

UNIVERSITY OF CAPE COAST

SERVICE QUALITY DELIVERY AND CUSTOMER SATISFACTION:
PERCEPTION OF CUSTOMERS OF LOWER PRA RURAL BANK,
TAKORADI

BY

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DECLARATION

Candidate's Declaration

I hereby declare that the dissertation 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.

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Name: Ama Abakah-Anaman

Supervisor's Declaration

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

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

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ABSTRACT

The banking system has seen various degrees of innovations in recent times. These have been as result of new technologies, economic uncertainties, fierce competition, more demanding customers and the changing climate which lead to an unprecedented set of challenges. Increased product varieties, diffusion and competition couple with highly enlightened consumers require that bank marketers solicit views on how their units meet customer satisfaction. The study examined service delivery and customer satisfaction at Lower Pra Rural Bank in Takoradi. The quantitative research design was employed. Stratified random sampling method was used to sample a total of 285 respondents from the two branches of the bank. Data obtained from respondents were coded and analyzed using descriptive statistics such as frequencies, percentages, means and standard deviation. Questionnaires were employed in the collection of data to address the research objectives. The study discovered clients' wants employees of the bank to inform clients as to when service will be performed and also demand Lower Pra Rural Bank to have more convenient branches i.e. sub branches, outlets and further operate in extended hours to all its customers without the customers spending much time in queues. It further found that majority of the customers are very loyal to Lower Pra Rural Bank Limited. The study therefore recommends that management of the Lower Pra Rural Bank Ltd in Takoradi should liaise with stakeholders to put up more branches in its catchment areas to ease the congestion at the current banking halls.

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DEDICATION

To my family

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CHAPTER ONE

INTRODUCTION

In the banking sector, perceived service quality has remained a very essential part of the customer's experience. As a result of this, most banks assess their service quality on a regular basis, in order to enhance customer satisfaction. As indicated by Swar and Sahoo (2012), customers are satisfied when firms are able to deliver services that meet the expectations of the customers. High perceived quality therefore, leads to a more satisfied customer. Some studies have pointed out that, customer satisfaction is highly dependent on service quality. Service quality is a very influential variable in customer satisfaction, and thus very crucial for banking sector to maintain and improve their market share.

The study therefore presents the background to the study, which provides the rationale and motivation for undertaking the study. The problem statement which also presents the gap in literature which the study seeks to fill. Objectives of the study, research questions are also presented in the chapter. The scope, significance and limitations are also presented. The chapter concludes with the organisation of the rest of the research work.

Background to the Study

The banking system has seen various degrees of innovations in recent times. These have been as result of new technologies, economic uncertainties, fierce competition, more demanding customers and the changing climate which lead to an unprecedented set of challenges. Increased product varieties, diffusion and competition couple with highly enlightened consumers require that bank marketer solicits views on how their units meet customer

satisfaction. Due to the above most firms especially banks must provide excellent services in order to meet the dynamic banking needs of their customers. In order to maximize customer satisfaction, rural banks alike must look at the quality of their service.

Rural banking in Ghana today is revolutionizing to embrace the needs of customers in their strategic orientation. Beside their dominance in the rural areas under their catchment areas, rural banks are now in major cities that are within the mandated 40 kilometre radius. The banks are opening more mobilization centre in urban areas. However, the challenge is that as rural economies undergo fundamental change, so does the universal banks. Banking deregulation in recent years has encouraged the evolution of new financial institutions and nationwide branching of existing ones (Addeah, 2001). The larger financial institutions by virtue of their flexible policy regulations are extending their services and products from the cities into these towns and semi-urban centres competing with the rural and community banks. It is thus a common activity to witness the rural communities flooded with commercial banking and micro financing institutions (Bank of Ghana [BoG], 2011). To raise funds to fulfill their mandate of meeting financial needs of the rural communities, rural and community banks have to re-strategise and expand into the economically vibrant areas.

However, unlike the universal banks which have the freedom to raise equity capital and open branches without constraints, rural banks are constrained by two main factors: It is permitted to operate within forty kilometers radius from its head office and equity capital can only be sourced from its shareholders mainly from its catchment area (Association of Rural

Banks [ARB], 2002). These characteristics place restriction on the competitiveness of rural banks in the financial services sector.

Many rural and community banks therefore find themselves disadvantaged by the recent economic and financial change as well as deregulations in the other financial institutions. This policy restriction poses as a regulatory burden on the banks making it difficult for them to compete with the other financial institutions. The above demands that, the rural banks improved the quality of service delivery in order to attract and satisfy the banking needs of their customers.

Satisfied customers become royal and provide sustained revenue for the rural banks (Swar & Sahoo, 2012). Satisfied customers also attract potential clients into rural banks. To these effects all organization strive for customer satisfaction. High patronage of services depends on the satisfaction customers derive from a service. Sales are directly related to customer satisfaction as increase in sales requires improvement in the quality of service delivery; as this will encourage continuous patronage.

Generally, it is believed that services which continuously and consistently delight customers make them happy and satisfied. In such situation, they become loyal customers and will continue to demand the service which in turn will result in profit and growth of an organization. As a consequence, there is a shift in quality focus from the original producers' point of view, which goes under different names such as "service-based quality" (Garvin, 1984), "objective and subjective quality" (Summers, 2005), and "operations management quality" (Steenkamp, 1990) towards the customers' base quality, recognizing quality as a subjective matter (Summers, 2005).

Subjective quality has received much preference and attention, especially in free-market economies (Kondo, 2000), so as to win customers.

But, customer satisfaction in dynamic owing to the unpredictable nature of clients. What satisfied a customer yesterday may cease to become a tool for satisfaction tomorrow. There is therefore the need for rural banks to determine the relationship between the quality of service delivery and customer satisfaction. According to Saravan and Rao (2007), service quality remain critical in the service industry, 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 (Stafford, 1996). 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.

Statement of the Problem

The SERVQUAL model developed by Parasuraman et al. (1988, 1985) has been used to measure service quality in most studies. The authors 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 studies (Ganguli & Roy, 2011; Ladhari, Ladhari, & Morales, 2011; Swar & Sahoo, 2012) 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.

A review of related literature reveals that service quality and customer satisfaction to highly correlate (Ganguli & Roy, 2011; Ladhari, Ladhari, & Morales, 2011; Swar & Sahoo, 2012). Studies like Muyeed (2012) also showed that, service quality has a positive and direct relationship with customer loyalty. However, this relationship is further strengthened by a high level of customer satisfaction. Literature further established a strong relationship between service quality and these customer loyalty dimension (Karatepe, 2011; Wieseke, Geigenmuller, & Kraus, 2012).

Studies on service quality abounds (i.e Sangeetha & Mahalingam 2011; Padma, Rajendran & Prakashsai, 2009; Wong & Amriksohal 2003; Ozdemir & Hewett, 2010), however, such studies focus on industries and provides a prescription for an industry ignoring the individual elements within an industry (for example Karatepe, 2011; Wieseke, Geigenmuller, & Kraus, 2012). Further, though the Lower Pra Rural Bank have been forced to introduce a number of programmes aimed at meeting the needs of its customers, no scientific study has been done by the bank to ascertain whether these intervention have been able to yield the expected return. Programmes such as provision of appealing materials and equipment's, provision of convenient branches (sub branches, outlets) and operating in extended hours to all its customers without spending much time on queues. It is against this background that the study seeks to apply the measurement to first determine the level of service quality and then its relationship with customer satisfaction at Lower Pra Rural Bank.

Objectives of the Study

The main objective of this study is to determine the level of service quality at Lower Pra Rural Bank and also how that level of service quality relate to the level of customer satisfaction at the bank. The specific objectives of the study are to:

1. examine the level of customer perception of service delivery at Lower Pra Rural Bank Limited;
2. assess the level of customers expectation of service delivery at Lower Pra Rural Bank Limited;

3. determine the level of customer satisfaction of service delivery at Lower Pra Rural Bank Limited;

Research Questions

In order to meet the above research objectives, the following questions should be answered:

1. What is the level of customer perception of service delivery at Lower Pra Rural Bank Limited?
2. What is the level customers' expectation of service delivery at Lower Pra Rural Bank Limited?
3. What is the level of customer satisfaction of service delivery at Lower Pra Rural Bank 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 quality delivery. The study offers some explanations to management on some of the activities that management can engage in that will result in the satisfaction of its customers. This study stands to benefit policy makers, thus aiding them to draw useful programmes and guidelines on service quality in the banking sector.

Academicians will also benefit from the finding of the study, as it will serve as a baseline study for other studies and aid further study into other areas of service quality. Management of Lower Pra Rural Bank Ltd will also benefit as it provides policy directions and drawing of attractive programmes for their stakeholders regarding service quality delivery and customer satisfaction.

Scope of Study

There are several issues that affect the banking industries. However, issues on service quality delivery and customer satisfaction remains important. The study is therefore delimited to customer satisfaction and service quality delivery. This was important considering the nature of competition in the sector as posited by (Boulding & Zeithaml, 2003).

Limitation of the Study

Retaining customers is easier than acquiring a new one. One of the key issues identified by Kotler and Keller (2006) is when expectation of customers are met it likely to result in satisfaction and loyalty. Further, the study was also limited to only Lower Pra Rural Bank, considering the time frame within such as study is to be completed. It would have been impossible to focus on all banks in Takoradi. These reasons necessitated the limiting of the study

Definition of Terms

Service Quality Delivery: An action or an activity which can be offered by a party to another party, which is basically intangible and cannot affect any ownership.

Customer Satisfaction: A concept that basically measures the degree to which the services of a business meet consumers' expectations

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. This would help the researcher to complete the 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

LITERATURE REVIEW

Introduction

This chapter covers the theoretical review, empirical review and conceptual framework. First of all, theoretical review explains the concept of service offering, characteristics of service, type of service, service delivery in banks, the concept of quality, principles of quality management, SERVQUAL model, the theory of gap model, the concept of customer satisfaction, disconfirmation model, and the satisfiers, dissatisfies and delighters or excitors' model.

Then, empirical review document the results of other studies that are closely related to the effect of service delivery on customer satisfaction at Lower Pra Rural Bank in Takoradi as well as identifying the gaps, similarities or contradictions in such studies. Last but not least, the conceptual framework shows the researchers' idea on how the effect of service delivery on customer satisfaction is explored. It dwells on time tested theories that embody the findings of numerous investigations on how phenomena occur.

Theoretical Review

As mentioned already, the theoretical review explains the concept of service offering, characteristics of service, type of service, service delivery in banks, the concept of quality, principles of quality management, SERVQUAL model, the theory of gap model, the concept of customer satisfaction, disconfirmation model, and the satisfiers, dissatisfies and delighters or excitors' model.

Unified Service Theory

Unified services theory delineates services processes from non-services processes and acts as a fundamental unifying principle by identifying and revealing key commonalities across seemingly disparate service businesses (Springer, 2010). The theory reveals principles that are common to a wide range of services and provides a unifying foundation for various theories and models for service operations (Scotts, 2008). Such includes the traditional characteristics of services and customer contact theory (Scotts, 2008), operational outcomes pertaining to capacity and demand management, service quality, service strategy among others (Scotts & Craig 2006).

These are clarified using unified services theory. The theory has been used in the curricular and also provides a common reference point to which service management researchers can anchor future theory building and theory testing research. The foundation of unified services theory is that customers are involved in production as suppliers. They supply inputs as well as labour. As a result, issues of quality and improvements must affect and be affected by the customer in their varying roles. Scotts (2008) identifies implications of this involvement as; unreliable supplier dilemma, everyone thinks he/she is an expert, capricious labour and unforgiving product syndrome.

