greek and Bulgarian retail customers. The paper sought to assess and compare the level of bank service quality provided in Greece and Bulgaria. It also aimed at identifying the dimensions of quality service in the two countries. The results of the study suggest that, Greek bank customers perceived receiving a high level of service quality than their counterparts in Bulgaria. The difference in the perception, they identified, was the result of the bank sector developments related to the level of liberalization and competition and on the differences in sample characteristics in terms of occupation, income and bank status.

Semilarly, Sadwghi and Bemani (2011) sought to find out customers' understandings of service quality. In addition, they investigated the relationship between the five dimensions of services quality and their relationship with customers' understanding of services quality. Gap analysis was also performed based on the five service quality dimensions. Favorable perceptions were held by the respondents on the services provided by Eghtesad-e-Novin Bank in Mashhad.

A similar study that applied the SERVQUAL framework pointed that positive relationship exists among the five dimensions of reliability, assurance, responsiveness, empathy and tangibility. Furthermore, Ilyas et al (2013) found

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that "Empathy" had the highest value in expectation with 4.877 followed by "Assurance" and "Responsiveness" and similarly on the perception side "Reliability" had highest value with 4.85 followed by "Responsiveness" and "Assurance". Females are dissatisfied in tangibles as gap is negative but males are satisfied in the same dimensions. Similarly, in "Responsiveness" males are dissatisfied but females are satisfied which shows that perceived service quality varies gender wise. But in Ramseook-Munhurrun et al (2010), employees' loyalty was predicted by overall satisfaction, tangibles and responsiveness. In Pakistan, a study by Ali and Yuan (2013) revealed that customers' perception is relatively higher in assurance dimension for Islamic banks whilst conventional banks are higher on the tangibility dimension. However, overall service quality was higher in Islamic Banks than in conventional banks. Service quality produces a higher customer satisfaction in private banks than in public bnaks (Lohani & Bhatia, 2012). In Northen Cyprus, the SERVQUAL model shows that the banks in that country have not met the expectations of SMEs (Safakli, 2007).

Conceptualization of Variables

Service

In recent marketing literature, the concept of service is used and defined in various perspectives by many scholars. A service is a commodity with no physical existence, usually created and consumed at the same time. Gronroos (2001), described a service as a process resulting in an outcome in a partly simultaneous

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production and consumption process. This definition points to the fact that service production or provision and consumption are simultaneous activities.

On the issue of a service being a commodity, Edvardson et al. (2005) defined service as a component of the wider product concept. Service is a component of the wider concept of products that is limited to acts, deeds and efforts (Lovelock 2005). Lovelock and Wirtz (2007) indicated that, service is "time based" and the outcome of a service may result in desire change in consumer or any property of the consumer. Vargo and Lusch (2004) as reported in Edvardson, et al. (2005) indicated that not only is a service provided for the benefit of another entity but it may also be for the benefit of the providing entity. He thinks that, the concept of service should be approached from the customer's perspective because it is the customer's total perception of the outcome which is the 'service' and the customer outcome is created in a process meaning service is generated through that process. He points out the participation of the customer in the service process since he/she is a co-producer of service and the customer will prefer service offered to be of high value and quality.

Service process is that which consists of either, delivery of service, interpersonal interaction, performance or customer's experience of service. According to a study carried out by Johns (1998), service is viewed differently by both the provider and the consumer; for the provider, service is seen as a process which contains elements of core delivery, service operation, personal attentiveness and interpretational performance which are managed differently in various industries. While customer views it as a phenomenon meaning he/she sees

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it as part of an experience of life which consists of elements of core need, choice and emotional content which are present in different service outputs and encounters and affect each individual's experience differently. However, factors that are common for both parties include; value (benefit at the expense of cost), service quality and interaction. Service interaction involves interpersonal attentiveness from the service personnel who are to provide core services and this contributes to customer satisfaction with the service offered (John, 1998).

The above discussions have brought out some of the numerous characteristics of service. It could be deduced from the review that service is intangible, time based and individualized. Apart from these characteristics, Groth and Dye (1999) identified perceptional dependence, non-return ability and needs-match uncertainty as some of the distinguishing qualities of service. The literature describes services with attributes such as inseparability, intangibility, heterogeneity, and more recent, "benefit not ownership" (Kotler & Keller, 2006; Lovelock & Wirtz, 2007). 'Benefit not ownership' attribute of service holds that a service may only result in a benefit to the purchaser and not ownership as in the case of goods.

Quality

'Quality' is a concept which requires a concern both in products as well as in services. Experts have defined it as, "fitness for use", "conformation to requirements", "freedom from variation" etc. To market a product, quality plays a pivotal role to sell that product. In fact, quality is considered as the most important factor that influences the buying behavior of the customer. Intangible

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goods, like products quality, can be measured by its durability and number of defects, usage of product, packaging, handling etc.

According to Hardie &Walsh, (1993); Sower and Fair, (2005); and Wicks and Roethlein (2009), quality has many different definitions and there is no universally acceptable definition of quality. They claim it is because of the exclusive nature of the concept from different perspectives and orientations and the measures applied in a particular context of grocery stores and must focus on various dimensions of both product and service. This therefore means the definition of quality varies between manufacturing and services industries and between academicians and practitioners. These variations are caused by the intangible nature of its components since it makes it very difficult to evaluate quality which cannot be assessed physically, implying that other ways must be outlined in order to measure this quality.

Quality has been considered as being an attribute of an entity (as in property and character), a peculiar and essential character of a product or a person (as in nature and capacity), a degree of excellence (as in grade) and as a social status (as in rank and aristocracy) and in order to control and improve its dimensions it must first be defined and measured (Ghylin et al., 2008).

Some definitions of quality pointed out by Hardie and Walsh (1994, p.53) include; "Quality is product performance which results in customer satisfaction freedom from product deficiencies, which avoids customer dissatisfaction" and Juran (1985, p.5). "Quality is the extent to which the customer or users believe the product or service surpasses their needs and expectations".

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The above definitions of quality shed light in understanding quality concept and point out that quality has many views. As concerns this study, quality is seen both in terms of product quality and service quality, because most of the definitions are relevant to the study since they make mention of service and how customers will like to become satisfied when quality is high.

Service Quality

Service quality is a business administration term used to describe achievement in service. It reflects both objective and subjective aspects of service. The accurate measurement of an objective aspect of customer service requires the use of carefully predefined criteria. The measurement of subjective aspects of customer service depends on the conformity of the expected customer's imagination of the service they might receive and the service provider's talent to present this imagined service.

Service quality is defined as the degree of difference between customers' expectation for service and their perceptions of service performance (Parasraman et al., 1985). Consumers usually shop at specific stores, because they like the service provided and they are assured of certain service privileges; thus, the performance of sales personnel stimulates bonding through trust between them and customers, which affects the latter's perception of the store or brand (Lau et al., 2006; Leng & To, 2001). Service quality can also be defined as meeting the needs and expectations of the customer (Smith, 1998).

The definition of service quality can be extended to the overall evaluation of a specific service with ten service quality dimensions: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, and understanding or knowing the customer (Parasuraman et al., 1988). Zeithaml, Parasuraman and Berry (1990) refined the ten dimensions into five to measure customer's perceived value of service quality, which is known as SERQUAL.

Many scholars have tried to describe the nature of service quality. Numerous models have been developed to explain the conceptual framework of service quality. According to Suuroja (2003), traditionally, the conceptualization of service quality were based on the disconfirmation theory of service quality which holds that customer perceived quality is an outcome of comparing specific performance with standards. This means service quality is a variance in performance. Gronroos (1984) is said to be one of the proponent of the disconfirmation models who defined service quality as "the outcome of an evaluation of process where the consumers compare their expectations with the service they are received". Gronrros (1984) postulates that customer perceived service quality is a function of expected service, perceived service, and image quality. The image quality is a function of what he termed technical quality and functional quality.

