

STUDY OF CUSTOMER SERVICE QUALITY IMPACT ON CUSTOMER SATISFACTION IN COMMERCIAL BANKS IN GHANA

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ABSTRACT

The proliferation of banking institutions in the country has resulted in stiff competition in the banking industry hence the need for all such institutions, particularly commercial banks, to ensure maintenance of very high service quality standards. Therefore, this study examined the effect of customer service quality on customer satisfaction in commercial banks in Ghana. It sought to determine the demographic characteristics of customers that influence their level of perception, determine the perception of customers about the quality of service provided by the banks, and to establish the relationship between service quality and customer satisfaction. The questionnaires developed for this study was based on a SERVQUAL model that identified the influence of five dimensions (i.e. tangibility, responsibility, reliability, assurance and empathy) in banking service environments on customer satisfaction. A descriptive study design was employed and involved 360 randomly selected active customers of selected commercial banks in Ghana. Data were analysed using both the descriptive and inferential statistical tools in the SPSS. It was found that the clients of the banks were generally from the middle class of the society with more than half being males, relatively younger, educated and mainly from the private sector of the economy. Age and education were identified as the demographic characteristics that influenced customers' level of perception. Overwhelming majority of the respondents were satisfied with the banks' services. Also, the banks' service reliability, assurance, empathy, and tangibles were found to be significant determinants of customers' satisfaction with their service quality. It was recommended that the banks should strive

to improve upon its customers' perception scores in the areas of empathy, reliability, responsiveness, assurance and tangibles.

KEYWORDS: Customer Service Quality, Customer Satisfaction, Commercial Banks and Ghana

1. BACKGROUND OF THE STUDY

The growth of the banking sector is vital for a country's economic development as it provides most of the financing sources for businesses. Customer satisfaction is one of the most important factors in determining the feasibility of a banking operation. In the banking industry, success and sustainability depends on various factors such as accountability, quality service and changes in technology (Hossan, 2012). The highest profit making firms are not necessarily the most powerful ones. Consequently, this is because profit is just one achievement of a firm (Karim, 2014). Therefore banks should keep in mind not to focus on shareholders alone but also the customers and the quality of service they offer them. Customers' satisfaction will affect the overall performance of the banks in the long run. Today's economy is about maintaining old customers and attracting new ones to thrive in the market (Ramzi, 2010).

In Ghana, the commercial banking sector over the last decade has seen appreciable growth and improvements in performance as a result of reforms instituted by governments before this period. One area that has seen a tremendous competition in the banking industry is the area of product development. New products such as international funds transfer, school fees collection, negotiable certificate of deposit, car loans, consumer hire purchase loan, and travellers' cheques among others have been developed. Another development that has occurred over the last decade is computerisation and networking of banks' branches. All the commercial banks in the country have nationwide network coverage. Banks operations and information processing have greatly increased as a result.

Furthermore, the introduction of electronic banking services like Automated Teller Machines (ATMs), internet banking, telephone banking and recently digital banking has given customers the freedom to transact business at their own convenience. Banks have pursued consistent programmes of sponsorship, promotion, advertisements of services and products in the print and electronic media. The banking sector landscape can be said to be evolving, competitive and promising in terms of savings mobilisation, development financing and customer service delivery.

Quality and satisfaction are the most important tools contributing to the success of every business organisation. Service quality and customer satisfaction concepts have been linked to customer behavioural intentions like purchases and loyalty, willingness to spread positive word-of-mouth referral and complain intentions (Olsen, 2002). As service quality is a critical success factor for all successful businesses including financial services (banks), restaurants and fast food joints, it is important to understand the service quality attributes that promote positive service outcomes so as to establish ways for improving it in order to maintain customer satisfaction (Zeithaml and Bitner, 2000; Lardhari et al., 2008; Kim et al., 2009). This is because high patronage of service of an establishment depends on the level of satisfaction customers derived from that service. Sales are directly related to customer satisfaction; hence, sales increase requires improvement in the quality of service delivery to encourage continuous patronage.