The unreliable supplier dilemma is based on the argument that the customer, who is also the supplier (dilemma), often provides unreliable inputs (supplying self, belongings), or information (Maurice & Corien 2006). It therefore becomes difficult for the service provider to control the supplied inputs which determine the outcome of the service production process (Scotts, 2008). This issues call for actions such as training the customer to be a better

supplier, having exceptions handling process if the service involves standardized procedures, controlling or reducing customer input, and providing a structure in the receipt of inputs such as confirming against a checklist.

Unlike manufacturing, customer inputs are key when value is being created in service business processes (Richard, 2009). When this inputs are incomplete, defective or generally non- conforming, the expected output would be questionable yet affects customers perceived service quality. This is explained by the implication of unreliable supplier dilemma and capricious labour through supply of unreliable inputs and labour. When customers supply unreliable inputs, this affects the service process efficiency, job design as well as customer satisfaction. Capricious labour on the other hand affects quality of service delivered because customers refuse to cooperate with quality and productivity, ignore technology introductions and process improvements (Scotts, 2008). This happens because as the service provider tries to deliver quality services by ensuring that the services delivered conform to the set standards, the customer on the other hand obstructs the improvement process by supplying unreliable inputs and labour.

Perceived service quality is important for the service provider. It concerns interactions themselves that change the perception of the customer and affect the service process. A balance therefore has to be struck between retaining the customer and the organization culture and structure. Perceived service quality has the advantage of increased reliability by the customer, reduces cost, and improves quality and production as well as profitability of

the business. It is on this basis that a model can be investigated in the context of rural banking sector in Ghana.

Conceptual Review

The Concept of Service Offering

Unlike tangible products, a service is a complex phenomenon and many fragmented definitions have emerged (Hirvonen, 2007; Jallat & Wood, 2005). Jallat and Wood (2005) defined a service as a simultaneous process, a social interaction, a relationship and an intangible result. Zeithaml, Bitner and Gremler (2006), describe services as deeds, processes and performances. According to Kotler and Keller (2006), a service is an act or performance that one party can offer another that is essentially intangible and does not result in the ownership of anything. Fact that various people have diverse opinions when it comes to issues relating to services. However, the various definitions recognize that services are intangible, interactive, experiential and do not involve the transfer of ownership (Kotler & Armstrong, 2006).

Characteristics of Service

From the studies done so far, there have been emerged four special service characteristics that distinguish services from goods. Inseparability, intangibility, variability and perishability are the basic characteristics that differentiate a service from goods (Zeithaml, Parasuraman & Malhotra, 2000; Zeithaml, Bitner, & Gremler, 2006; Soutar & McNeil, 1996). Zeithaml, Parasuraman and Berry (1990) cited by Hirvonen (2007) identified intangibility, heterogeneity, perishability and inseparability as the fundamental

characteristics that makes services different from goods in terms of how they are produced, consumed and evaluated.

Types of Service

Studies have shown different types of interactions that may occur in an encounter. These are face-to-face interactions, remote interactions, and phone interactions (Bitner, 1990; Chandon, Leo, & Philippe, 1997; Liljander & Mattsson, 2002; Solomon, Surprenant, Czepiel & Gutman, 1985; Surprenant & Solomon, 1987; Zeithaml *et al.*, 2006). It has been suggested that the different categories of service encounters may affect the overall evaluation of the service (Danaher & Mattsson, 1994; Liljander & Mattssons, 2002).

Service Delivery in Banks

Service delivery is simply concerned with the provision of quality services to clients or customers. Bank service delivery can simply be defined as the delivery and provision of quality services to customers. Banks' ability to render a more quality service to their customers would definitely be evident in their customer base as every customer would want a quality service (Farayibi, 2016).

Obviously, one of the factors that separate competitors (banks) from the other (other banks) in the Ghanaian banking industry is their level and quality of service delivery. This is because service delivery determines the level of customers' satisfaction and consequently, the customer base of any bank. The patronage by customers on the service delivered by a given bank, no doubt is dependent on the level of the satisfaction they so derive from it. Satisfaction in relation to bank service delivery is the customers' evaluation of the service in terms of whether that service met their needs and expectations

(Ako-Nai, 2011). Happy and satisfied customers behave in a positive manner. The effect of service delivery by banks and the satisfaction derivable by customers are becoming perceptible. Given that the contemporary customers are more informed than ever before, Mkoma (2014) posited that meeting their expectation as regards satisfaction is increasingly becoming more difficult.

The Concept of Quality

A review of marketing literature suggests that it is difficult to define quality (Zeithaml *et al.*, 2006). There is no universally accepted definition of the term quality. The term has been variously defined by researchers. Quality may be defined as a property of products or services, or processes producing these products or services (Sahney, 2004). They also defined quality as meeting or exceeding customer expectations. Researchers argue that quality is how customers define it (Lovelock & Wirtz, 2007) and must be defined from customer's perspective. Sahney (2004) argues that customer's definition of product quality help identify and establish the relevant bases and criteria for evaluating quality.

A recent definition of "quality" has been provided by Coulson-Thomas and Brown (1990) from customer perspective. They defined quality as: "How consistently the product or service delivered, meets or exceeds the customers" (external and internal) expectations and needs". Brenda and Steve (2000) support this view and posit that the term quality refers to an attitude about how to conduct business, irrespective of the type of business venture. That attitude centres on two things; the first being meeting or exceeding the customers' wants, needs, and expectations and the second is, doing it in an efficient way. It does no good to produce an excellent

product that nobody wants, just as it does no good to produce a high quality product using inefficient processes. The quality concept, then, refers not just to the product or service provided, but also how it is provided.

Principles of Quality Management

Researchers have identified various critical success factors that will guide the implementation of quality management in an organisation (Porter, 1996). Antony and Antony (2002) also revealed 11 factors of quality practices. Brady and Cronin (2001) in their study noted that there are 11 constructs of quality implementation. Sureshcandar, Rajendran and Kamalanabhan (2002) in their research came out with 12 major practices comprising of top management commitment and visionary leadership, human resource management, technical system, information and analysis system, benchmarking, continuous improvement, customer focus, employee satisfaction, union intervention, social responsibility, services capes, and service culture.

SERVQUAL Model

Zeithaml *et al.* (2000) defined service quality as "... a global judgment or attitude relating to the overall excellence or superiority of the service" and they conceptualized a customer's evaluation of overall service quality by applying Oliver's (1980) disconfirmation model, as the gap between expectations and perception of service performance levels. Furthermore, they propose that overall service quality performance could be determined by the measurement scale SERVQUAL that uses five generic dimensions: Tangibles (the appearance of physical facilities, equipment, personnel, and communications materials); Reliability (the ability to perform the promised

service dependably and accurately); Responsiveness (the willingness to help customers and provide prompt service); Assurance (the competence of the system and its credibility in providing a courteous and secure service); and Empathy (the approachability, ease of access and effort taken to understand customer's needs).

Parasuraman *et al.* (1985) from their path breaking exploratory research developed the SERVQUAL instrument and laid down a conceptual framework for the measurement of service quality. The SERVQUAL instrument has become the most dominant instrument for measuring service quality and it originally comprises 10 dimensions with 97 items but later reduced to 5 dimensions with 22 items in 1991. The five dimensions are tangibles, reliability, responsiveness, assurance and empathy.

Tangibility

Tangibles entail the physical evidence of the service. Tangibles in details depict the physical facilities of the service provider, the appearance of personnel, materials associated to the service (credit and debit sheets, cheque books etc.), decorations and business hours the tools and equipment used to provide the service including other customers in the service facility. Tangibles are used by firms to convey image and signal quality (Zeithaml *et al.*, 2006).

Reliability

According to Zeithaml *et al.* (2006), reliability is “the ability to perform the promised service dependably and accurately” or “delivering on its promises”. Does the firm perform the service right at the first time? Does the firm honour its promises? These are some of the questions which need to be answered by service providers if they are to achieve reliability. This dimension

of service quality according to Parasuraman *et al.* (1985) is how the service provider is able to provide service to a customer as promised, dependable in handling customers' service problems, performs service right the first time, provide service at promised time and keep customers informed about when services will be performed.

Assurance

Assurance entails the knowledge and courtesy of employees and their ability to convey trust and confidence. It also includes competence, courtesy, credibility and security. Andaleeb and Conway (2006) noted that assurance may not be so important relative to other industries where the risk is higher and the outcome of using the service is uncertain. For instance, in the medical and healthcare industry, assurance is an important dimension that customers used as criteria in assessing a hospital or a surgeon for an operation. The trust and confidence may be represented in the personnel who connect the customer to the organisation (Zeithaml *et al.*, 2006).

Responsiveness

Responsiveness concerns the willingness or readiness of employees to provide service (Parasuraman *et al.*, 1985). This dimension is concerned with dealing with the customer's requests, questions and complaints promptly and attentively. A firm is known to be responsive when it communicates to its customers how long it would take to get answers or have their problems dealt with. To be successful, companies need to look at responsiveness from the view point of the customer rather than the company's perspective (Zeithaml *et al.*, 2006).

Empathy

Empathy entails caring and provision of individualized attention to customers by personnel of the firm (Zeithaml *et al.*, 2006). In this respect, the customer feels unique and special. In an attempt to develop empathy, personnel of the firm should endeavour to know the names of their customers, their preferences and needs and take steps to satisfy them. Small scale enterprises through the provision of customized services to clients are in a better position to achieve empathy than large firms.

The Theory of Gap Model (SERVQUAL)

The Gap model or SERVQUAL model is a service quality framework. It was developed in the mid -1980s by (Parasuraman *et al.*, 1985). SERVQUAL is a means to measure the scale of quality in the service sectors. Perceived service quality can be defined as, according to the model, the difference between consumers' expectation and perceptions which eventually depends on the size and the direction of the four gaps concerning the delivery of service quality on the company's side (Parasuraman *et al.*, 1985). Customer Gap = f (Gap 1, Gap 2, Gap 3, Gap 4). The magnitude and the direction of each gap will affect the service quality (Figure 1). For instance, Gap 3 will be favourable if the delivery of a service exceeds the standards of service required by the organisation, and it will be unfavourable when the specifications of the service delivered are not met.