Parasuraman et al (1985) built on the model of Gronroos (1984) and Oliver (1980's) the definition of service quality to develop the "expectation-performance" gap model. In this model, they described service quality as the discrepancies between customers' perception of service received and expected

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service quality. The discrepancies between the expected performance and perceived performance are called gaps and hence the model is designated as the gap model. In 1988, Parasuraman reviewed the former model of 1985.

The model conceptualized five sources of gaps or service quality: the first is the discrepancies between consumers' expectation and management perception of consumer satisfaction. The second is the difference between management perception of consumers' expectation and service quality specification. The third is the difference between services quality specification and service delivery. The fourth is the discrepancies between actual service delivery and communicated service delivery. And the last is the discrepancies between consumers' expectation of service and consumer perceived service. This source of gap is a function of the other four sources of gaps.

The gap model holds that the degree and direction of a gap determines the level of service quality. Describing service quality as gap between expectation of performance and perceived performance is quite convincing but it is not without criticisms.

Many authors have criticized the expectation-performance model which is also referred to as the disconfirmation model. It is argued that in theory, it is unlikely that customers will be able to consciously determine ideal performance and above ideal performance and hence assign the appropriate values (Teas, 1993). In other words, it may not be possible for customer to evaluate above ideal performance with high values than the values they will assign to ideal performance. According to this school of taught, consumers are unlikely to be

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able to distinguish above ideal performance from ideal performance in the service quality evaluation process. Thus the difference between customers' expectations and perceived performance may not be a robust measure of service quality. It may be observed that, the gap model will be an appropriate measure where performance is below expectations but it will not be a good measure of service quality where performance is above customers' expectation.

Cronin and Taylor (1992) noted that even if service quality is the gap between expectation and performance; service quality should be conceived as customers' attitude towards the service. They argued that conceptualizing service quality as an attitude makes it practical for service quality to be measured by evaluating the importance of the specific aspects of a service that are relevant to customers' perception of service quality or by evaluating customers perceived performance about specific facet of a service. Cronin and Taylor (1992) concluded from their study on measuring service quality that, the measuring service quality as an evaluation of customers' perceived performance is a better indicator of service quality than measuring service quality as the gap between expected performance and perceived performance. They developed a measurement instrument based on evaluating perceived performance only and designated it "SERVPERF as against the SERVQUAL instrument which is based on the expectation and performance gap theory.

Dimensions of Service Quality

In service marketing, different people viewed service quality differently in terms of its dimensionality. However, it is generally accepted that service quality is a multidimensional construct. Service quality undoubtedly consists of explicit and implicit attributes (Parasuraman et al 1984). Thus it is reasonable to view it (service quality) as a function of several components rather than mono-construct (Suuroja, 2003).

The matter of debate however lies on the content of the dimension (nature and number). It appears the substance of the dimension proposed by various authors do not vary so much. Much variation exists in the form and number of components. While some authors use broad terminologies to describe the dimensions of service quality others are more specific and detailed and that accounts for the difference in form and number of dimensions.

One of the earliest authors, Gronroos (1984), conceptualized service quality as a dimensional construct. According to Gronroos (1984), ''customers' perceptions of service process are divided into two dimensions'' (Suuroja, 2003, p.12). Gronroos designated these dimension as technical quality and functional quality.

The technical quality dimension refers to the outcome of the service process. For example, in the bank, the outcome of withdrawal service is getting access to your money when you need it. The functional quality on the other hand refers to the quality of the service process. For example, in a withdrawal service

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process the quality of the procedures and experiences involve in accessing the money (completing of forms, waiting time, queuing, etc.) constitute function quality. Consequently, the technical dimension is often called the outcome dimension and the functional dimension is often called the process dimension.

Suuroja (2003) noted that Gronroos's construct of service quality is fundamentally based on "what" customers get and "how" they get it. Gronroos (1984) however indicated that apart from the "what" and "how" dimensions identified; the image of the firm involved may affect and influence customers' perception of service quality. Lawis (1993) also views service quality dimensions from the same point of view as Gronroos (1984) did. However, Lawis considered corporate image as the third dimension of service quality. He explained the technical dimension to include the systems and technology that provides the outcome. For example, in the banking sector the technical dimension encompasses the quality of ATM machines, credit cards, internal banking, etc. He describes that functional quality consists of interpersonal relations and interactions between employees and customers, appearance, personality and approachability of service personal, and all that affects the way a service is delivered. Lawis noted that the corporate dimension is expected to be built by the technical quality dimension, and the functional quality dimension.

Another known three-dimensional construct of service quality is that of Lehtinen and Lehtinen (1991). According to them service quality is a three-dimensional concept and the dimensions include physical quality, interactive quality, and corporate quality. In the opinion of Lehtrinen and Lehtinen (1991) the

physical quality consists of how customers perceive the physical environment within which service is obtained and mentioned tableware in a restaurant as an example. In banking industry, example of the constituent of physical quality dimension could be the design of banking hall and all instruments that are used in the service process. They explained interactive quality as the extent to which interactive style of service providers meets the participation style of customers. They also describe corporate quality as customers' evaluation of corporate image of service providers.

Parasuraman et al (1985) conceptualized service quality as a ten dimensional construct. These ten dimensions were identified as "credibility, security, accessibility, communication, understanding the consumer, tangibles, reliability, responsiveness, competence, and courtesy" (Parasuraman et al 1985, p. 46). Thus customers' perception of service quality is a function of the evaluation of all the ten components. Parasuraman, Zeithaml, and Berry (1988) consolidated the ten dimensions into five dimensions. These dimensions are shown in Table 1:

Table 1: Five Broad Dimensions of Service Quality

Dimension	Description
Tangibles	Appearance of physical facilities, equipment, personnel, and written materials.
Reliability	Ability to perform the promised service dependably and accurately.
Responsive	Willingness to help customers and provide prompt service.
Assurance	Employees' knowledge and courtesy and their ability to inspire trust and confidence.
Empathy	Caring, easy access, good communication, customer understanding and individualized attention given to customers.

Source: Zeithaml et al. (1990)

According to Parasuraman et al. (1988), service quality is the simple or weighted average of the gap between the expectations of customers and customers' perceived performance along these five dimensions. The five dimensions were the foundation for the SERVQUAL, widely used instruments for measuring service quality.

Zeithaml and Bitner (1996) observed that all the five dimension of Parasuraman et al. (1988) are relevant to all service firms but more particularly to the banking sector. For instance, reliability pertains to good reputation of the bank; safety and assurance are relevant for customers' trust and use ATM and

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credit card; communication ensures that customer complaints and banks efforts to address them is exchanged between management and customer; and Empathy is crucial in facilitating customers access and dealing with the bank (Levesque & McDougall, 1996). Jamal and Naser (2002) indicated that tangibility is also a relevant dimension of service quality of banks. They noted that customers evaluate service quality of banks base on tangibles such as the building and the physical layout among that constitute the service environment.

Kumar, Kee and Manshor (2009) modified the SERVQUAL model of Parasuraman et al (1988) by adding another dimension called "convenience" to make the dimensions six. They designated the six dimensional models as "the modified SERVQUAL model". In their own words indicated that "an additional dimension, convenience (additional four statements), is added, as it is one of major concern for the bank customers particularly in Malaysia. The perception of service "convenience" may affect customers' overall evaluation of the service, including, satisfaction with the service and perceived service quality and fairness (Berry et al., 2002). Therefore, this study is based on the modified SERVQUAL model, which is assumed to contain six dimensions with 26 statements.