Among other factors, provision of high quality services in the banking sector promotes customer retention rates, helps attract new customers through word-of-mouth advertisement, increases productivity, leads to higher market shares, lowers staff turnover and operating costs, improves employee morale, financial performance and profitability. In the customer satisfaction or service quality arena, aggregate market studies have shown that higher customer satisfaction leads to better financial returns (Hallowell, 1996). In a study, Gronroos (1978) found out that service quality is of two components, namely, technical quality and functional quality. Technical quality refers to what the service provider delivers during the service provision, while functional quality is how the service employee provides the service.

In support of the use of the SERVQUAL model in discussing the relationship between service quality and customer satisfaction, Ahmed et al. (2010) conducted a mediation of customer satisfaction relationship between service quality and repurchase intentions for the telecom sector among university students, with SERVQUAL model's five dimensions (tangibles, responsiveness, empathy, assurance and reliability) by Parasuraman et al. to measure service quality. Han and Baek (2004) investigated the antecedents and consequences of service quality in online banking with the application of the SERVQUAL model. It was found that service quality is the antecedent of customer satisfaction and customer retention. Agbor's (2011) study showed distinctive results for the relationship between service quality dimensions and service quality/customer satisfaction.

Responsiveness, empathy and reliability were significantly related to service quality. Service quality was significantly related to customer satisfaction as cited in Koirala & Shrestha (2012).

The onset of competition from private players and foreign banks and the initiation of banking reforms since the early (1990s) have led to an increased emphasis on the efficiency of customer service. Moreover, in the tough competitive arena in which these banks operate today, maintaining the quality of service is a pre-requisite for survival. Therefore, the measurement of service quality has increasingly created an interest among service providers (banks) and scholars (Sharma and Mehta, 2005). Hence, measuring customer satisfaction and the quality of services provided to customers by banks is one of the topics that carry high importance in the field of management studies, particularly in dealing with business organisations that value quality service delivery.

2. PROBLEM STATEMENT

Financial services sector has become so competitive in recent times due largely to the liberalisation of the banking industry. Also, as a result of the changing technologies, pressure to achieve corporate objectives, need to improve productivity and profitability, need to control operation costs and prevent wastage, there is the need to improve on customer service in the industry. In the past, most service providers hardly acknowledged the importance of customer service. However, the modern customer expects to be treated as an equal partner with courtesy and efficiency. Thus, the need for organisation to make the customer feel the value of using its products or services is greater than the price the customer is paying (Bradley, 1995).

The former Governor of Bank of Ghana, Mr. Kwesi B. Amissah-Arthur, openly admonished commercial banks to review downwards the rates charged on loans and still the banks maintained their high rates (Mensah, 2011). These are issues that bother on the customers directly and cause customers to be dissatisfied with the services of banks one way or the other. Hence, there is the need to know from time to time how customers feel about the quality of service they get from their bankers so as to re-strategise to give an appreciable service quality. Customers' choice of a bank over another is based on several factors such as the location, friendliness of personnel, quality of service delivery and the bank's reputation. This is why service quality is seen as one of the key factors which has received considerable attention by organisations.

In recent past, many financial institutions have entered the financial services sector of Ghana. This has led to increased competition in the banking industry. Every financial institution is competing in order to get that one customer. Occasionally, many of the customers out of frustration and unnecessary delays do complain of the banks' operations. Some customers who are in need of quick and fast service delivery leave for other banks which they usually described as providing fast-track banking services. There are instances when frontline officers maltreated customers coupled with intermittent interruption in networks and breakdown of ATMs. As a result, the management of the bank has been doing a lot to build a stronger customer focused culture through training programmes for staff which is tailored to meeting customers' needs and ensure satisfaction.

In their study on implications of service quality on customer loyalty, Onditi et al.,(2012) found out that that service quality is a major factor that influences the competitiveness of banks. Banks can position themselves differently by providing high quality service. The study by Onyancha (2013) on effect of bank brand image on customer satisfaction found that customer satisfaction is the key of loyalty intention and that if customers are satisfied, they may create base of loyalty easily. However the effect of service quality dimensions on customer satisfaction has not received much attention by the Banks. This study seeks to close this research gap by determining the effect of service quality on customer satisfaction.

The purpose of this study was to assess the effect of service quality on customer satisfaction in commercial banks. It specifically looks at the following objectives:

- To identify the demographic characteristics of customers that influences their level of perception.
- To determine the perception of customers about the quality of service provided by Commercial Banks.
- To determine customers' level of satisfaction with the quality of service provided by Commercial Banks.
- To establish the relationship between service quality and customer satisfaction.