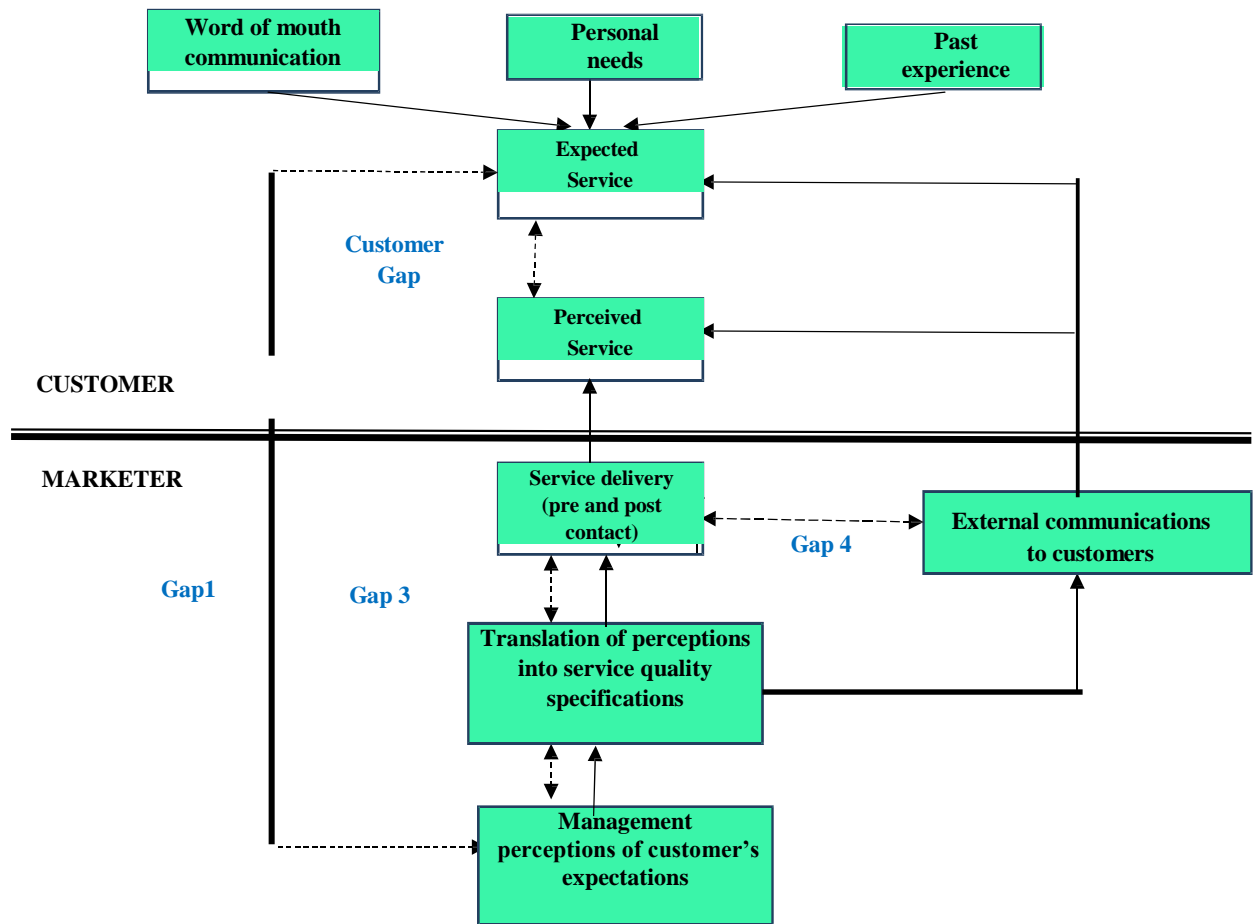


Figure 1: The integrated gap model of service quality
 Source: Adapted from Parasuraman *et al.* (1985)

The Concept of Customer Satisfaction

There is general agreement that, satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's performance in relation to its expectations (Philip, 2003). Customer satisfaction is actually a term most widely used in the business and commerce industry. It is a business term that explains the measurement of the kind of products and services provided by a company to meet its customer's expectation. To some, this may be seen as the company's Key Performance Indicator (KPI). In a competitive marketplace where businesses compete for customers, customer satisfaction is

seen as a key differentiator and increasingly has become a key element of business strategy. It is well established that satisfied customers are key to long-term business success (Kristensen, Dahlgaard, & Kanji, 1992; Zeithaml *et al.*, 2006; McColl-Kennedy & Schneider, 2000).

It is also defined as a global issue that affects all organisations, regardless of its size, whether profit or non-profit, local or multi-national. Companies that have a more satisfied customer base also experience higher economic returns (Aaker & Jacobson, 1994). Apparently, many researchers conceptualize customer satisfaction as an individual's feeling of pleasure (or disappointment) resulting from comparing the perceived performance or outcome in relation to the expectation (Brandy & Robertson, 2001; Lovelock, Patterson, & Walker, 2001). There are two general conceptualizations of satisfaction here, namely, the transaction-specific satisfaction and the satisfaction (Boulding & Zeithaml, 1993; Jones & Suh, 2000; Yi & La, 2004).

Transaction-specific satisfaction is the customer's very own evaluation of his or her experience and reaction towards a particular service encounter (Cronin & Taylor, 1992; Boshoff & Gray, 2004). This reaction is expressed by the customer who experiences a product or service for the first time. However, in general customers assess their level of satisfaction after the consumption of a product or a service.

Disconfirmation Model

The disconfirmation model propounded by Oliver (1980) is used to explain customer satisfaction. According to Oliver, the customer satisfaction model explains that when the customers compare their perceptions of actual products or services performance with the expectations, then the feelings of

satisfaction have arisen. Any discrepancies between the expectations and the performance create the disconfirmation.

He identified three (3) types of disconfirmation. And they are: Positive disconfirmation which occurs when product or service performance exceeds performance. In this case, the customers are highly satisfied; Negative disconfirmation which occurs when products or service performance is less than expectations. In this case, the customers are highly dissatisfied; and Zero disconfirmation: it occurs when product or service performance is equal to expectations. In this case, customers are neither well satisfied nor less satisfied. They feel 'ok' by the turn of events. Disconfirmation theory argues that 'satisfaction is related to the size and direction of the disconfirmation experience that occurs as a result of comparing service performance against expectations'. Szymanski and Henard (2001) found in the meta-analysis that the disconfirmation paradigm is the best predictor of customer satisfaction.

Satisfiers, Dissatisfies and Delighters or Exciters Model

The satisfiers, dissatisfies and delighters or exciters model propounded by Kano, Seraku, Takahashi and Tsuji (1984) is a theory of product development and customer satisfaction that classifies customer preferences. The model offers some insight into the product attributes which are perceived to be important to customers. It focuses on differentiating product features, as opposed to focusing initially on customer needs.

- 1. Satisfiers:** These are characteristics which customers say they want in the product, and their presence lead to satisfaction.
- 2. Dissatisfaction:** It is the expected characteristics in a product whose presence leads to customer dissatisfaction. They have the property that they

would not be frequently mentioned by customers when asked about what they are looking for in a product, because they are assumed to be present.

3. *Delighters or Exciters:* Here, innovation or new product is undisputedly the catalyst in delivering these attributes to customers. According to Kano *et al.* (1984), delighters are the most powerful and have the potential to lead to the highest gross profit margins. Excitement attributes are for the most part unforeseen by the client but may yield paramount satisfaction. The beauty behind an excitement attribute is to spur a potential consumers' imagination, these attributes are used to help the customer discover needs that they have never thought about before. Having concurrent excitement attributes within a product can provide a significant competitive advantage over a rival. In a diverse product assortment, the excitement attributes trigger impulsive wants and needs in the mind of the customer. The more the customer thinks about these amazing new ideas, the more they want it.

Empirical Review

Service Quality Delivery and Customer Satisfaction

The empirical review document the results of other studies that are closely related to the effect of service delivery on customer satisfaction at Lower Pra Rural Bank in Takoradi as well as identifying the gaps, similarities or contradictions in such studies.

A study by Felix (2017) in Rwanda, analysed service quality and customer satisfaction in selected banks. The study was set to determine the relationship between service quality and customer satisfaction in Banque Populaire du Rwanda (BPR), Kigali branches. It was based on both descriptive and cross-sectional survey designs. A self-administered questionnaire was

used to collect primary data from 498 customers, using convenient sampling technique. Data were analysed using SPSS's frequencies and percentages, means, and Pearson's Linear Correlation Coefficient (PLCC).

The study was based on five research objectives: (a) to determine the profile of respondents in terms of gender, type of account, educational qualification and banking experience, (b) to determine the level of service quality in BPR, (c) to determine the level of customer satisfaction among BPR customers (d) to determine relationship between service quality and customers' satisfaction in BPR and (e) to recommend strategies enhance customer satisfaction basing on the study findings. The findings revealed that majority of the respondents were female, over three equators with current type of account, over half of the respondents had no professional education qualification and majority of the respondents had been customers for BPR for relatively a long period of time that is from three years and above.

The study further revealed that, both the level of service quality and customer satisfaction was at mean ≈ 3 (high level). The findings from PLCC showed a significant and positive relationship between service quality and customer satisfaction while comparing dimension like customer loyalty with reliability, responsiveness and assurance. On the other hand, comparison based on positive word of mouth with service quality sub-variables like Reliability, Assurance, tangibles, empathy and responsiveness, revealed that there was no significant relationship between the variables. The researcher recommended that if BPR is to improve on service it offers to her customers to ensure their satisfaction, BPR staff should: (a) maintains on error-free records service, (b)

handle customer problems in constant manner, (c) be willing to solve customer problems promptly and (d) understand specific needs of individual customers.

In Nigeria, Farayibi (2016) investigated service delivery and customer satisfaction in Nigerian banks using Ordinary Least Square (OLS) methodology. The study established a relationship between better banks performance in service delivery and customer satisfaction through effective customer relationship management (CRM). Findings revealed that increase in the number of working days and number of bank branches led to better levels of customer satisfaction. Empirical evidence also revealed that increase in profit margin is a function of improved level of customer satisfaction while number of bank branches (NNB) has a positive but insignificant relationship with customer satisfaction because the spread of branch networks or channels has better effects on customer satisfaction than number of banks.

It also emphasized the role of the number of working days in achieving better bank services and profitable customer relationship management. The study thus recommended that the Nigeria banking industry should improve the quality of service delivery as it is a prerequisite for achieving a high level of customer satisfaction (Farayibi, 2016).

Elsewhere in Rwanda, Ndikubwimana and Berndt (2016) investigated service quality and customer satisfaction among bank clients. The study was motivated by the low level of penetration by the banks in Rwanda. The purpose of the research was to investigate the satisfaction of banking customers in Rwanda with regard to financial services received. This was done through investigating their perceptions of service quality and satisfaction. Little published research among these groups of consumers has been

undertaken, making the findings important for the sector in Rwanda. Use was made of a quantitative study using a SERVPERF questionnaire adapted for the Rwandan context to collect data from 156 respondents. Statements on the dimensions of service quality and customer satisfaction were measured using a 7 point Likert scale.

The results of study show that the bank's physical environments and facilities are conducive to delivering good service, and the customers are satisfied with the Tangible aspects associated with the service and that they are prepared to reflect this satisfaction in their behaviour. It was recommended that the bank take note of these findings, specifically as they reflect some differences among different groups of customers and incorporate them into future marketing strategies (Ndikubwimana & Berndt, 2016).

In Ghana, Cudjoe, Anim and Nyanyofio (2015) assessed the effect of service quality on customer satisfaction in the Ghanaian banking industry using Ghana Commercial Bank as a study area. The study focused on three branches of GCB with (120) customers constituting the sample size. Purposive sampling technique was employed in the study with Statistical Package for Social Sciences (SPSS) used for the analysis. The expectations and perceptions of GCB customers were assessed under five dimensions of SERVQUAL. The researchers found out that, all the five dimensions contributed to quality of service delivery in GCB. It was recommended that GCB should work towards enhancing on reliability, responsiveness, empathy, assurance, and tangibility dimensions respectively. The researchers concluded that, the customer is the reason for the business and hence excellent service should be rendered at all times.

In another study in Tanzania, Shanghali (2015) looked at service quality delivery and its impact on customer satisfaction in the bank using evidence from Moshi Uchumi Commercial Bank. The main purpose of the study theoretically is finding the interrelationships between service quality delivery, its impact on customer satisfaction and to identify the usefulness of approved service quality models, when applied to banking sector in Tanzania and empirically, describe how consumers perceive service quality and whether they are satisfied with services offered by these Uchumi Commercial Bank.

A self-completion questionnaire was developed from the SERVQUAL instrument and distributed using a simple random sampling technique to customer of Uchumi Commercial Bank to determine their perceptions of service quality in Commercial Bank. Findings revealed that, the SERVQUAL model was a good instrument to measure Bank service quality delivery in Tanzania context. Therefore, bank managers can use this instrument to assess the bank service quality in Tanzania. The implication was that the SERVQUAL model is the best tool to use measure service quality in Uchumi Commercial Bank (Shanghali, 2015).

The findings further suggested that Uchumi Commercial Bank need to improve all the dimensions of service quality from the gap analysis carried out. Moreover, because all the dimension of service quality attributed positive correlation with customer satisfaction, Tanzania bank managers should emphasize the entire service quality dimension in maintaining and improving the service quality that they provide. This study contributes to the already existing studies by examining service quality in Uchumi Commercial Bank using the SERVQUAL model and also provides empirical results that could

guide management dealing with bank activities to take corrective actions that lead to growth in the company (Shanghali, 2015).