Customers' expected service quality

In the literature review, there are two perspectives regarding customer expectation of service quality. The first perspective is more associated with early scholars of service quality. They viewed customer expectation of service quality as a standard against which customer evaluation of service is compared to overall service quality. Thus they defined service quality as a gap between customer

expectation of service performance and the customer perceived service performance (e.g. Lawis 1994, Parasuraman 1988, Zeithaml et al 1990). Zeithaml et al (1993) explained customers' expectations as beliefs about a service that serves as the yardstick against which service performance is judged. In simple terms it is what customers think the service should provide in terms of performance and value. The main drivers of customer expectations are the philosophy of the customer about the service, customer experience, and service promises (Edvardsson et al, 2004). Service promises could take the form of advertising and other form of communication by staff or the price and design.

The second perspective of customer expectation of service quality is customer expectation influence and customer evaluation of service performance but is not a standard for determining service quality (Suuroja, 2003). This perspective is associated with the later scholars of service quality. The major advantage of measuring customer expectations under this perspective is that it enables service providers to diagnose customers view about the quality of a service. Other than that, customers' expectation of service quality has less value in determining service quality.

Customers' perceived service quality

Perceived service quality is the customer overall judgment of the superiority of a service (Lawis et al, 1994). It is what customers think has been provided in terms of performance and value by a service. There are two perspectives of perceived service quality in the reviewed literature. The early scholars of service quality compared perceived service quality with expected service quality to obtain overall service quality. Thus perceived service quality is not service quality on its own.

Recent researchers however, consider perceived service quality as overall service quality. Another important aspect of perceived service quality that is debatable in the review is whether perceived service quality is either the aggregate of customer perception of identified components of service quality or it construct is measured separately from the factors related to service quality.

Measuring service quality

In the service quality literature, there are two broad ways of measuring service quality: 1. Service quality as a gap between expectation and performance ratings and 2. Service quality as customers' performance only rating.

In the first instance, service quality is measured by comparing customers' expectation of the service and their perception of the performance of the service they received. The customers' evaluation of their expectation of the service is used as the standard against which their perceived performance compared for conclusions to be drawn about the service quality provided to the customer.

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Parasuraman et al (1988, 1999, and 1993) developed the most widely used measuring instruments of service quality under this approach of measuring service quality. They termed their instruments SERVQUAL. The SERVQUAL scale contained items tapping five different components of service quality construct. The SERVQUAL consist of 22 items for measuring customers' expectations of service quality.

Conclusion

The review of the extant literature revealed that the SERVQUAL model has versatile application. We also realized that, the model has particularly been applied to investigate service delivery in the banking sector across the globe. In some situations, the empirical evidence shows that, the model has predicted that banking service delivery has been poor; in other situations, the model predicted favourable service delivery as claimed by customers. Other researchers who tried to investigate the nexus between service quality and customer satisfaction also produced mixed results when the SERVQUAL dimensions were used to measure service quality.

In the current study is special in the sense that it has applied principal component analyses (PCA) to evaluate the importance customers attached to each of the dimensions in the SERQUAL model. The resulting component scores were used to weight the relative differences between customer perception and expectation as per the SERVQUAL model. Existing studies asked separate questions, apart from the 22 item questions, in order to determine the importance customers attached to each of the five dimensions.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter covers the research design, the research methods, sampling techniques the instruments employed in the data gathering and methods of analysis.

Research design

This descriptive design was adopted in this study. Descriptive designs portray an accurate characteristics or profile of service delivery in the banking situation (Saunders, Lewis & Thornhill, 2007). In Marketing, descriptive studies provide platform upon which further explanatory investigations can be performed to solve pragmatic problems facing management. The researcher believes that descriptive design would help ascertain information that would describe whether the extent and quality of service delivery in both Cape Coast and Takoradi branches are what Zenith Bank Ghana Limited needs to achieve its mission and vision as outlined in the previous section. It would also assist management to fine-tune banking service delivery to meet the taste and preferences of customers.

Furthermore, the research approach in this study is the deductive research approach which adopts quantitative research method. Such an approach ensures that the study adopts a positivist's stance devoid of the value judgement of the researcher. This would also enable the study to collect large quantitative data from a survey based on the SERVQUAL dimensions. The deductive approach

also follows the scientific method of study is which include the formulation of hypothesis based on theory or observation; collection of data based on the variables in the theory; testing of data; analysis of data and reporting of data (Saunders et al., 2007).

Study organization

Zenith Bank (Ghana) Limited was incorporated in 2005 as a privately owned African bank under the Ghana Banking ACT 2004 (ACT 673). The Bank is a subsidiary of Zenith Bank PLC in Nigeria. It is currently operating as one of the universal banks in Ghana. As its vision, the bank seeks to become a leading, technology-driven, global financial institution which provides distinctively unique range of financial services. The bank also seeks to grow globally and wants to cultivate a brand which has a reputation in the international financial services network, recognized for innovation, superior customer service and performance, while creating premium value for all stakeholders. Locally, the bank wants to be a reference point in the provision of prompt, flawless and innovative banking services in the Ghanaian Banking industry.

Zenith Bank wants to actualize the above vision by differentiating itself in the banking industry through its service quality, drive for a unique customer experience and the diverse caliber of its client base. Specifically, Zenith Bank Ghana Limited aspires to be a one-stop financial institution is set "to continue to invest in the best people, technology and environment to underscore our commitment to achieving customer enthusiasm".

The bank has about seventeen products for both individual and corporate customers. These include account opening, card products, treasury services, ATM locations, internet banking, Z-prompt, Z-mobile, platinum banking, custodian services, sal-pay, payment services, point-of-sales terminals, flowline and web acquiring. These products are expected to meet the needs and wants of the customers. They form the core of service delivery at the bank.

Currently, the bank has fourteen (14) branches across Ghana which are helping to distribute these services. Both Central and Western Region have two branches each. In Central Region, there is a branch in Cape Coast and another one in Wineba. Similarly, in Western Region, there is a branch in Abora and another one in Takoradi. This study drew responses from customers at Cape Coast and Takoradi branches.

In recent times, the influx of more financial institutions implies that the bank should up its service delivery in order to improve customer satisfaction (Karim et al., 2014). Despite the above, there exists no empirical report about the level of service delivery in the Cape Coast and Takoradi branches. This study conducts analyses of the service delivery at Zenith Bank Ghana Limited.

Zenith Bank was selected for this investigation because it is one of the fast growing Pan-African Banks which has opted to adopt market strategies to compete within the Ghanaian financial market. The bank relies on branding and product differentiation strategies to appeal to its customers and to compete favourably.

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Population

The population for the study constitutes customers of Zenith Bank Ltd. However, the target population for this study is made up of customers who have transactions with the Cape Coast and Takoradi branches. A list obtained from the two branches showed that there are 5,545 customers, including 3,355 customers at the Cape Coast branch and 2,190 customers at the Takoradi branch.

Sampling procedure

According to a sample size determination table proposed by Bartlett, kotlik and Higgins (2001), when the population size is 6000 and the data is categorical, at the 5 percent margin of error (at 1 percent significant level), the sample size should be 598. This is about 10 percent of the population size.

In this study, the size of the target population is 5,545. It follows that, 10% of the size of the target population (n) is about 555. When the sample size is 10 percent or more statisticians have prescribed that, to reduce cost of research and other resources, the size of the sample should be less than 5 percent (See Hecke, 2012; Rose, Spinks & Canhoto, 2015). They therefore propose that if the sample size in a given study is 10% or more, then the finite population correction factor (FPCF) prescribed by Cochran (1977) should be applied. The study employed the finite population correction factor (FPCF) to determining the sample size. The FPCF is useful when a study has a very large finite population size and also when the sample selected from the population are not replaceable.

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The formula for the calculation of the sample size based on the FPCF is given as follows:

$$n_c = \frac{nN}{N + (n - 1)} \qquad (1)$$

Where:

n is the sample size without FPCF= 555;

N is the size of the target population= 5,545; and

n_c is the sample size standardized for FPCF= 505.