3. METHODOLOGY

For this study, data were collected via a questionnaire, which consisted of three major sections. The first section contained five items, which were used to measure customer satisfaction, while the second section consisted of the dimensions of the perceived quality as proposed by Parasuraman *et*

al., (1988). The third section contained questions on the general information of the respondents including: gender, age, qualifications, occupations, monthly income, marital status and the name of the bank. The sample size for the study was 360. This was because according to Krejcie and Morgan's (1970) sample size determination table, a representative sample for a population of 6,000 customers of the banks under study is 360. The detailed calculations was as follows:

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Where:

s = required sample size.

= the table value of Chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

4. DATA PRESENTATION AND ANALYSIS

4.1 Age of respondents

Table 4.1 presents the age distribution of customers of the banks.

Table 4.1: Age Distribution of Respondents

Age (in years)	Frequency	Percentage
Less than 30	211	58.6
30 – 39	96	26.7
40 – 49	35	9.7
50 – 59	9	2.5
60 and above	9	2.5
Total	360	100.0

Source: Field Data, June 2015.

From Table 4.1, it can be seen that more than half (58.6%) of the bank's customers were below 30 years, while 131 (36.4%) of them were between the ages of 30 and 49. Also, the data revealed that only 18 (5.0%) of the respondents were at least 50 years. This indicates that customers of Banks are fairly young.

4.2 Educational level of respondents

Table 4.2: Highest Educational Level of Respondents

Educational level	Frequency	Percentage
No Formal Education	19	5.3
Basic Education	9	2.5
Secondary/Technical/Vocational	35	9.7
Tertiary Education	297	82.5
Total	360	100.0

Source: Field Data, June 2015.

From Table 4.2, it can be seen that a significant proportion (82.5%) of the respondents had acquired tertiary education. Also, 35 (9.7%) of them were secondary school graduates, while 9 (2.5%) had basic education. There were 19 (5.3%) of the sampled clients who did not have any formal education. It can, therefore, be concluded that overwhelming majority (94.7%) of the bank's customers are literate.

4.3 Occupation of clients

On the occupation of the customers, Table 4.3 presents the details.

Table 4.3: Occupation of Respondents

Occupation	Frequency	Percentage
Farmers/Fishermen	11	3.2
Civil/Public Servants	82	22.8
Traders/Businesspersons	56	15.5
Artisans	12	3.3
Bankers/Financial Experts	53	14.7
Oil and Gas Industry Staff	48	13.3
Medical Officers and Pharmacists	22	6.1
Students	25	6.9
Miners (small scale)	10	2.8
Others	41	11.4
Total	360	100.0

Source: Field Data, June 2015.

Table 4.3 shows that 82 (22.8%) of the bank's customers were civil/public servants. Businesspersons and bankers formed 15.5% and 14.7% of the respondents respectively. Also, 48 (13.3%) of the clients were in the oil and gas industry, while 25 (6.9%) were students. There were

miners, artisans and health officials as well. It means that the bank's clients are from different occupational backgrounds.

- **Customers' Perceptions about Bank's Service Quality**

According to Vázquez et al. (2001), customers' perceptions of service quality result from a comparison of their before service expectations with their actual service experience. The service will be considered excellent, if perceptions exceed expectations. From this, researcher analysed the quality of service provided by the banks were analysed from five dimensions, namely, reliability, responsiveness, assurance, empathy and tangibles using frequencies, percentages, means and standard deviations. The results are summarised in Tables 4.4-4.8, with strongly agree (SA) coded as 5, Agree (A) coded as 4, uncertain (U) coded as 3, disagree (D) coded as 2 and strongly disagree (SD) coded as 1.

Table 4.4: Customers' Views on Quality Service Reliability in Commercial Banks

Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std. Dev.
The bank performs the service right at the first time.	166 (46.1%)	167 (46.4%)	9 (2.5%)	9 (2.5%)	9 (2.5%)	4.31	0.851
Employees of the bank tell me exactly when the services will be performed.	156 (43.3%)	168 (46.7%)	18 (5.0%)	9 (2.5%)	9 (2.5%)	4.25	0.862
Whenever I have a problem, the bank shows a sincere interest in solving it.	188 (52.2%)	118 (32.8%)	18 (5.0%)	27 (7.5%)	9 (2.5%)	4.25	1.023
The bank provides its service at the time it promises to do so.	174 (48.3%)	124 (34.4%)	26 (7.3%)	18 (5.0%)	18 (5.0%)	4.16	1.087

Source: Field Data, June 2015.