In another study in Kenya, Kombo (2015) investigated the current pattern of customer satisfaction in the Kenyan banking industry. A questionnaire survey was administered to 403 bank customers of the top five banks in Kenya. Software SPSS 22.0 was used to analyse the data gathered from the survey. The results of the analysis demonstrate that the overall level of customer satisfaction is more than 60%. The results also demonstrate that the most important factor for customer satisfaction is the wide availability of bank branches, and the factor most associated with customer dissatisfaction is the high prices of products and services. In addition, the results depicted that both satisfaction and dissatisfaction partially influence the number of banking products and banks that clients choose to open accounts with.

In Sweden, Qadeer (2014) assessed service quality & customer satisfaction using evidence from the banking sector. The aim of the research was to analyse the impact of service quality on customer satisfaction. A sound association is found between customer satisfaction and the quality of service provided by the companies. Hence, the study investigates the effect of quality on satisfaction by focusing on the relationship between service quality and customer satisfaction and how quality can be improved in the service firms. Qualitative research method is used to conduct this study. The selection of primary studies is done by conducting interviews in a bank as professional service industry. The research findings are analysed by qualitative data analyses techniques to build analyses and draw conclusions.

Findings reveal that quality of service does effect the customer satisfaction up to some certain level as both concepts are distinct and the relationship found between them is casual. Also, the quality of service has significant contribution towards customer satisfaction because it is affected by various factors such as human interaction, physical environment, value, price, performance etc. To improve performance system, companies should focus more on introducing employee oriented policies by establishing a service culture followed by a strong strategy in place and by removing gaps between management – employees and its customers. It is found that through proper planning and constant monitoring, firms can develop effective strategies to improve quality levels and to retain their existing and future customers (Qadeer, 2014).

In Saudi Arabia, Sanjuq (2014) investigated the impact of service quality delivery on customer satisfaction in the banking sector in Riyadh. The study aimed to evaluate what impact SERVQUAL model has on customer satisfaction in Saudi Arabia's banking sector. The study was quantitative in nature and involved distributing a structured, pre-tested, self-administered questionnaire that was based on a convenience method to 412 customers of various bank in the Saudi capital city of Riyadh, during the fall of 2014. The response rate was 67 per cent and the study data was analysed using SPSS and a reliability coefficient (alpha) was determined.

Regression analysis found a positive relationship among assurance, empathy, and responsiveness, but this relationship has no significant effect ($P \geq 0.50$) on customer satisfaction. Reliability was found to have a negative relationship with customer satisfaction, but no significant effect on the same.

Only tangibles were found to have a positive relationship and a significant impact ($P < 0.50$) on customer satisfaction. The results show that, in the retail banking sector, the SERVQUAL model remains an effective way of measuring customer satisfaction. Because customer value is an asset to organisations, organisations must ensure that they provide the right products and services, supported by the right promotion, at the right time for their customers (Sanjuq, 2014).

In Kenya, Awuor (2014) looked at service quality and customer satisfaction in the banking sector. The study sought to answer the following question; what are the customers' views, thoughts and feeling on the quality of service offered by commercial Banks in Kenya? The study identified the possible expectations that customers have on the quality of service. The study adopted descriptive design with population of interest being customers of commercial banks in Nairobi CBD. Questionnaires were administered to customers from a total of 44 commercial banks located within Nairobi CBD.

The findings from the study established a positive relationship between service quality and customer satisfaction in Kenyan banks. The conclusion from this study was that customer satisfaction can lead to higher rates of retention of the Kenyan bank customers. Recommendations based on the findings were made to the Kenyan banks which if implemented will enhance the satisfaction of the bank customers as well as improve customer retention rates (Awuor, 2014).

In Tanzania, Mkoma (2014) analysed the customers' satisfaction with banking services with specific focus on Standard Chartered Bank. The specific objectives of the study were: to assess the level of customer satisfaction basing

on customers intention to remain as clients; to examine the level of customer satisfaction basing on customers intention to recommend the service of the Standard Chartered Bank to third parties; and to measure the overall level of customer willingness to pay a higher price for services rendered by Standard Chartered Bank. A total of 135 respondents were sampled by using non-probability convenient sampled technique, and data was collected by means of a self-administered questionnaire. Data on socio-economic characteristics of the customers was analysed by using descriptive analysis.

Mann-Whitney test was applied to compare satisfaction levels between satisfied and dissatisfied customers. Results show that majority of the customers were satisfied with the Standard Chartered Bank. Non-parametric results show that customers were satisfied with the quality and service time ($p < 0.01$); are loyal hence unlikely to switch banks even if by doing so they could save about 10% ($p < 0.01$); and are unlikely to switch banks in the near future despite easiness of switching ($p < 0.01$). Accuracy of service and welcoming attitude of staffers were not strong source of customers' satisfaction with the bank ($p > 0.1$). Basing on the findings of the study, it was recommended to that Standard Chartered Bank should maintain the quality of financial services offered by the bank. This can be done by institutionalizing quality control and assurance measures as well as a strong monitoring and evaluation system for the services quality within the bank (Mkoma, 2014).

In Hong Kong, Lau, Cheung, Lam and Chu (2013) measured service quality in the banking industry with the goal of identifying the interrelationships between service quality, customer satisfaction and customer loyalty in the retail banking sector. The study also aimed to find out the most

important attributes of service quality in retail banks, which can be used to evaluate the characteristics of banking service quality as perceived by customers. A sample of 119 retail banking customers was drawn from the Hong Kong and Shanghai Banking Corporation (HSBC) in Hong Kong. The questionnaire developed for the study was based on a SERVQUAL model that identified the influence of five dimensions (that is, tangibility, responsibility, reliability, assurance and empathy) in banking service environments on customer satisfaction.

The results indicate that the five SERVQUAL dimensions have a positive influence on customer satisfaction. Tangibility, responsibility, reliability and assurance were more significant in contributing to customer satisfaction, while empathy was the least significant. This study suggested that SERVQUAL is a suitable instrument for measuring service quality in the retail banking sectors in Hong Kong. Hence, banking industry practitioners can consider this instrument as a tool to assess and help improve their service quality (Lau *et al.*, 2013).

In another study in Ghana, Boateng (2012) assessed the quality of customer service delivery in the banking sector of Ghana: A case study of Ecobank customers. The motivation behind the study was that banks in Ghana do not deliver quality customer service and this is a worrying situation among customers in general. The aim of the work was to investigate the quality of customer service delivery by banks to their customers taking into consideration factors that may cause customer dissatisfaction, the gap between customer perception and expectation of the quality of service and the new trends in customers' expectation.

Using the questionnaire method, data was gathered from 150 respondents and analysed to bring out the findings. The researcher sought to compare two different responses from one sample group. With the help of a five (5) point likert scale, responses were gathered for both expectation and perception of customers and the repeated measure t-test was used to allow comparisons among the variables under each condition. For instance, perception of tangibles was compared to expectation of tangibles under that condition (Boateng, 2012).

The findings showed that generally overall satisfaction of customers with the quality of service delivered by banks was low. There were gaps between customers' perception and expectation on the various quality dimensions which are tangibles, reliability, responsiveness, assurance and empathy. Customers also indicated that they were expecting their banks to reduce ATM charges, make available small loans, extend closing time, raise the interest on deposits, and open more branches in the villages. The recommendation made was that banks must take a critical look at the dimensions used (tangibles, reliability, responsiveness, assurance and empathy) in the study and patch-up gaps that exist between customer expectation and perception (Boateng, 2012).

In another study in Ghana, Bebli (2012) looked at the impact of internet banking service quality on customer satisfaction in the banking sector. The study draws on customer satisfaction using the service quality dimension or the SERVQUAL and SERVPERF models originated by Parasuraman *et al.* (1988), Cronin and Taylor (1992). The study makes use of mainly qualitative research approach although the quantitative research approaches was partially

used for the study. The use of the above approaches meant that both primary and secondary data sources were extensively relied on. The study made use of a 5 point Likert scale with “1” being strongly agreed and “5” being strongly disagreed. The study applied the spearman ranked correlation, the chi square (χ^2) and regression analyses to evaluate the hypothesised relationships.

The findings indicated that speed of delivery, ease of use, reliability, pleasure, and control and privacy were all positively correlated and significant at 1% level. Additionally, the regression analysis also indicated that with the exception of pleasure and control all the variables were significant at 5% levels. Finally, based on the findings of this study, it was recommended that there is the need to educate majority of the banking population on internet banking (Bebli, 2012).

In a related study in Malaysia, Kadir, Rahmani and Masinaei (2011) looked at the impact of service quality on customer satisfaction with evidence from online banking and ATM services. The study tried to identify the effects of services offered by Malaysian banks through online media and ATMs on customer satisfaction. Five hundred students from different universities in Malaysia including University of Malaya, University Kebangsaan Malaysia, University Putra Malaysia, Multimedia University Malaysia and Limkokwing University were chosen as a sample frame of the study. Questionnaires were distributed among them and they were asked to respond to questions which ask about their perception as well as experience for their banks. Two analyses were employed to fully reflect the effect of online and ATM services on their satisfaction level.

The first one was service quality model which compares the difference between satisfaction and expectation level in order to find out which dimensions need to be improved. Second analysis was Two-Way ANOVA analysis which tried to identify the relationship between demographic factors and the study's outcome. Finally, the study determined which factors have the most effect and which factors have the least effect on customer satisfaction level. After summarizing all demographic, perception and expectation information, gaps of online banking and ATM services in Malaysia are found. 3 out of 11 dimensions of E-SERVQUAL model were found unable to respond to customers' need. These dimensions are responsiveness, customization, and flexibility for E-SERVQUAL model which was applied for online banking system in Malaysia (Kadir *et al.*, 2011).

Therefore, Malaysian anchor banks are required to improve their services related to these dimensions in order to fulfil the customers need. On the other hand, tangible and responsiveness dimensions out of 5 dimensions of SERVQUAL model were found unable to fulfil the respondents demand as well. So, ATM services related to these dimensions need further enhancement to satisfy customers (Kadir *et al.*, 2011).

In Ghana again, Ako-Nai (2011) analysed the effect of customer service on customer satisfaction: A case study of Fidelity Bank, Adum, Kumasi. The purpose of the research was to find out if the customer service provided in the bank has any effect on customer satisfaction and for that matter, customer loyalty. Barriers to customer service provision and any other thing customers would like to see in the bank were also researched. In order to obtain the best results, the main research methodology adopted was a case

study involving the head branch of the bank under study. Questionnaires were used to obtain information from customers and the staff of the bank.

Findings from the research revealed that, Adum Branch of Fidelity bank provides appreciable level of customer service; however these are just seen as satisfying. Barriers such as large numbers of customers with few tellers, some problems with the system (internet banking) and some managerial decisions affect customer service provision in the bank. Customers at Fidelity bank are loyal to the bank. And these customers would like the number of tellers to be increased and larger packing space provided for them. It was recommended that customer service provision in Fidelity bank should go beyond satisfaction. Strategies that exceed customer expectations should be put in place to delight the customers (Ako-Nai, 2011).

In another study in Malaysia, Munusamy, Chelliah and Mun (2010) assessed service quality delivery and its impact on customer satisfaction in the banking sector. The researchers used a quantitative research to study the relationship between service quality dimensions and customer satisfaction. Assurance had positive relationship but it had no significant effect on customer satisfaction. Reliability had negative relationship but it had no significant effect on customer satisfaction. Tangibles had positive relationship and had significant impact on customer satisfaction. Empathy had positive relationship but it had no significant effect on customer satisfaction. Responsiveness had positive relationship but no significant impact on customer satisfaction. The study highlighted implications for marketers in banking industry for improvement in delivery of service quality.