Therefore, given the size of the target population (N) at 5,545, we can infer that the optimum sample size is 505 by applying equation (1). The premise is that this sample size will help to reduce sample error and at the same time help reduce cost of administering the research instrument. Also, when the population is homogeneous small sample size is sufficient for the study (Neuman, 2007) but, in this study, the sample size is sufficiently large.

Furthermore, based on the weight of the number of customers from each branch (Cape Coast and Takoradi) as specified above, 306 questionnaires were administered to customers in Cape Coast and 199 questionnaires were administered to customers in Takoradi.

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Data Collection Tools and Procedures

The study made use of primary data source in order to gather relevant information for the study. The data were collected from the customers of the two branches understudy. The study employed mainly structured questionnaire in collecting the primary data. The questionnaire consisted the 22 item proposed by Parasuman et al. (1988) to measure each customer expectation and customer perception. The questionnaires were given to two research assistants, one each for the two branches, who were instructed to explain and deliver a copy to customers who come to transact business. The assistants were also instructed to seek the consent of the customers before they give out copies of the questionnaire. All the 505 questionnaires were distributed to the customers but, after two weeks 264 questionnaires were retrieved, recording a simple response rate of 52.3%.

Data analysis

The statistical procedure used to analyze the data in this study, include principal component analysis (PCA) which was conducted on all the five SERVQUAL dimensions to determine their expected and perceived importance. Principal component analysis, PCA, permit this study to explain the variance - covariance structure through a few linear combinations of the original variables that are inherent in the SERVQUAL model namely. It attempts to explain as much of the total variation in the data as possible with as few factors (i.e. principal components) as possible.

The first principal component, PC(1), is the weighted linear combination of the variables that maximizes the total variation in the data. The PCA is used to

identify new meaningful underlying variables and also to reduce of the dimensionality of the problem as a prelude to further analysis of the data. In this study, the PCA is used to identify the underlining usefulness of the SERVQUAL dimensions, one above the other based on the Eigen value criterion.

According to Ngai and Cheng (1997), the procedure for performing PCA is as follows:

1. Research problem formulation and design;

2. Construction of correlation matrix;

3. Determination of number of factors;

4. Factor rotation; and

5. Interpretation of factors

The study followed the above procedure to find answers to the research questions.

Subsequently, based on the objectives of the study namely to assess the level of service quality using SERVQUAL and also to identify the difference between customer perception and customer expectation of the services provided by Zenith Bank. In order to do this effectively, first, the study adapted a 22 SERVQUAL questions (based on Pasuraman et al., 1988) each for both customer expectation and customer perception. As part of the analysis, the study also employed correlation analyses to determine the relationship among the five SERVQUAL variables.

The study then obtained the score for each of the 22 expectation questions as well as a score for each of the perception questions. Next, the study calculated the Gap Score each of the statements (Gap Score = Perception − Expectation).

Furthermore, the researcher obtained an average Gap Score for each dimension by assessing the Gap Scores for each of the statements that constitute the dimension and dividing the sum by the number of statements making up the dimension. The study then transferred the average dimension SERVQUAL scores (for all five dimensions) from the SERVQUAL instrument; sum up the scores and divide it by five to obtain the unweighted measure of service quality.

Furthermore, the study calculated the weighted average SERVQUAL score for each of the five dimensions of service quality multiplying the unweighted averages by the weighted scores. Finally, the study summed the scores to obtain the weighted SERVQUAL score of service quality for the area being measured. SPSS 16 was used to process the data.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

Introduction

This chapter reports on the empirical results and discussions on those result. First the characteristics of the respondents were discussed. The second section estimated the principal factor analysis on both customer expectation and customer perception to determine their relative importance as per the resulting component score matrix. The final section performed SERVQUAL gap analysis to determine the weighted level of service quality at Zenith Bank Ghana Limited, Cape Coast and Takoradi branches.

Demographic characteristics of the respondents

This study distributed 505 questionnaires to respondents made up customers of Zenith Bank in Cape Coast and Takoradi. After two weeks, 264 questionnaires were returned in their usable form representing a response rate of 52.23%. However, on the demographic factors, many of the customers did not respond on most of variables. This means that most of the customers were not comfortable disclosing the demographic information. Table 2 present the frequency distribution of the responses on demographic variables.

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Table 2: Demographic Characteristic of the Respondents

	Frequency	Percent	Cumulative
Gender			
Female	53	37.9	37.9
Male	87	62.1	100.0
Total	140	100.0	
Age			
18-25	21	8.5	8.5
26-35	54	21.8	30.3
36-45	75	30.2	60.5
46-55	63	25.4	85.9
56+	35	14.1	100.0
Total	248	100.0	
Education			
JHS	6	3.4	3.4
SHS	13	7.3	10.6
HND	46	25.7	36.3
First Degree	76	42.5	78.8
Graduate	35	19.6	98.3
Others	3	1.7	100.0
Total	179	100.0	
Number of Years			
Below 1 year	25	16.1	16.8
1-5	63	40.6	57.4
6-10	52	33.5	91.0
Above 10 years	14	9	100.0
Total	155	100.0	
Occupation			
Private	47	57.3	57.3
Public	35	42.7	100.0
Total	82	100.0	

Source: Fieldwork (2015)

On gender, out of the 140 respondents who ticked, 37.9% were female and 62.1% were male. Majority of the customers who responded on gender were male. However, it is difficult to conclude that male customers' domination is conclusive, but, the bank needs to come out with new products that appeal to women who are mostly traders. In terms of age, majority of the customers who responded were those within 36 to 45 years age bracket. In terms of the age

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distribution, if we define the youth group as those between 18 and 45 years, we realize that the youth constitutes about 86% of Zenith customers in the two cities. It is imperatives that products that attract the youth should be developed by the bank. In other words, the bank should create a niche from the youthful population and deliver services that meet their special needs. This suggests that the bank should conduct a separate study to determine the banking needs and wants of the youth. In terms of education, most of the respondents have had some form of tertiary education which implies that, the literacy rate among the respondents is high and that not only were they highly qualified to appreciate the concepts in the question, they are also better positioned to scrutinize service delivery at Zenith Bank. The bank therefore needs to be responsive to the need of this group. Therefore, studies such as the current one will enable the bank to gather information about how the customers perceive its service delivery.

Also, 155 customers who responded on the number of years they had dealings with the bank, about 74.1% have been dealing with the bank between a year and ten years. The rest have had transaction with the bank either for either less than a year (16.1%) or above ten years (9%). The implication is that, majority of the respondents have been with the bank for such a long time and therefore are in the position to scrutinize or appreciate the kind of services they obtain from Zenith Bank. Finally, responses on occupation were reorganized into either persons working for the private sector or persons working for the public sector. In Ghana, most people who have dealings with the financial institutions are observed to be public sector workers, since they must receive their monthly salary from a

bank. But, in this study, out of the 84 people who responded on occupation, 57.3% were from the private sector and 42.7% were from the public sector. Zenith Bank must introduce products that are attractive to the workers in the public sector in order to attract more customers from that sector and at the same time improve relationship with private sector worker through product innovations and improved service offering.

Assessing importance of customer expectation of Zenith Bank's services

Table 3 presents the descriptive statistics for each of the five SERVQUAL dimensions for customer expectation. Tangibility recorded the highest average score and at the same time the lowest variability as measured by the standard deviation. Similarly, Empathy reported the lowest mean score but a relatively higher variability. Despite the above, on the scale of 1 to 7, all the variable recoded higher scores which most of the respondents relatively agreed with the statements made on the 22 item questions. This result is in contrast with the finding in Ilyas et al (2013) which suggested Empathy ranks highest in customer expectation of banking services. Similarly, Ramseook-Munhurun et al (2010) suggested that to improve customer loyalty banks should be particular about overall customer satisfaction followed by tangibility and responsiveness in that order. Customer expectations differs across countries because of differences in cultural, economic, banking and other environmental factors. The information provided in this study should energize Zenith Bank to improve upon the physical aspect of banking services delivery. Customers expect the bank to have modern equipment, appealing banking environment, generally, they should appeal to the

aesthetic expectations of customers in order to live memorable image in the mind of customers.