It can be seen that majority of the respondents (92.5%) agreed that the bank performed the services right at the first time, 9 (2.5%) were uncertain, while 18 (5.0%) of them disagreed. This translated into a mean value of 4.31 with a standard deviation of 0.851. This means that the clients were satisfied with the services of the bank. With a mean value of 4.25 and variation of 0.862, the respondents generally agreed that the employees of the bank told them exactly when the services would be performed. Also, 188 (52.2%) and 118 (32.8%) of the clients respectively responded that they strongly agreed and agreed that whenever they had a problem, the bank showed a sincere interest in solving it. However, 18 (5.0%) of them were uncertain, while the remaining 36 (10.0%) disagreed. As to whether the bank provided its services at the time it promises, 174 (48.3%) and 124 (34.4%) of the respondents respectively strongly agreed and agreed. In conclusion, with a

grand mean value of 4.24 out of 5.00, it can be said that the respondents were satisfied with the level of reliability of the bank.

The perceptions of the customers about the bank's responsiveness are also presented in Table 4.5. Frequencies, percentages, means and standard deviations were used.

Table 4.5: Perceived Quality Service Responsiveness in Banks

Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std. Dev.
Employees are always willing to help.	176 (48.9%)	174 (48.3%)	0 (0.0%)	0 (0.0%)	10 (2.8%)	4.41	1.095
The bank's employees give me prompt services.	176 (48.9%)	148 (41.1%)	18 (5.0%)	9 (2.5%)	9 (2.5%)	4.31	0.792
Employees of the bank are never too busy to respond to me request.	122 (33.9%)	175 (48.6%)	45 (12.5%)	9 (2.5%)	9 (2.5%)	4.09	0.673

Source: Field Data, June 2015.

From Table 4.5, a large majority of the clients (97.2%) said that the employees of the bank were willing to help them, while 10 (2.8%) strongly objected to the statement. Also, with a mean value of 4.31, 176 (48.9%) and 148 (41.1%) of the respondents respectively strongly agreed that the bank's employees gave them prompt services. However, 18 (5.0%) of them disagreed. The clients also generally agreed that the bank's employees were never too busy to respond to their requests.

Table 4.6: Customers' Views on Quality Service Assurance in Banks

Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std. Dev.
I feel safe in my transactions with the bank.	169 (46.9%)	179 (49.7%)	0 (0.0%)	0 (0.0%)	12 (3.3%)	4.37	1.043
Employees are consistently courteous with me.	156 (43.3%)	177 (49.2%)	18 (5.0%)	0 (0.0%)	9 (2.5%)	4.31	0.732
Employees have the knowledge to answer my questions appropriately.	180 (50.0%)	126 (35.0%)	45 (12.5%)	0 (0.0%)	9 (2.5%)	4.30	0.584
The behaviour of employees instils confidence in me.	128 (35.6%)	188 (52.2%)	36 (10.0%)	8 (2.2%)	0 (0.0%)	4.21	0.562

Source: Field Data, June 2015.

Among the 360 customers, a substantial proportion of them (93.7%) indicated that they felt safe in their transactions with the bank, while the remaining 12 (3.3%) strongly disagreed. This presupposes that although generally the customers were confident of the bank maintaining their privacies in all their transactions, some were still sceptical in their dealings with the bank.

Confidentially in banking is key responsibility of every banking institution and customers should be constantly assured of this. Similarly, with a mean value 4.31 and standard deviation 0.732, (92.5%) of them agreed that employees were consistently courteous with them. Meanwhile, 18 (5.0%) and 9 (2.5%) were indifferent and strongly disagreed, respectively. As to whether or not the employees of the bank have adequate knowledge on issues relating to the bank, half of the respondents strongly agreed, while 126 (35.0%) of them agreed. This is an indication that the bank's clients were very satisfied with the kinds of answers they usually obtained from the employees of the bank when they enquired about their services. On the whole, the clients rated their assurance level in the bank with the mean value of 4.30 out of 5.00. This indicates that they had high assurance in the service quality and the professionalism of the staff of the bank.