Gap in Literature

Lately, researchers across the world have devoted some attention to services delivery and customer satisfaction among banks (Ako-Nai, 2011; Awuor, 2014); Bebli, 2012; Boateng, 2012; Cudjoe *et al.*, 2015; Farayibi, 2016; Felix, 2017; Kadir *et al.*, 2011; Kombo, 2015; Lau *et al.*, 2013; Mkoma, 2014; Munusamy *et al.*, 2010; Ndikubwimana and Berndt, 2016; Sanjuq, 2014; Shanghali, 2015; Qadeer, 2014). Among the studies conducted in Ghana (Table 1), little emphasis has been placed on rural banks. For instance, Cudjoe *et al.* (2015) focused on Ghana Commercial Bank, Boateng (2012) studied Ecobank Ghana, Ako-Nai (2011) concentrated on Fidelity Bank whereas Bebli (2012) looked at the Ghana banking sector in general.

It is important to focus on a particular institution or a study organisation so that recommendations can be tailored to that institution to improve the existing situation. This research project therefore intends to narrow the gap in literature by examining the effect of service delivery on customer satisfaction at Lower Pra Rural Bank in Takoradi in order to make recommendations to improve the existing condition.

Table 1: Summary of Related Studies

SN	Author(s)	Research Topic
1	Cudjoe <i>et al.</i> (2015)	Service quality and customer satisfaction in the Ghanaian banking industry (A case study of Ghana Commercial Bank).
2	Kadir <i>et al.</i> (2011)	Impact of service quality on customer satisfaction: Study of online banking and ATM services in Malaysia.
3	Sanjuq (2014)	The impact of service quality delivery on customer satisfaction in the banking sector in Riyadh, Saudi Arabia.
4	Munusamy <i>et al.</i> (2010)	Service quality delivery and its impact on customer satisfaction in the banking sector in Malaysia.
5	Lau <i>et al.</i> (2013)	Measuring service quality in the banking

		industry: a Hong Kong based study.
6	Boateng (2012)	An Assessment of quality of customer service delivery in the banking sector of Ghana-A case study of Ecobank customers.
7	Awuor (2014)	Service quality and customer satisfaction in the banking sector in Kenya.
8	Mkoma (2014)	Analysis of customers' satisfaction with banking services: A case of Standard Chartered Bank, Tanzania.
9	Ako-Nai (2011)	Effect of customer service on customer satisfaction: A case study of Fidelity Bank, Adum, Kumasi (Ghana).
10	Bebli (2012)	The impact of internet banking service quality on customer satisfaction in the banking sector of Ghana.
11	Qadeer (2014)	Service quality & customer satisfaction: A case study in banking sector (Sweden).
12	Kombo (2015)	Customer satisfaction in the Kenyan banking industry.
13	Farayibi (2016)	Service delivery and customer satisfaction in Nigerian banks.
14	Shanghali (2015)	Service quality delivery and its impact on customer satisfaction in the bank services in Tanzania: The case of Moshi Uchumi Commercial Bank.
15	Ndikubwimana and Berndt (2016)	Service quality and customer satisfaction among bank clients in Rwanda.
16	Felix (2017)	Service quality and customer satisfaction in selected banks in Rwanda.

Source: Research construct

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter presents the research approach, research design, study organisation, population of the study, sampling procedure and sample size, data collection procedures, validity and reliability of research instrument, data analysis procedure, and ethical issues. It is important to follow these academic research procedures to ensure that it becomes replicable and easy to understand so that it can be compared to any other research work. According to Pallant (2007), for any academic work to be comparable to any other, it must follow those procedures.

Research Approach

The study adopted the quantitative research approach. Among the many advantages of quantitative research approach is its ability to enhance speed of conducting a research. Further, it offers a broader coverage of a series of events where statistics are combined from a larger sample (Amarantunga & Baldry, 2002). In addition, quantitative approach enhances the use of statistical data analysis methods, thus, making it easier to generalise the findings from the study. In addition, quantitative approaches take the guesswork to a more concrete conclusion. This is because the results are usually based on quantitative measures rather than mere interpretation and therefore enables future application and comparison with other works.

It should however be noted that, this approach to research approach lacks flexibility and, thus, makes it very challenging to apply same in assessing or gauging human behaviour (Crotty, 1998). According to Boohene

(2006), the choice of research approach should be based on the researcher's discretion, depending on the nature of a particular study. Therefore, given the purpose and nature of this study where most of the analyses are quantitative in nature, quantitative research approach was deemed the most appropriate and therefore adopted.

Research Design

The descriptive study design is adopted for this study. The descriptive research design is selected mainly because it comprises a cross-sectional design in relation to which data is collected predominantly by questionnaire or by structured interview (Bryman & Bell, 2007). It also provides evidence concerning an existing situation or current conditions; hence surveys provide a more accurate picture of events and seek to explain people's perception and behaviour on the basis of data gathered at a point in time. In addition, it has the advantage of producing good responses from a wide range of people in a highly economical way and also it involves accurate and objective collection of data to describe an existing phenomenon (Nwandinigwe, 2005).

Study

The study organisation for this dissertation is Lower Pra Rural Bank. The Lower Pra Rural Bank Limited formerly known as the Esemaman Rural Bank Limited was incorporated in Ghana on the 20th day of January 1983. The bank was licensed to operate the business of banking in August 31, 1983 as the 66th rural bank in Ghana. The registered office and the head office of the bank is at Shama, which is 25km from Takoradi, the Western Regional Capital. The bank has within its twenty-five years of operations provided

banking services to the Shama and the Mphohor Wassa East Districts in the Sekondi Takoradi Metropolitan Area.

The Lower Pra Rural Bank Limited is a public limited liability company with authorised capital of Five Million Ordinary Shares and One Hundred and Twenty Five Thousand preference Shares of no par value. The Shareholders are individuals in the bank's catchment area. The Bank of Ghana owns the total of the Preference Shares. The rural bank's vision is to be the leading Rural Bank in the country with Community Development in its catchment's area. Its modus operandi is to be a rural bank of choice in Ghana through efficient management and a well-motivated staff with Innovative customized products to gain greater market share by the end of the year 2020.

Currently, it has branch networks in Shama (head office), Aboadze, Daboase, Kojokrom, Essikado, Effiakuma, Kokompe, Kwesimintim, Anaji, Mphohor, Axim, Nkroful, Tarkwa, and T-Poly. In terms of banking products, the bank provides packages like Current Account, Savings Account, Fixed Deposit, Epo Nworaba, Kese Wokan, Gyedzi, Ebusua Mfre Yie, Eyidado School Fees, Susu Loans, Nyira, Asomdwee, Harvest, and Provident Savings.

Population of the Study

A population is made up of all the units of the group that the research emphasizes on. Malhotra (1996) opines that the members or units of the group should possess material facts relevant to the study and the researcher. According to Rubin and Babbie (2001), target population is "the theoretically specified aggregation of study elements". All 1,100 customers of Lower Pra Rural Bank in Effiakuma and Shama branches constitute the target population for this study (Table 2).

Table 2: Target Population

Bank Branch	Number of Customers
Effiakuma	425
Shama	675
Total	1,100

Source: Field survey (Abakah-Anaman, 2017)

Sampling Procedure and Sample Size

Sampling is the procedure of choosing adequate number of elements or units called sample from a given population in such a way that by studying the sample, and by understanding the properties or characteristics of the sample subjects, it would be possible to generalize the properties or characteristics of the population (Cavana, Delahaye, & Sekaran, 2001). Sample is thus the representative portion of the population that is selected for investigation (Bryman & Bell, 2003).

The study adopts the sample size formula for finite population proposed by Krejcie and Morgan (1970). From their table, a sample size of 285 is appropriate for a finite or known target population of 1,100 as seen in Appendix B. According to Krejcie and Morgan, there is no need of using sample size determination formula for 'known' population since the table has all the provisions one requires to arrive at the required sample size.

Based on the size of the population, Krejcie and Morgan recommends a sample size of 285 that contributed the sample for this study. To ensure that customers from the two branches are equally represented, the proportion of the customers at each of the branches was then determined to get the number of respondents for each of the branch. Using the target population of 1,100, the

researcher employs the proportional stratified sampling method to show how the 285 customers of Lower Pra Rural Bank are selected from Effiakuma and Shama branches to form a complete stratified sample. This sampling method allows for each customer from the two bank branches to have equal and independent chance of being selected, making it more accurate and representative. This is shown in Table 3.

Table 3: Proportional Stratified Sampling Method

Bank Branch	Population	Workings	Sample Size
Effiakuma	425	$(425/1,100)*285$	110
Shama	675	$(675/1,100)*285$	175
Total	1,100		285

Source: Field survey (Abakah-Anaman, 2017)

Data Collection Instrument

The main instrument used for data collection is a structured closed-ended questionnaire. The questionnaire is designed based on previous studies. The questionnaire is designed in a way so as to provide specific responses to answer the research questions formulated in Chapter One. The questionnaire consists of 46 items which are sub-divided into four sections: ‘Section A’ collects the biographic data of respondents (seven items); ‘Section B’ focuses on customer expectations of service delivery at Lower Pra Rural Bank Limited (22 items), ‘Section C’ captures customers perceptions of service delivery at Lower Pra Rural Bank Limited (nine items); and ‘Section D’ looks at customer satisfaction at Lower Pra Rural Bank Limited (eight items). Statements that make up Sections B to D on the questionnaire are measured on

a seven-point likert scale with Score '1' indicating '*Least Agreement*' and Score '7' indicating '*Highest Agreement* with the statements provided under them'.

Instrument reliability

In order to validate internal consistency of the research constructs, the researcher used Cronbach's alpha co-efficient for the constructs on the pre-test data. The reliability co-efficient for the pre-test data is shown in Table 4. Research has shown that scales with Cronbach's alpha co-efficient of 0.70 or more are considered reliable (Pallant, 2007). Results from the Pre-Test as indicated in the Table 4 showed Cronbach's Alpha of 0.722, 0.810, and 0.791 for each constructs (Sections B to D) respectively. This, therefore, suggests that all the two constructs of the study have good internal consistency reliability.

Table 4: Computed Reliability Co-efficient for Pre-Test Data Collected

Questionnaire Section	No. of Items	Sample Size	Cronbach's Alpha
Section B	22	30	0.722
Section C	9	30	0.810
Section D	8	30	0.791

Source: Field survey (Abakah-Anaman, 2017)

Data Collection Procedure

Before giving out the questionnaires, an introductory letter from the Head of Department of Marketing and Supply Chain Management was sent personally to obtain permission from the various heads and to inform them of the purpose of the study. There was a follow up by the researcher to the

branches of the bank to inform the heads before the questionnaires were administered. The researcher then booked an appointment with the heads in order to administer the questionnaire to the customers. A period of two weeks was fixed for the administration and collection of the questionnaires. Copies of the questionnaires were personally given to the respondents at the banking hall where they filled and submit same. All the 285 questionnaires administered were retrieved from the respondents.

Data Processing and Analysis

Quantitative techniques are used in analysing and presenting the data. Quantitative data obtained from the questionnaires are coded and analysed with the help of Statistical Package for Service Solution (SPSS) for windows, version 21. Data were analysed descriptively using percentages, frequencies, means, standard deviation and cross tabulations. Each of the questions is coded at the variable view of SPSS and the responses from the respondents are entered at data view of the SPSS. Data is analysed based on the stated objectives of the study. Descriptive statistics (mean, standard deviations) is to analyse continuous data. For categorical data, frequencies and percentages are used.

Ethical Issues

In order to ensure strict compliance with ethical standards of research, the researcher introduced a clause in the introductory paragraph of the questionnaire assuring respondents of anonymity and confidentiality. In addition, the time required for filling the questionnaire was mutually agreed between the respondents and the researcher.