Table 3: Descriptive Statistics

Dimensions	Mean	Std. Deviation	Analysis N
Tangibility	6.07	.733	264
Reliability	5.92	1.051	264
Responsiveness	5.94	.837	264
Assurance	5.93	.834	264
Empathy	5.85	1.006	264

Source: Fieldwork (2015)

Subsequently, the 5 items of the seven point Likert Scale were subjected to principal components analysis (PCA) using SPSS version 16. Principal components analysis revealed the presence of one component with eigenvalues exceeding 1, explaining 74.23%. The Parallel Analysis, which showed only one component with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (5 variables × 264 respondents).

Table 4 presents bivariate correlation matrix among the five customer expectation dimensions. Generally, there were strong positive correlations among the pairs of the 5-dimension customer expectation variables. The strongest correlation was between Reliability and Empathy. This means that customers expect that if the bank could deliver the promised service dependably and

accurately, the bank can tailor service delivery to the needs of individual customers. The relationship between Reliability and Tangibility was less strong indicating that so long as the bank deliver dependable and accurate services, customers do not relatively expect the bank to improve upon the aesthetic features of service delivery. Customers may be concerned about overall service satisfaction (Ramseook-Munhurrun et al, 2010) but not necessarily improved physical environment. All the coefficients were statistically significant at the 1 percent level.

Table 4: Customer Expectation Correlation Matrix[a]

		Tangibility	Reliability	Responsiveness	Assurance	Empathy
Correlation	Tangibility	1.000				
	Reliability	.589	1.000			
	Responsiveness	.629	.589	1.000		
	Assurance	.674	.707	.636	1.000	
	Empathy	.677	.838	.616	.802	1.000
Sig. (1-tailed)	Tangibility					
	Reliability	.000				
	Responsiveness	.000	.000			
	Assurance	.000	.000	.000		
	Empathy	.000	.000	.000	.000	

a. Determinant = .026

Source: Fieldwork (2015)

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Next, the PCA estimates the communalities which indicate the amount of variance in each variable that is accounted for. Two types of communalities are estimated as shown in Table 5 – the initial communalities and extraction communalities. The initial communalities are estimates of the variance in each variable accounted for by all components or factors. For principal components extraction, this is always equal to 1.0 for correlation analyses. Extraction communalities are estimates of the variance in each variable accounted for by the components. The communalities in Table 4 are all high, which indicates that the extracted component represent the variables well.

Table 5: Customer Expectation Communalities

Dimensions	Initial	Extraction
Tangibility	1.000	.681
Reliability	1.000	.755
Responsiveness	1.000	.637
Assurance	1.000	.794
Empathy	1.000	.845

Extraction Method: Principal Component Analysis.

Source: Fieldwork (2015)

The variance explained by the initial solution, extracted components, and rotated components is displayed in Table 6. This first section of the table shows the Initial Eigenvalues. The Total column gives the eigenvalue, or amount of variance in the original variables accounted for by each component. The % of Variance column gives the ratio, expressed as a percentage, of the variance accounted for by each component to the total variance in all of the variables. The Cumulative % column gives the percentage of variance accounted for by the first n components. For example, the cumulative percentage for the second component is the sum of the percentage of variance for the first and second components. For the initial solution, there are as many components as variables, and in a correlations analysis, the sum of the eigenvalues equals the number of components. In this study, the researcher requested that eigenvalues greater than 1 be extracted, so only the first principal component form the extracted solution.

Table 6: **Customer Expectation Total Variance Explained**

		Initial Eigenvalues			Extraction Sums of Squared Loadings	
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.712	74.237	74.237	3.712	74.237	74.237
2	.505	10.099	84.336			

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3	.375	7.505	91.841
4	.272	5.445	97.286
5	.136	2.714	100.000

Extraction Method: Principal Component Analysis.

Source: Fieldwork (2015)

The second section of the Table 6 shows the extracted component (see the right hand portion of the table). The component explains nearly 74.23 percent of the variability in the original variables. This means that the study can considerably reduce the complexity of the data set by using the extracted component, with only a 25.77 percent loss of information.

Furthermore, as part of the PCA processes the rotated component matrix was estimated. This helps us to determine what the component represents. The first component is most highly correlated with Empathy as can be seen from Table 7. This implies customers view Empathy as the most important dimension of services provided by Zenith Bank since it recorded the highest component (91.9 percent). This was followed by Assurance (89.1 percent), Reliability (86.9 percent), Tangibility (82.5 percent) and Responsiveness (79.8 percent), in that order. The bank should train the employees to deliver tailor-made services that also meet the needs of individual customers at the right place and at the right time.

Table 7: Customer Expectation Component Matrix[a]

Dimensions	Component
	1
Tangibility	.825
Reliability	.869
Responsiveness	.798
Assurance	.891
Empathy	.919

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Source: Fieldwork (2015)

Finally, for each case and each component, the component score is computed by multiplying the case's standardized variable values (computed using list wise deletion) by the component's score coefficients. The resulting one component score variables are representative of, and can be used in place of, the five original variables with only a 25.77 percent loss of information. Using the saved components is also preferable to using Empathy because the components are representative of all five original variables, and the components are not linearly correlated with each other. The component score coefficient shown in Table 8 can therefore be used to ascertain the level of importance for each of the 5 variables regarding customer expectations. The order of importance is the same as the one reported in Table 7. This implies that the selected component can be

relied on to ascertain the expected importance of service delivery at Zenith Bank form the customers' point of view.

Table 8: Component Score Coefficient Matrix for Customer Expectation

Dimensions	Component
	1
Tangibility	.222
Reliability	.234
Responsiveness	.215
Assurance	.240
Empathy	.248

Extraction Method: Principal Component Analysis.

Component Scores.

Source: Fieldwork (2015)

In general, the PCA shows that Zenith Bank has met the expectations of its customers as explained by the variance analysis. In contrast, Safakli (2007) after employing the SERVQUAL model reported that banks in Cyprus did not met the expectation of small and medium enterprises. The results for Zenith Bank on customers' expectation provide a formidable ground for which they (the customers) can judge the service performance of the bank. The researcher therefore, proceeded to investigate customers' perceived service quality in Zenith Bank.

Assessing importance of customer perception of Zenith Bank's services

Table 9 presents the descriptive statistics for each of the five SERVQUAL dimensions for Customer Perception. As can be seen from Table 8 Assurance recorded the highest average score (5.95) and at the same time the lowest variability as measured by the standard deviation (0.833) in terms of customer perception about the services provided by Zenith Bank. Similarly, Empathy reported the lowest mean score (5.76) but a relatively higher variability (1.190). Despite the above, on the scale of 1 to 7, all the variable recoded higher scores which most of the respondents relatively agreed with the statements made on the 22 item questions. In a similar study, Ladhari et al (2011) reported that Empathy was the most important dimension in Canada whilst in Tunisia, customers perceived Reliability and Responsiveness as most important to them when assessing the services of banks. In the same token, Ali et al (2013) revealed that Islamic Banks' customers perceived Assurance as most important but, conventional banks' customers look for Tangibility when they are dealing with their banks. The findings in Ali et al (2013) appeals contradictory to the finding in this study concerning customers' perception of Zenith Bank's services.

Table 9: Descriptive Statistics for Customer Perception

Dimensions	Mean	Std. Deviation	Analysis N
Tangibility	5.88	.980	264
Reliability	5.86	.975	264
Responsiveness	5.93	.981	264
Assurance	5.95	.833	264
Empathy	5.76	1.190	264

Source: Fieldwork (2015)

Similarly, the 5 items of the seven point Likert Scale were subjected to principal components analysis (PCA) using SPSS version 16. Principal components analysis revealed the presence of one component with eigenvalues exceeding 1, explaining 84.70% with only 15.30% unexplained by the selected component (see Table 12).