Chapter Summary

This chapter articulated the chosen research design and justified it in terms of the research objectives and questions. It also discussed the study institution, the sampling procedure and sample, the data collection instrument, data collection procedure, data processing and analysis. The next chapter encompasses result and discussion of the study.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The preceding chapter presented the research methods employed in addressing the research objective. This current chapter, however, focuses on the data collected, analyzed and presented in accordance with the research objectives and questions. The chapter begins with presentation of the background information of the respondents and then follows with the analysis of the main research questions. Descriptive statistics such as frequencies, percentages, cross tabulations, means and standard deviations were employed.

Background Information of Respondents

In order to put the study into context, background information were studied to serve as the basis for differentiation and comparison with regards to service delivery and customer satisfaction at Lower Pra Rural Bank in Takoradi. The background information of the respondents studied included sex, age range, highest educational levels, number of years spent with the bank, occupation and the category of customer. Analysis of the background information of the respondents is presented in Table 5.

It is evident from Table 5 that majority, 175 (61.4%) of the respondents are males while the remaining 110 (38.6%) are females. This appears to show that the male clients of the bank are more than that of the female clients. Further analysis, thus, cross tabulation between respondents sex and age range reveals that 59 (20.7%) of the male respondents out of the total 175 (61.4%) male respondents fall within the age range 26-35 years, while 30 (10.5%) of the female respondents fall within the same age range.

Thirty two (11.2%) female respondents out of the total 110 (38.6%) female respondents fall within the age range 36-45 years.

Table 5 further shows that most of the respondents, thus, 89 (31.3%) fell within the age range 26-35 years. This was followed by 67 (23.5%) of the respondents who indicated that their age range fall within 36-45 years. About 41 (14.4%) of the respondents affirmed that their age range fall within 18-25 years. Cumulatively, about 88 (30.8%) of the respondents stated that their age range was between 46 years and above. Cross tabulation between respondents age range and educational level reveals that 26 of the respondents whose age range fall within 18-25 years have Senior High School as their highest level of education. While 35 of the respondents whose age range fall within 26-35 years have their highest level of education to be Junior High School.

From Table 5, most 81 (28.4%) of the respondents highest educational level is Senior High School. Approximately 79 (27.7%) of the respondents indicated that their highest educational level was Junior High School. The figures further show that 34 (11.9%) and 33 (11.6%) of the respondents have Higher National Diploma and Bachelor's degree respectively as their highest educational level. Further descriptive analysis between respondents' highest level of education and sex shows that 57 of the male respondents have Senior High School as their highest educational level. For that of the female respondents, 38 respondents have Junior High School education as their highest level.

Table 5: Background Information of Respondents

Background Information	Frequency	Percent (%)
<i>Sex</i>		
Male	175	61.4
Female	110	38.6
Total	285	100.0
<i>Age Range(years)</i>		
18-25	41	14.4
26-35	89	31.3
36-45	67	23.5
46-55	52	18.2
56 and above	36	12.6
Total	285	100.0
<i>Highest Educational Level</i>		
Middle School	44	15.4
JHS	79	27.7
SHS	81	28.4
HND	34	11.9
First Degree	33	11.6
Postgraduate	8	2.8
Diploma	6	2.2
Total	285	100.0
<i>Years spent with the Bank</i>		
Below 1 year	26	9.1
1-5	108	37.9
6-10	55	19.3
Above 10	96	33.7
Total	285	100.0
<i>Occupation</i>		
Business Person/Trader/Self-employed	122	42.8
Teaching	46	16.1
Construction Worker	30	10.5
Security Services	18	6.3

Driving	16	5.6
Civil/Public Servant	15	5.3
Mechanics/Welding	13	4.6
Cleaner	10	3.5
Student	8	2.8
Pensioner	5	1.8
Evangelizing	2	0.7
Total	285	100.0
<i>Category of Customer</i>		
Saving	126	44.2
Salary	72	25.3
Current	45	15.8
Loan	42	14.7
Total	285	100.0

Source: Field data, Abakah-Anaman (2018)

The background information further presents respondents experience with the bank in terms of the number of years they have been working with the bank. The figure shows that 108 (37.9%) of the respondents working relationship with the bank span 1-5 years as shown in Table 5. This was followed by 96 (33.7%) respondents who stressed that their working relationship with the bank fall within the range 10 years and above. Approximately, 55 (19.3%) of the respondents number of working years with the bank falls within 6-10 years.

The distribution of respondents occupation from Table 5 shows that most of the respondents 122 (42.8%) are either traders or self-employed. About 46 (16.1%) of the respondents are teachers. However, 30 (10.5%) are construction workers. Approximately 18 (6.3%) and 15 (5.3%) of the respondents work with the security services and civil service respectively. One hundred and twenty six representing (44.2%) indicated that they fall under the

savings customer categorization. A quarter for the respondents stated that they fall under the salary customer categorization. About (15.8%) of the respondents said they fall under the loan customer categorization.

Level of Customer Perception of Service Delivery at Lower Pra Rural Bank Limited

Service quality is seen as a critical factor in the service industries, as businesses strive to maintain a competitive advantage in the marketplace and achieve customer satisfaction. As a result financial services, particularly banks, compete in the marketplace with generally undifferentiated products. In view of this, the second research objective sought to assess the level customers' perception of service delivery at Lower Pra Rural Bank Limited.

Fifteen close-ended items were employed to elicit data on this issue. In a bid to examine the views of the respondents, means were used to interpret the responses. Based on the five-point Likert scale used, the average response scores used were subjected to mathematical approximation concept, i.e. mid-point. The mid-point for the scale of agreement or disagreement on an item was 3.00. Thus, any score of 3.00 and below indicated a disagreement while any score equal to or above 3.01 indicated an agreement. The calculated means have been rank ordered from highest to lowest. The results are presented in Table 6.

From Table 6, it can be observed that respondents perceived that employees make customers feel safe in their transactions (account maintenance, cash transfer, cash withdrawal and deposit as shown by the mean and standard deviation respectively (Mean = 3.86, Std = 1.54). The respondents further perceived that customer feels secure in transacting

business with the bank (Mean = 3.66, Std = 1.72). The respondents perceived that the Bank always informs them about new and attractive schemes and always suggests for them to take the correct decisions (Mean = 3.65, Std = 1.47).

The above findings supports Ako-Nai's (2011) study which analysed quality of customer service delivery and customer satisfaction. The study revealed that bank provides appreciable level of customer service; however these are just seen as satisfying. Barriers such as large numbers of customers with few tellers, some problems with the system (internet banking) and some managerial decisions affect customer service provision in the bank.

It can again be seen from Table 6 that respondents agreed that whenever they request for service, employees of the Bank give them full attention as presented by the mean and standard deviation respectively (Mean = 3.61, Std = 1.75). The respondents further perceived that all employees of the bank have strong knowledge to answer customers' questions about their offers and operations (Mean = 3.51, Std = 1.69). The results also show respondents perceived that employees of the bank are always willing to help customers when they face any kind of problem as indicated by the mean and standard deviation respectively (Mean = 3.61, Std = 1.75). The finding above agrees with Bebli (2012) study which looked at the internet banking service quality and customer satisfaction in the banking sector. Bebli's study concluded that employees attention, employees banking knowledge, speed of delivery, ease of use, reliability, pleasure, and control and privacy were all important factors that were perceived to contributed to service quality and customer satisfaction.

From Table 6, respondents perceived that when the Bank promises to do something by a certain time, they do it (Mean = 3.41, Std = 1.64). The respondents further perceived that at any material moment, employees at the Bank are consistently courteous to them (Mean = 3.38, Std = 1.79). The respondents again perceived that employees keep customers informed as to when service will be performed (Mean = 3.36, Std = 1.51). Table 6 again shows that respondents perceived that employees at Lower Pra Rural Bank Ltd give them immediate service when they go to the bank (Mean = 3.36, Std = 1.69). The statement as to whether employees at Lower Pra are neat in appearance attracted some agreement from the respondents as shown by the mean and standard deviation respectively (Mean = 3.34, Std = 1.64). The results further shows that respondents perceived that Lower Pra Rural Bank Ltd has modern looking equipment's (computers, fast ICT facilities etc) (Mean = 3.30, Std = 1.71). The respondents further perceived that the Bank performs services right at the first instance (Mean = 3.27, Std = 1.77).

The findings above agrees with Qadeer (2014) study which assessed service quality and customer satisfaction using evidence from the banking sector. The study reveal that perceived quality of service does effect the customer satisfaction up to some certain level as both concepts are distinct and the relationship found between them is casual. Also, the quality of service is affected by some factors such as human appearance, interaction, physical environment, value, price, performance etc.

Similarly, Kombo (2015) demonstrated that the most important perceived factor for quality service delivery and satisfaction is the wide availability of bank branches, and the factor most associated with customer

dissatisfaction is the high prices of products and services. In addition, the results depicted that both satisfaction and dissatisfaction partially influence the number of banking products and banks that clients choose to open accounts with.

Respondents disagreed that Lower Pra Rural Bank Ltd has convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues (Mean = 3.34, Std = 1.64). The respondents further disagreed that materials and equipment's associated with the service (such as ATM Machines, pamphlet or bank statements) are visually appealing and easy to understand (Mean = 2.51, Std = 1.25). This findings agrees with Farayibi (2016) study which investigated service delivery and customer satisfaction in Nigerian banks. The study established a relationship between better banks performance in service delivery and customer satisfaction through effective customer relationship management (CRM). The findings further showed that increase in the number of working days and number of bank branches led to better levels of customer satisfaction.

The overall mean of means shows that majority of the respondents have a positive perception relative to the level of service delivery at Lower Pra Rural Bank Limited (Mean = 3.38, Std = 1.63). This finding is consistent with Ndikubwimana and Berndt (2016) study which investigated perceived service quality and customer satisfaction among bank clients. Ndikubwimana and Berndt found that bank's physical environments and facilities are conducive to delivering good service, and the customers are satisfied with the tangible aspects associated with the service and that they are prepared to reflect this satisfaction in their behaviour.

Table 6: Level of Customers' Perception of Service Delivery at Lower Pra Rural Bank Limited

<i>Customers' Perception</i>	Mean	Std
Employees make customers feel safe in their transactions (account maintenance, cash transfer, cash withdrawal and deposit)	3.86	1.54
The customer feels secure in transacting business with the bank.	3.66	1.72
The Bank always informs me about new and attractive schemes and always suggests for you to take the correct decisions.	3.65	1.47
Whenever I request for service, Lower Pra employees give me full attention	3.61	1.75
All employees of the bank have strong knowledge to answer customers' questions about their offers and operations	3.51	1.69
Employees of the bank are always willing to help customers when they face any kind of problem	3.50	1.71
When the Bank promises to do something by a certain time, they do it.	3.41	1.64
Every time employees at Lower Pra are consistently courteous to me.	3.38	1.79
Employees keep customers informed as to when service will be performed.	3.36	1.51
Employees at Lower Pra give me immediate service when I go to the bank.	3.36	1.69

Employees at Lower Pra are neat in appearance	3.34	1.64
Lower Pra has modern looking equipment's (computers, fast ICT facilities etc)	3.30	1.71
The bank performs services right the first time	3.27	1.77
Lower Pra has convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues.	3.00	1.63
Materials and equipment's associated with the service (such as ATM Machines, pamphlet or bank statements) are visually appealing and easy to understand.	2.51	1.25
Overall mean	3.38	1.63

Source: Field data, Abakah-Anaman 2018

Level of Customers' Expectation of Service Delivery at Lower Pra Rural Bank Limited

Service delivery is concerned with the provision of quality services to clients or customers. Banks' ability to render a more quality service to their customers is most often evident in their customer base as every customer would want a quality service. In this regard the banking system has seen various degrees of innovations in recent times to achieve this purpose. In pursuit of this goal, the first research objective sought to assess the level of customers' expectation of service delivery at Lower Pra Rural Bank Limited.

Fifteen close-ended items were used to elicit data on this issue. In order to examine the views of the respondents, means were used to interpret the responses. An important characteristic of the mean is that it reflects every score in the distribution, and it gives one figure on the average which would

be used to describe the views expressed. Based on the five-point Likert scale employed, the average response scores used were subjected to mathematical approximation concept, i.e. mid-point. The mid-point for the scale of agreement or disagreement on an item was 3.00. Thus, any score of 3.00 and below indicated a disagreement while any score equal to or above 3.01 indicated an agreement. The calculated means have been rank ordered from highest to lowest. The results are presented in Table 7.

The mean figure in Table 7 shows that respondents agreed that employees of Lower Pra Rural Bank Ltd should make customers feel safe in their transactions i.e. account maintenance, cash transfer, cash withdrawal and deposit as evident by the mean and standard deviation respectively (Mean = 3.99, Std = 1.49). The respondents further agreed that employees should keep customers informed as to when service will be performed relative to their level of expectation of service delivery at Lower Pra Rural Bank Ltd (Mean = 3.75, Std = 1.56). These findings are inconsistent with the view of Mkoma (2014, who stressed that given that the contemporary customers are more informed than ever before meeting their expectation as regards satisfaction is increasingly becoming more difficult.

As illustrated from Table 7, respondents agreed on the issue that customers should feel secured in transacting business with the bank (Mean = 3.75, Std = 1.73) in expressing their level of opinion on customers expectation of service delivery at Lower Pra Rural Bank Ltd. Respondents further agreed that Lower Pra Rural Bank Ltd should have modern looking equipment's i.e. computers, fast ICT facilities (Mean = 3.65, Std = 1.67) in expressing their expectation of service delivery at the bank. These findings support Kadir,

Rahmani and Masinaei (2011) study which was focus on determining which factors have the most effect and which factors have the least effect on customer expectation of service. They found that Malaysian anchor banks improved their services relative to the tangible and responsiveness dimensions out of 5 dimensions of SERVQUAL model.

It can again be observed from Table 7 that the respondents expressed agreement on the issue that all employees of the Bank should have strong knowledge to answer customers' questions about their offers and operations (Mean = 3.65, Std = 1.66). Respondents again agreed on the issue that whenever they request for service, employees of Lower Pra Rural Bank Ltd should give them full attention in expressing their view on the level of customer expectation relative to service delivery by Lower Pra Rural Bank Ltd (Mean = 3.63, Std = 1.73).

The above findings support Sanjuq (2014) study in Saudi Arabia which investigated service quality delivery and customer satisfaction in the banking sector in Riyadh. The study found that assurance, empathy, and responsiveness were the main dominant dimensions. Sanjuq (2014) further maintained that in the retail banking sector, the SERVQUAL model remains an effective way of measuring customer satisfaction. Because customer value is an asset to organisations, organisations must ensure that they provide the right products and services, supported by the right promotion, at the right time for their customers.

Furthermore, the respondents agreed that employees at Lower Pra should be neat in appearance (Mean = 3.62, Std = 1.63). There was a further agreement on the part of respondents that employees of the Bank should

always be willing to help customers when they face any kind of problem as shown by the mean and standard deviation respectively (Mean = 3.56, Std = 1.74). The finding is consistent with Munusamy, Chelliah and Mun (2010) study which established that responsiveness had a positive significant impact on customer satisfaction. Hence marketers in the banking industry must continuously improve quality of service delivered to its cherish customers.

Respondents expectation of service delivery at Lower Pra Rural Bank Ltd on the issue of whether when the Bank promises to do something by a certain time, they should do it, attracted some form of agreement (Mean = 3.54, Std = 1.61). Respondents agreed that Lower Pra should have convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues in expressing their views on their expectation of service delivery at the Bank (Mean = 3.51, Std = 1.64).

From Table 7, respondents agreed that materials and equipment's associated with the service should be (such as ATM Machines, pamphlet or bank statements) visually appealing and easy to understand (Mean = 3.49, Std = 1.56). Respondents again agreed that employees at Lower Pra should give them immediate service when they go to the bank (Mean = 3.46, Std = 1.70). The finding is consistent with Lau, Cheung, Lam and Chu (2013) study which indicate that the five SERVQUAL dimensions have a positive influence on customer satisfaction. Tangibility, responsibility, reliability and assurance were more significant in contributing to customer satisfaction, while empathy was the least significant.

The result in Table 7 further shows that respondents expressed agreement on the issue that at any material moment at the bank, employees

should be consistently courteous to them as presented by the mean and standard deviation respectively (Mean = 3.44, Std = 1.78). Respondents agreed that the Bank should always inform them about new and attractive schemes and always suggest for them to take the correct decisions (Mean = 3.43, Std = 1.64). The respondents agreed that the Bank should perform services right at the first instance in expressing their opinion of service delivery at Lower Pra Rural Bank Limited as shown by the mean and standard deviation respectively (Mean = 3.39, Std = 1.73).

The overall mean of means indicates that respondents have a strong expectation of service delivery at Lower Pra Rural Bank Limited (Mean = 3.59, Std = 1.66). The finding is inconsistent with Boateng (2012) study which assessed the quality of customer service delivery in the banking sector. Boateng found that generally overall satisfaction of customers with the quality of service delivered by banks was low. There were gaps between customers' perception and expectation on the various quality dimensions which are tangibles, reliability, responsiveness, assurance and empathy. Customers indicated that they were expecting their banks to reduce ATM charges, make available small loans, extend closing time, raise the interest on deposits, and open more branches in the villages.

Table 7: Level of Customers' Expectation of Service Delivery at Lower Pra Rural Bank Limited

<i>Customers' Expectation</i>	Mean	Std
Employees should make customers feel safe in their transactions (account maintenance, cash transfer, cash withdrawal and deposit)	3.99	1.49
Employees should keep customers informed as to when service will be performed	3.75	1.56
The customer should feel secured in transacting business with the bank	3.70	1.73
Lower Pra should have modern looking equipment's (computers, fast ICT facilities etc)	3.65	1.67
All employees of the Bank should have strong knowledge to answer customers' questions about their offers and operations	3.65	1.66
Whenever I request for service, Lower Pra employees should give me full attention	3.63	1.73
Employees at Lower Pra should be neat in appearance	3.62	1.63
Employees of the Bank should always be willing to help customers when they face any kind of problem	3.56	1.74
When the Bank promises to do something by a certain time, they should do it.	3.54	1.61
Lower Pra should have convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues	3.51	1.64
Materials and equipment's associated with the service should	3.49	1.56

be (such as ATM Machines, pamphlet or bank statements) visually appealing and easy to understand.

Employees at Lower Pra should give me immediate service when I go to the bank	3.46	1.70
Every time employees at Lower Pra should be consistently courteous to me	3.44	1.78
The Bank should always inform you about new and attractive schemes and always suggest for you to take the correct decisions.	3.43	1.64
The bank should perform services right the first time.	3.39	1.73
Overall mean	3.59	1.66

Source: Field data, Abakah-Anaman (2018)

Level of Customer Satisfaction of Service Delivery at Lower Pra Rural Bank Limited

In a competitive market where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. It is well established that satisfied customers are key to long-term business success. Additionally, business that have a more satisfied customer base are most likely to experience higher economic returns. In this light, research objective three sought to assess the level of customer satisfaction of service delivery at Lower Pra Rural Bank Limited.

Eight close-ended items were employed to elicit data to address the above stated objective. In a bid to examine the views of the respondents, means were used to interpret the responses. Based on the five-point Likert

scale used, the average response scores were subjected to mathematical approximation concept, i.e. mid-point. The mid-point for the scale of agreement or disagreement on an item was 3.00. Thus, any score of 3.00 and below indicated a disagreement while any score equal to or above 3.01 indicated an agreement. The calculated means have been rank ordered from highest to lowest item. The results are presented in Table 8.

The results in Table 8 shows that majority of the respondents affirmed that they are very loyal to Lower Pra Rural Bank Limited as presented by the mean and standard deviation respectively (Mean = 4.40, Std = 1.27). The respondents further expressed satisfaction regarding whether the working relationship with the bank is important to them (Mean = 4.36, Std = 1.36). Respondents again agreed on their future relationship continuation with the bank hence very satisfied with service delivery at Lower Pra Rural Bank Limited (Mean = 4.18, Std = 1.41). The finding above is consistent Felix (2017) study which revealed that, both the level of service quality and customer satisfaction was at mean ≈ 3 (high level). The study further showed a significant and positive relationship between service quality and customer satisfaction while comparing dimension like customer loyalty with reliability, responsiveness and assurance.

The descriptive statistics as presented in Table 8 further shows that respondents would recommend Lower Pra Rural Bank Ltd as the best bank in their area (Mean = 4.14, Std = 1.41). The respondents further agreed that they would encourage friends and relatives to do business with Lower Pra Rural Bank Limited in expressing their level of satisfaction relative to service delivery at the Bank (Mean = 4.09, Std = 1.45). Most respondents agreed that

they will consider Lower Pra Rural Bank Limited as their first choice for banks (Mean = 4.08, Std = 1.46).

It is evident from Table 8 that most respondents agreed that Lower Pra Rural Bank Limited would be their first choice if they needed banking services now, in expressing their level of satisfaction relative to service delivery by the bank (Mean = 4.07, Std = 1.47). Respondents agreed that overall, they are not thinking of leaving Lower Pra Rural Bank Limited in the foreseeable future as shown by the mean and standard deviation respectively (Mean = 3.54, Std = 1.63). The overall mean of means shows that the respondents are satisfied with the level of service delivery at Lower Pra Rural Bank Limited (Mean = 4.11, Std = 1.43). This finding is inconsistent with Boateng (2012) study which found that the generally overall satisfaction of customers with the quality of service delivered by banks was low. There were gaps between customers' perception and expectation on the various quality dimensions which are tangibles, reliability, responsiveness, assurance and empathy.

Table 8: Level of Customers Satisfaction of Service Delivery at Lower Pra Rural Bank Limited

<i>Customers Satisfaction</i>	Mean	Std
I am very loyal to my bank	4.40	1.27
The relationship with my bank is important to me	4.36	1.36
Future relationship continuation with my bank	4.18	1.41
I would recommend Lower Pra as the best bank in my area	4.14	1.41
I would encourage friends and relatives to do business with my bank	4.09	1.45
I consider Lower Pra as my first choice for banks	4.08	1.46
My bank would be my first choice if I needed banking services now	4.07	1.47
Overall, am not thinking of leaving my bank in the foreseeable future	3.54	1.63
Overall mean	4.11	1.43

Source: Field data, Abakah-Anaman (2018)

Chapter Summary

The chapter begins with a presentation on background information of respondents which included sex, age range, highest educational levels, number of years spent with the bank, occupation and the category of customer. These were studied to serve as the basis for differentiation and comparison with regards to service delivery and customer satisfaction at Lower Pra Rural Bank in Takoradi.

The chapter then proceeds to present the mean distribution of respondents view on the level of customers' expectation of service delivery at Lower Pra Rural Bank Limited. The chapter further discusses respondents

view on the level customers' perception of service delivery at Lower Pra Rural Bank Limited and concludes with analysis of respondents view on the level of customer satisfaction of service delivery at Lower Pra Rural Bank Limited.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The purpose of this chapter is to present the summary, conclusions and recommendations of the study. The summary presents a brief overview of the study which encompasses the research objectives, methods and findings while the conclusions captures the overall outcomes regarding the findings of the study in light of the formulated objectives. The recommendations also present specific remedies to be implemented by the bank. The chapter also presents the suggestion for future research.