Table 10 also presents bivariate correlation matrix among the five customer perception dimensions. Similar to customer expectation dimensions, there were strong positive correlations among the pairs of the 5 dimension customer perception variables. The strongest correlation was between Tangibility and Assurance (0.864). This implies that if Zenith Bank could improve the aesthetic features of the banking services it would motivate the employees to bring competence, courtesy, credibility and security on the service delivery to customers.

Table 10: Customer Perception Correlation Matrix[a]

		Tangibility	Reliability	Responsiveness	Assurance	Empathy
Correlation	Tangibility	1.000				
	Reliability	.804	1.000			
	Responsiveness	.799	.857	1.000		
	Assurance	.864	.791	.788	1.000	
	Empathy	.820	.766	.769	.829	1.000
Sig. (1-tailed)	Tangibility					
	Reliability	.000				
	Responsiveness	.000	.000			
	Assurance	.000	.000	.000		
	Empathy	.000	.000	.000	.000	

a. Determinant = .005

Source: Fieldwork (2015)

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In a similar manner, the study estimated the communalities among the customer perception dimensions. Table 11 shows that communalities in the perception variables are all high, ranging from 0.826 to 0.869, which indicates that the extracted components represent the variables well. This means that there is no need to estimate another component.

Table 11: Communalities Estimates for Customer Perception

	Initial	Extraction
Tangibility	1.000	.869
Reliability	1.000	.840
Responsiveness	1.000	.838
Assurance	1.000	.862
Empathy	1.000	.826

Extraction Method: Principal Component Analysis.

Source: Fieldwork (2015)

The variance explained by the initial solution, extracted components, and rotated components is displayed in Table 12. This first section of the table shows the Initial Eigenvalues. The Total column gives the eigenvalue, or amount of variance in the original variables accounted for by each component. The Percentage of Variance column gives the ratio, expressed as a percentage, of the variance accounted for by each component to the total variance in all of the

variables. The Cumulative Percentage column gives the percentage of variance accounted for by the first "n" components. For example, the cumulative percentage for the second component is the sum of the percentage of variance for the first and second components. For the initial solution, there are as many components as variables, and in a correlations analysis, the sum of the eigenvalues equals the number of components. In this study, the researcher requested that eigenvalues greater than 1 be extracted, so only the first principal component form the extracted solution.

Table 12: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.235	84.696	84.696	4.235	84.696	84.696
2	.300	5.993	90.689			
3	.188	3.755	94.444			
4	.143	2.854	97.298			
5	.135	2.702	100.000			

Extraction Method: Principal Component Analysis.

Source: Fieldwork (2015)

The second section of the Table 12 shows the extracted components. They explain nearly 84.70% of the variability in the original variables. The implication is that, this study can considerably reduce the complexity of the data set by using this component, with only a 15.30% loss of information. The second section of the table shows the extracted component.

Furthermore, as part of the PCA process the rotated component matrix was estimated which helps us to determine what the component represent. The first component is most highly correlated with Tangibility as can be seen from Table 13. This mean customers perceive Tangibility as the most important dimension of services provided by Zenith Bank since it recorded the highest component (93.2 percent). This was followed by Assurance (92.9 percent), Reliability (91.6 percent), Responsibility (91.5 percent) and Tangibility (90.9 percent) in that order.

Table 13: Customer Perception Component Matrix[a]

Dimensions	Component
	1
Tangibility	.932
Reliability	.916
Responsiveness	.915
Assurance	.929
Empathy	.909

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Source: Fieldwork (2015)

The resulting one component score variables are representative of, and can be used in place of, the five original variables with only a 15.30% loss of information. Using the saved components is also preferable to using Tangibility because the components are representative of all five original variables, and the components are not linearly correlated with each other. The component score coefficient shown in Table 14 can therefore be used to ascertain the level of importance for each of the 5 variables regarding customer perception. The order of importance is the similar to the one as the one reported in Table 13 Customers perceive Tangibility as the most important variable followed by Assurance, Reliability, Responsiveness and Empathy in that order. In absolute terms, we see a mismatch between customer expectation and customer perception about the services provided by Zenith Bank Limited. The final stage of the analysis involve SERVQUAL gap analysis which follows shortly.

Table 14: Component Score coefficient Matrix for Customer Perception

	Component
Dimensions	1
Tangibility	.220
Reliability	.216
Responsiveness	.216
Assurance	.219
Empathy	.215

Extraction Method: Principal Component Analysis.

Component Scores.

Source: Fieldwork (2015)

This study sought to assess the level of service quality using SERVQUAL. The study also sought to identify the difference between customer perception and customer expectation of the services provided by Zenith Bank. In order to do this effectively, first, the study adopted and modified a 22 SERVQUAL questions each for both customer expectation and customer perception which was proposed by Parasuraman et al (1988). The study then obtained the score for each of the 22 expectation questions as well as a score for each of the perception questions. Next, the study calculated the Gap Score each of the statements (Gap Score = Perception − Expectation). Furthermore, the researcher obtained an average Gap

Score for each dimension by assessing the Gap Scores for each of the statements that constitute the dimension and dividing the sum by the number of statements making up the dimension. The researcher then transferred the average dimension SERVQUAL scores (for all five dimensions) from the SERVQUAL instrument; sum up the scores and divide it by five to obtain the unweighted measure of service quality.

In order to obtain the weighted measure of service quality, conventional studies require respondents to further rank each of the five SERQUAL dimensions according to their importance with separate questions. This could be problematic if not overburdened to the respondent. There may not appreciate the essence of them having to answer separate questions on issues they might think they have already given answers to. Those who eventually answer may not be objective. In this study, one major innovation is to apply factor analysis, mainly principal component analyses to reduce the responses on 22 items on customer expectation and perception into the order of importance regarding the eventual five dimensions using the Eigen value criterion. The premise is that the resulting component scores are implicit evidence on how customers rank each of the five dimensions and therefore such ranking can be used to ascertain the importance customers attach to each of the five dimensions.

Next, the study found the weighted score by calculating the importance weights for each of the five dimensions of service quality constituting the SERVQUAL scale, based on the gap between the component scores on customer

perception and the component scores on customer expectation. The sum of the weights should add up to 100 (see columns 5 and 6 in Table 15 below).

The researcher calculated the weighted average SERVQUAL score for each of the five dimensions of service quality multiplying the unweighted averages by the weighted scores as shown in column 7 of table 15. Finally, the study summed the scores calculated in column 7 of Table 15 to obtain the weighted SERVQUAL score of service quality for the area being measured.

Table 15: SERVQUAL Scores for Zenith Bank's Services

Dimension	Expectation	Perception	Gap Scores	Gap	Importance Weighting	Weighted Average
Tangibility	6.07	5.88	-0.19	-0.002	2.70	-0.513
Reliability	5.92	5.86	-0.06	-0.018	24.32	-1.459
Responsiveness	5.94	5.93	-0.01	0.001	-1.35	0.014
Assurance	5.93	5.95	0.02	-0.021	28.38	0.568
Empathy	5.85	5.76	-0.09	-0.033	45.59	-4.103
Total			**-0.33**	**-0.074**	**100.00**	**-5.493**

Note: Overall average weighted SERVQUAL score = -5.493 and the unweighted average SERVEQUAL Score is -0.07.

This investigation was conducted to assess the level of service quality in Zenith Bank, Cape Coast and Takoradi branches. Responses were solicited from 264 customers using SERVQUAL structured questions on 7 point Likert Scale. As can be seen from Table 15, most questionnaire responses were negative with the exception of assurance and reliability and an overall bank weighted SERVQUAL score of − 5.493 was recorded. This means there was a significant gap in meeting customer expectations across all service areas and dimensions. The summary scores for each dimension are also provided in Table 14, with the weighted average scores per dimension having been totaled to achieve the overall SERVQUAL score. From Table 15, the highest gap scores were for Empathy and Reliability; this means there are issues with the level of care and individualized attention provided by Zenith Bank's employees to customers (including access, communication, understanding the customer). As can be seen from the results, the customer expects most from the Reliability dimension of the banking service. Issues with tangibility mean that the physical facilities and equipment at Zenith Bank do not meet customers' expectation.