Summary

The study examined quality of service delivery and customer satisfaction at Lower Pra Rural Bank in Takoradi. The first chapter introduces the study. Specifically, it sought to assess the level of customers' expectation of service delivery at Lower Pra Rural Bank Limited. The study further sought to assess the level of customer perception of service delivery at Lower Pra Rural Bank Limited. Lastly, it sought to determine the level of customer satisfaction of service delivery at Lower Pra Rural Bank Limited.

In Chapter Two, scholarly works were reviewed from existing literature that tries to establish the link between the level of customers' expectation and perception of service delivery and level of customer satisfaction of service delivery. Comprehensive review were conducted on the theoretical underpinnings of service delivery and customer satisfaction. The SERVQUAL model was also reviewed.

The results of the study were analysed and discussed within the context of the stated objectives while making reference to literature review. Given the purpose of this study, the nature and interactions between the variables examined paved way for the use of quantitative approach. Quantitative approach was considered most appropriate because most of the analyses are quantitative in nature hence its adoption. The study organisation chosen was Lower Pra Rural Bank Limited because the Bank has within its twenty-five years of operations provided banking services to the Shama and the Mpoher Wassa East Districts in the Sekondi Takoradi Metropolitan. Additionally its vision is to be the leading rural bank in the country with community development in its catchment's area.

The population for this study comprised all 1,100 customers of Lower Pra Rural Bank in Effiakuma and Shama branches. Proportional stratified sampling method of the probability sampling technique was employed to select a sample of 285 customers from the bank. Questionnaires were used to collect data for the study. The questionnaire consisted of three sections. Section A captures the background information of respondents. Section B provides information on customer expectation and perception.

Section C elicit customers' view of their satisfaction relative to service quality. The items on the questionnaire were mainly closed-ended. The questionnaire was pretested with a resulting Cronbach's Alpha values of 0.810, and 0.791 for each constructs (Sections B to C) respectively. The questionnaires were administered by the researcher. The research instrument was designed with the assistance of the supervisor.

Key Findings

The first research objective sought to assess the level of customer perception of service delivery at Lower Pra Rural Bank Limited. The following are the key findings that were discovered:

1. The study found that most customers perceived that employees of the Bank make customers feel safe in their transactions (account maintenance, cash transfer, cash withdrawal and deposit (Mean = 3.86, Std = 1.54).
2. Most customers perceived that the Bank always informs them about new and attractive schemes and always suggests for them to take the correct decisions (Mean = 3.65, Std = 1.47).
3. Most customers disagreed that Lower Pra has convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues (Mean = 3.34, Std = 1.64). They further disagreed that materials and equipment's associated with the service (such as ATM Machines, pamphlet or bank statements) are visually appealing and easy to understand (Mean = 2.51, Std = 1.25).
4. The overall mean of means shows that majority of the respondents had a positive perception relative to the level of service delivery at Lower Pra Rural Bank Limited (Mean = 3.38, Std = 1.63).

With respect to the second research objective which entailed assessing the level of customers' expectation of service delivery at Lower Pra Rural Bank Limited. The following key findings emerged:

1. The study found that most customers agreed that employees of Lower Pra Rural Bank Ltd should make customers feel safe in their transactions i.e. account maintenance, cash transfer, cash withdrawal (Mean = 3.99, Std = 1.49).
2. Most customer agreed that employees should keep customers informed as to when service will be performed relative to their level of expectation of service delivery at Lower Pra Rural Bank Ltd (Mean = 3.75, Std = 1.56).
3. Most customers affirmed that the Bank should perform services right the first time relative to their expectation of service delivery at Lower Pra Rural Bank Limited (Mean = 3.39, Std = 1.73). The overall mean of means indicates that customers of the Bank have a strong customer expectation of service delivery at Lower Pra Rural Bank Limited (Mean = 3.59, Std = 1.66).

The final research objective sought to determine the level of customer satisfaction of service delivery at Lower Pra Rural Bank Limited. The following key findings surfaced.

1. Majority of the customers affirmed that they are very loyal to Lower Pra Rural Bank Limited (Mean = 4.40, Std = 1.27) and further expressed satisfaction that the relationship with the bank is important to them (Mean = 4.36, Std = 1.36).
2. Most customers were satisfied hence the admission that they would encourage friends and relatives to do business with Lower Pra Rural Bank Limited (Mean = 4.09, Std = 1.45).

3. Majority of the customers stressed that Lower Pra Rural Bank Limited would be their first choice if they needed banking services now in expressing their level of satisfaction relative to service delivery by the bank (Mean = 4.07, Std = 1.47).
4. The overall mean of means shows that the customers are satisfied with the level of service delivery at Lower Pra Rural Bank Limited (Mean = 4.11, Std = 1.43).

Conclusions

Generally, it is believed that services which continuously and consistently delight customers make them happy and satisfied. In such situation, they become loyal customers and will continue to demand the service which in turn will result in profit and growth of an organization.

First it emerged from the study that customers of the Bank stated that employees of Lower Pra Rural Bank Ltd should make customers feel safe in their transactions i.e. account maintenance, cash transfer, cash withdrawal. This finding implies that customers require Lower Pra Rural Bank Ltd to keep customers and their monies safe in the areas of account maintenance, cash transfer and cash withdrawal. They trust the bank to keep their monies safe hence the reason for transacting business with the bank.

The study further discovered that most customers agreed that employees should keep customers informed as to when service will be performed. It can therefore be concluded that customers expect the bank to keep them informed on regularly basis as to when service will be performed or not. This shows that most customers put a lot of premium on communication emanating from the bank. The overall level of customers' expectation of

service delivery at Lower Pra Rural Bank Limited means that majority of the customers expect high quality levels of service at the Bank.

Most customers disagreed that Lower Pra Rural Bank Limited has convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues. This implies that customers require Lower Pra Rural Bank to have convenient branches within the catchment area for ease in transacting business. Since most clients do not want to spend much time transacting business or waiting in long queues to be attended to.

The customers disagreed that materials and equipment's associated with the service (such as ATM Machines, pamphlet or bank statements) are visually appealing and easy to understand. It can be concluded that customers want a more appealing equipment's associated with the service. This will enable them use the ATMs more frequently which will go a long way to reduce the occasional queues in the banking halls. Majority of the customers share a positive perception relative to the level of service delivery at Lower Pra Rural Bank Limited, hence their willingness to continuously do business with the bank.

Admission by customers that they are satisfied with the quality of service by Lower Pra Rural Bank Limited hence their quest to encourage friends and relatives to do business with the bank clearly implies that the Bank is delivering on its core mandate. This further shows that customers intend to maintain the good working relationship they have with the Bank.

Recommendations

In view of the findings made and conclusions drawn, the following recommendations are put forward to further enhance and promote good service delivery and customer satisfaction at Lower Pra Rural Bank Limited in Takoradi.

1. The study recommends that management of the Lower Pra Rural Bank Ltd in Takoradi should liaise with stakeholders to put up more branches in its catchment areas to ease the congestion at the current banking halls.
2. The study further recommends that management of the Lower Pra Rural Bank Ltd incorporates innovations and new technologies in the dissemination or advancement of information or alerts to customers.
3. It is again recommended that management of Lower Pra Rural Bank Ltd in consultation with its stakeholders install a user friendly equipment i.e. ATMs which are visually appealing to take care of all clients both educated and illiterate.
4. The study recommends that management of Lower Pra Rural Bank limited should continue to organize regular in-service training for its staff to equip them with new trends in customer services.

Suggestion for Further Studies

It is recommended that a further studies should be carried out to establish the effect of service quality delivery and consumer loyalty on customer satisfaction at other competing rural banks in the metropolis in line with the study's limitation as capture in chapter one.

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PART B: PERCEPTION AND EXPECTATION

This part of the survey deals with your expectation and perception about the services provided by Lower Pra Bank 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 the extent of your perception and expectation about Lower Pra Rural Bank.

1 least agree and 5 strongly agree

Tangibility	
1.	
a. Lower Pra should have modern looking equipments (computers, fast ICT facilities etc)	1 2 3 4 5
b. Lower Pra has modern looking equipments (computers, fast ICT facilities etc)	1 2 3 4 5
2.	
a. Materials and equipments associated with the service should be (such as ATM Machines, pamphlet or bank statements) visually appealing and easy to understand.	1 2 3 4 5
b. Materials and equipments associated with the service (such as ATM Machines, pamphlet or bank statements) are visually appealing and easy to understand.	1 2 3 4 5
3.	
a. Employees at Lower Pra should be neat in appearance..	1 2 3 4 5
b. Employees at Lower Pra are neat in appearance.	1 2 3 4 5
Reliability	
4.	
a. When the Bank promises to do something by a certain time, they should do it.	1 2 3 4 5
b. When the Bank promises to do something by a certain time, they do it.	1 2 3 4 5
5.	
a. The customer should feel secured in transacting business with the bank.	1 2 3 4 5
b. The customer feels secure in transacting business with the bank.	1 2 3 4 5
6.	
a. The bank should perform services right the first time.	1 2 3 4 5
b. The bank performs services right the first time.	1 2 3 4 5
Responsiveness	

<p>7.</p> <p>a. Employees should keep customers informed as to when service will be performed.</p> <p>b. Employees keep customers informed as to when service will be performed.</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>8.</p> <p>a. Employees of the Bank should always be willing to help customers when they face any kind of problem.</p> <p>b. Employees of the bank are always willing to help customers when they face any kind of problem.</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>9.</p> <p>a. Employees at Lower Pra should give me immediate service when I go to the bank.</p> <p>b. Employees at Lower Pra give me immediate service when I go to the bank.</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>Assurance</p>	
<p>10.</p> <p>a. Employees should make customers feel safe in their transactions.(account maintenance, cash transfer, cash withdrawal and deposit)</p> <p>b. .Employees make customers feel safe in their transactions. (account maintenance, cash transfer, cash withdrawal and deposit)</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>11.</p> <p>a. Every time employees at Lower Pra should be consistently courteous to me.</p> <p>b. Every time employees at Lower Pra should be consistently courteous to me.</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>12.</p> <p>a. All employees of the Bank should have strong knowledge to answer customers' questions about their offers and operations</p> <p>b. All employees of the bank have strong knowledge to answer customers' questions about their offers and operations</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>Empathy</p>	
<p>13.</p>	<p>1 2 3 4 5</p>

<p>a. Lower Pra should have convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues.</p> <p>b. Lower Pra has convenient branches (sub branches, outlets) and operates in extended hours to all its customers without spending much time on queues.</p>	<p>1 2 3 4 5</p>
<p>14.</p> <p>a. The Bank should always inform you about new and attractive schemes and always suggest for you to take the correct decisions.</p> <p>b. The Bank always informs me about new and attractive schemes and always suggests for you to take the correct decisions.</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>
<p>15.</p> <p>a. Whenever I request for service, Lower Pra employees should give me full attention</p> <p>b. Whenever I request for service, Lower Pra employees give me full attention.</p>	<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>

PART D: CUSTOMER SATISFACTION

The relationship with my bank is important to me	1 2 3 4 5
I am very loyal to my bank	1 2 3 4 5
I would encourage friends and relatives to do business with my bank	1 2 3 4 5
Future relationship continuation with my bank	1 2 3 4 5
I consider Lower Pra as my first choice for banks	1 2 3 4 5
My bank would be my first choice if I needed banking services now	1 2 3 4 5
I would recommend Lower Pra as the best bank in my area	1 2 3 4 5
Overall, am not thinking of leaving my bank in the foreseeable future	1 2 3 4 5

APPENDIX B

Determining Sample Size of a Known Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384
<i>Note: N is Population Size; S is Sample Size</i>					<i>Source: Krejcie & Morgan, 1970</i>				