The relatively low negative importance of Tangibility (-0.515) could be attributable to the fact that customers do not expect much when it comes to aesthetics; instead, they attach more importance to the delivery aspects of the service and the care and attention they receive from employees of the bank. Customers allocated to Assurance (0.568) and Responsiveness (0.014) positive average weightings indicating that their expectations on employees' competence, courtesy, credibility and security as well as their willingness to help and provide

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prompt services were more that met. This means that customers perceive employees to be knowledgeable about the banking service including the way they response to customers' needs and wants. In all customers perceive staff at Zenith Bank to provide utmost care and attention to their needs since they should have knowledge on these. This implies the staff should apply the knowledge they acquire on customer care training on the job.

The potency of the SERVQUAL model used in this study has been established in empirical investigations such as Petridou (2007); Ladhari et al. (2011); Sadwghi and Bemani (2011); Ilyas et al. (2013) and Ali and Yuan (2013). In fact, these studies produced results that showed that the model measures service quality efficiently. Some of the studies produced favourable results for the entities whose services were evaluated, others produced unfavourable results. The current study produced a result that depict that overall service delivery at Zenith Bank has been poor. This compares contrary to the findings in Sadwghi et al (2011) which reported favourable quality service delivery for banks in Malaysia.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

This is the final chapter of the whole investigations. It contains the summary of the research problem, research objectives, methodology and the key findings. In addition, the chapter contains conclusion of the investigation in relation to the extant literature. Furthermore, based on the findings in this study, the chapter discusses some recommendations for policy making. Finally, the chapter contains suggestion for further studies.

Summary

In an era where financial inclusion for all has become the focus of central banks across the globe, universal banks have important roles to play. The competitive landscape of the Ghanaian banking system has been keen in recent time owing to the introduction of myriad financial product. This has expanded the spectrum of banking services that should be provided by any universal bank. Zenith Bank is one of the vibrant universal banks in Ghana. The Bank has operations in major cities in Ghana serving both private and the public sector workers with similar offerings. It was therefore imperative that this study was set up to assess the quality of customer service delivery at Zenith Bank Ghana Limited.

The empirical data was collected from customers of the bank using a question instrument generated based on the instrument proposed by Parasuraman et al. (1988) for assessing banking services. The responses on the 22 item

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questionnaire on both customer expectation and customer perception were used in a gap analysis. The gap analysis was after a principal component has been conducted to ascertain the relative importance of the five dimensions for both customer perception and customer expectation. The following were the key findings:

There was a relatively high correlation among the five dimensions of customer expectation and customer perception – Tangibility, Reliability, Responsibility, Assurance and Empathy.

Customers expect individualized attention and care to be the most important aspect of service delivery at Zenith Bank.

Customers perceive the aesthetic features of service delivery such as the equipment and physical environment as most important when they visit the premises of the bank.

In general, customers the gap analysis reveal that customers perceive the services provided by Zenith Bank as poor as per the SERVQUAL framework.

Conclusion

The SERVQUAL model which served as the foundation for this study has produced various empirical evidence across space and time. Its efficacy can be seen mainly from its versatility not on in assessing service quality from the perspective of customers but it can also be used to assess the motivation of internal customers, namely, employees and management to work assiduously in order to meet the needs of external customers and therefore be profitable.

This study contributes to the numerous literature on service delivery. Customer expectation is most influenced by Empathy which deals with providing utmost and individualized care in order to solve customer's special problem. Similarly, customer perception is most influenced by Tangibility which implies that customers seek to experience comfortable and attractive physical environment as well as modernized equipment and good reception which leaves memorable impression in the mind. The study also revealed that customer service delivery in Zenith Bank has generally been poor. It is the expectation that management of the bank would take the findings in this study in good faith and at the same time take steps to improve upon customer relationship so as to promote customer loyalty and improved brand image. Specifically, the following recommendations would be useful.

Recommendations

When deciding the kind of services to be provided, the bank should involve the customers so as to tailor service delivery to their needs and wants.

The employees of Zenith Bank be continuously oriented on how to deliver customized services and when they are effectively be trained they should be motivated to reinforce positive behaviour that pay attention to individualized service delivery.

The bank should acquire modernized equipment and also put in place more appealing banking environment that serves as a memorial to the customers

when they visit the bank. In other words, all auxiliary services that bring tangibility to the core banking services should be improved.

Overall, the customers raised concerns on the services provided by the bank. They seek improvement in the aesthetic features of the Zenith Bank's services. They also want the employees of the bank to provide them with customized services tailor to the needs. The bank should also give them special attention. Even though, the customers do not doubt the credibility of the workers, they advance that the employees should apply their knowledge acquire through training on the job in order to ensure reliable services. The result also admonishes the management of the bank to make the services as accessible as possible to them.

Suggestion for Further Studies

The methodologies in this study can be replicated to assess service delivery by the other universal banks in Ghana. In addition a similar study can apply the SERVPERF model to conduct service quality investigation on the any of the seven gaps. Future studies can also control for gender and age in order to ascertain whether the findings would vary across customer demographic features.

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APPENDIX A

UNIVERSITY OF CAPE COAST

DEPARTMENT OF MANAGEMENT STUDIES

QUETIONNAIRE FOR ZENITH BANK CUSTOMERS

Dear Respondent,

This questionnaire is in connection with an academic exercise which seeks to assess service delivery of Zenith Bank Ghana Limited. It is strictly for academic purposes and therefore the information that you provide shall be treated with maximum anonymity and confidentiality. Your full participation will be very much appreciated but, if you find some questions controversial to your emotions, please you may skip them. You also have the right not to respond to the questions in this instrument.

Thank you.

PART A: BIOGRAPHIC DATA

1. **Gender**   Male [   ]   Female [   ]
2. Age range   18-25 [   ]   26-35 [   ]   36-45 [   ]   46-55 [   ]   56 and above [   ]
3. What is your education level?
   JHS [   ]   SHS [   ]   HND [   ]   First Degree [   ]   Post Graduate [   ]   Others [   ]
4. How long have you been dealing with Zenith Bank as a customer?
   Below 1 year   [   ]   1-5 [   ]   6-10 [   ]   Above 10 years   [   ]
5. What   is   your   occupation?   Please specify……………………………………………………………………

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PART B: EXPECTATIONS

This part of the survey deals with your expectation about the services provided by Zenith Bank Ghana Limited. Please show the extent to which you think the bank should possess the following features. What we are interested in here is a number that best shows your expectations about bank's services. **Please circle the number that measure that measure the extent of your expectation about Zenith Bank.** If you circle the number '1' it means you strongly disagree with the corresponding statement. On the other hand, if you circle the number '7', it means you strongly agree with the statement. You may also choose any of the corresponding numbers between '1' and '7' that depict your level of agreement.

Strongly Disagree	1 2 3 4 5 6 7	Strongly Agree
Tangibility		
1. Zenith bank will have modern looking equipment	1 2 3 4 5 6 7	
2. The physical facilities at Zenith Bank will be visually appealing	1 2 3 4 5 6 7	
3. Employees at Zenith Bank will be neat appearing	1 2 3 4 5 6 7	
4. Materials associated with the service (such as pamphlet or statements) will be appearing at Zenith Bank	1 2 3 4 5 6 7	
Reliability		
5. When Zenith Bank promise to do something by a certain time, they do it	1 2 3 4 5 6 7	
6. When a customer has a problem, Zenith Bank will show a sincere interest in solving it	1 2 3 4 5 6 7	
7. Zenith Bank will perform the service right the first time	1 2 3 4 5 6 7	
8. Zenith Bank will provide the service at the time the promise to do so	1 2 3 4 5 6 7	
9. Zenith Bank will insist on error free records	1 2 3 4 5 6 7	
Responsibility		
10. Employees of Zenith Bank will tell customers exactly when services will be performed	1 2 3 4 5 6 7	
11. Employees of Zenith Bank will give prompt service to customers	1 2 3 4 5 6 7	
12. Employees of Zenith Bank will always be willing to help customers	1 2 3 4 5 6 7	
13. Employees of Zenith Bank will never be too busy to respond to customers' request	1 2 3 4 5 6 7	
Assurance		
14. The behavior of employees at Zenith Bank will instill confidence in customers	1 2 3 4 5 6 7	
15. customers of Zenith Bank will feel safe in transactions	1 2 3 4 5 6 7	

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16. employees at Zenith Bank will be consistently courteous with customers	1 2 3 4 5 6 7
17. Employees of Zenith Bank will have the knowledge to answer customers' questions	1 2 3 4 5 6 7
Empathy	
18. Zenith Bank will give customers individual attention	1 2 3 4 5 6 7
19. Zenith Bank will have operating hours convenient to all their customers	1 2 3 4 5 6 7
20. Zenith Bank will have employees who will give customers personal attention	1 2 3 4 5 6 7
21. Zenith Bank will have its customers best interest at heart	1 2 3 4 5 6 7
22. The employees of Zenith Bank will understand the specific needs of their customers	1 2 3 4 5 6 7

PART C: PERCEPTIONS

This part of the survey deals with your perception about the services provided by Zenith Bank Ghana Limited. Please show the extent to which you think the bank should possess the following features. What we are interested in here is a number that best shows your expectations about bank's services. **Please circle the number that measure that measure the extent of your perception about Zenith Bank**. If you circle the number '1' it means you strongly disagree with the corresponding statement. On the other hand, if you circle the number '7', it means you strongly agree with the statement. You may also choose any of the corresponding numbers between '1' and '7' that depict your level of agreement.

Strongly Disagree   **1**   **2**   **3**   **4**   **5**   **6**   **7**   **Strongly Agree**

Tangibility	
1. Zenith bank has modern looking equipment	1 2 3 4 5 6 7
2. The physical facilities at Zenith Bank are visually appealing	1 2 3 4 5 6 7
3. Employees at Zenith Bank are neat appearing	1 2 3 4 5 6 7
4. Materials associated with the service (such as pamphlet or statements) are appearing at Zenith Bank	1 2 3 4 5 6 7
Reliability	
5. When Zenith Bank promise to do something by a certain time, it does so	1 2 3 4 5 6 7
6. When a customer has a problem, Zenith Bank shows a sincere interest in solving it	1 2 3 4 5 6 7
7. Zenith Bank performs th service right the first time	1 2 3 4 5 6 7
8. Zenith Bank provides the service at the time the promise to do so	1 2 3 4 5 6 7
9. Zenith Bank insists on error free records	1 2 3 4 5 6 7

Responsibility	
10. Employees of Zenith Bank tells customers exactly when services will be performed	1 2 3 4 5 6 7
11. Employees of Zenith Bank gives prompt service to customers	1 2 3 4 5 6 7
12. Employees of Zenith Bank are always be willing to help customers	1 2 3 4 5 6 7
13. Employees of Zenith Bank are never be too busy to respond to customers' request	1 2 3 4 5 6 7
Assurance	
14. The behavior of employees at Zenith Bank instill confidence in customers	1 2 3 4 5 6 7
15. Customers of Zenith Bank feel safe in transactions	1 2 3 4 5 6 7
16. Employees at Zenith Bank are consistently courteous with customers	1 2 3 4 5 6 7
17. Employees of Zenith Bank have the knowledge to answer customers' questions	1 2 3 4 5 6 7
Empathy	
18. Zenith Bank gives you individual attention	1 2 3 4 5 6 7
19. Zenith Bank has operating hours convenient to you	1 2 3 4 5 6 7
20. Zenith Bank will have employees who give you personal attention	1 2 3 4 5 6 7
21. Zenith Bank will has your best interest at heart	1 2 3 4 5 6 7
22. The employees of Zenith Bank understand your specific needs.	1 2 3 4 5 6 7

APPENDIX B

Table A3: Descriptive Statistics for Customer Expectation Items

	N	Mean	Std. Deviation
T1	264	6.22	1.055
T2	264	5.90	1.263
T3	264	5.93	1.007
T4	264	6.22	.976
R5	264	5.97	1.195
R6	264	5.90	1.214
R7	264	5.77	1.336
R8	264	6.02	1.218
R9	264	5.92	1.407
RS10	264	5.49	1.488
RS11	264	6.19	1.059
RS12	264	6.11	.977
RS13	264	5.95	1.139
A14	264	6.11	.935
A15	264	5.95	1.106
A16	264	5.70	1.275
A17	264	5.95	1.148
E18	264	5.84	1.110
E19	264	5.84	1.155
E20	264	5.91	1.184
E21	264	5.89	1.277

	N	Mean	Std. Deviation
E22	264	5.75	1.263
Valid N (listwise)	264		

Table A4: Descriptive Statistics for Customer Perception

	N	Mean	Std. Deviation
T1	264	6.04	1.080
T2	264	5.68	1.554
T3	264	5.80	1.125
T4	264	5.99	1.184
R5	264	5.89	1.226
R6	264	5.79	1.263
R7	264	5.98	1.152
R8	264	5.91	1.053
R9	264	5.73	1.205
RS10	264	5.94	1.247
RS11	264	5.99	1.039
RS12	264	5.82	1.116
RS13	264	5.97	1.298
A14	264	6.07	1.031
A15	264	5.88	1.117
A16	264	5.83	1.122
A17	264	6.02	1.115

E18	264	5.69	1.561
E19	264	5.80	1.189
E20	264	5.93	1.403
E21	264	5.65	1.601
E22	264	5.73	1.436

DECLARATION

Candidate's Declaration

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

Name: Florence Baffoe

Candidate's Signature: ....   Date:...........................

Supervisor's Declaration

I hereby declare that the preparation and presentation of the paper was supervised in accordance with the guidelines on supervisor of paper laid down by the University of Cape Coast.

Name: Mrs. Gloria K.Q. Agyapong

Supervisor's Signature:...Date:.........................

ABSTRACT

The competitive nature of the banking system in Ghana requires that the banks deliver top notch services in order to gain more customer loyalty. It is upon this direction that this study was carried out to assess the level of service quality delivery at Zenith Bank, Cape Coast and Takoradi branches. The investigations were conducted within the SERVQUAL framework. In order to achieve the above, the study performed descriptive analyses on the respondents and the five broad SERVQUAL dimensions. Additionally, factor analyses were conducted to determine the relative importance of each of the five SERVQUAL dimensions on both customers' expectation and customers' perception. Eventually, gap analyses were also conducted to determine both the unweighted and weighted scores based on which the level of service delivery at Zenith Bank was identified. The results show that Empathy, Assurance, Reliability, Tangibility and Responsiveness, in that order, depict the hierarchy of importance of customers' expectation of service delivery at Zenith Bank. On the other hand, the results also showed that Tangibility, Assurance, Reliability, Responsiveness and Empathy are the hierarchy of importance of customers' perception of service delivery at Zenith Bank. Finally, the gap analysis showed that, customers perceived services delivery at Zenith Bank as poor. The employees of Zenith Bank should be continuously oriented on how to deliver customized services. When Zenith Bank trains its workers, the bank should provide enough avenues for them to pay attention to individualized service delivery.

ACKNOWLEDGEMENTS

DEDICATION

To my husband, Pastor Doxa Okletey and my children, Lemuel, Joel and Daniel.

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