Table 4.7: Perceived Quality Service Empathy in Commercial Banks

Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std. D.
The bank gives me individual attention and treats me as such.	162 (45.0%)	153 (42.5%)	27 (7.5%)	9 (2.5%)	9 (2.5%)	4.25	0.891
The employees of the bank understand my specific needs.	104 (28.9%)	220 (61.1%)	36 (10.0%)	0 (0.0%)	0 (0.0%)	4.19	0.599
The bank has the customers' best interest at heart.	125 (34.7%)	178 (49.4%)	29 (8.1%)	19 (5.3%)	9 (2.5%)	4.09	0.930
The bank deals with customers in a caring fashion.	148 (41.1%)	137 (38.1%)	37 (10.2%)	28 (7.8%)	10 (2.8%)	4.07	1.022

Source: Field Data, June 2015.

From Table 4.6, it can be seen that majority of the customers (87.5%) were in agreement that the bank gave them individual attention and treated them as such, while the remaining 12.5% were either uncertain or disagreed. This translated into a mean rating of 4.25 out of a grand value of 5.00 with a variation of 0.891. Also, none of the customers was in disagreement with the statement that the bank's staff understood their specific needs except those who were uncertain (10.0%). Thus, 90% of the customers were of the view that the employees of the bank acknowledged their needs. Similarly, the respondents generally agreed that the bank had their interest at heart and treated them with care.

Table 4.7: Customers' Views on Quality Service Tangibles in Commercial Banks

Items	SA (5)	A (4)	U (3)	D (2)	SD (1)	Mean	Std. Dev.
The bank has operating hours convenient to me.	245 (68.1%)	97 (26.8%)	6 (1.7%)	6 (1.7%)	6 (1.7%)	4.58	0.780
The bank's reception desk employees are neat in appearance.	233 (64.7%)	103 (28.7%)	12 (3.3%)	0 (0.0%)	12 (3.3%)	4.51	0.789
The bank uses internet banking services.	192 (53.3%)	136 (37.8%)	11 (3.1%)	0 (0.0%)	21 (5.8%)	4.33	0.969
Materials necessary for quality banking services (loan forms, cheque books, ATM cards, etc.) are visually appealing at the bank.	159 (44.2%)	149 (41.4%)	23 (6.4%)	11 (3.0%)	18 (5.0%)	4.17	1.032
The bank has modern banking equipment like ATM machines.	160 (44.4%)	126 (35.0%)	23 (6.4%)	38 (10.6%)	13 (3.6%)	4.06	1.215

Source: Field Data, June 2015.

Three hundred and forty-two respondents (94.9%) said they were satisfied with the operating time of the bank. Six respondents representing 1.7% and 12 (3.4%) were respectively uncertain and disagreed with the statement. With a mean rating of 4.51, 93.4% of the customers acknowledged that the bank's reception desk staffs were neat in appearance. Similarly, the clients were generally satisfied with the bank's internet banking services. This is because 192 (53.3%) and 136 (37.8%) of them strongly agreed and agreed to this statement respectively. With mean ratings of 4.17 and 4.06 out of the grand mean of 5.00, the customers of the bank respectively agreed that materials necessary for quality banking services including loan forms, cheque books, and ATM cards were visually appealing, and the bank also had modern banking equipment like ATM machines.

- **Level of Satisfaction among Customers of the Banks**

The clients were asked several questions in order to determine their level of satisfaction with the service quality provided by the bank. Specifically, they were requested to indicate if they were likely to repurchase products and services from the bank, and the data revealed that overwhelming majority (342 representing 95.0%) of them responded in the affirmative. Indeed, 152 (42.2%) and 190 (52.8%) said they were very likely and likely, respectively to do so, while only 18 (5.0%) indicated "unlikely." Similarly, majority of the clients (96.4%) had promised to encourage their friends, relatives and business partners to operate with the bank. About their level of satisfaction with the bank, Figure 4.1 presents the details.

Figure 1: Clients' Level of Satisfaction with Bank's Services

Source: Field Data, June 2015.

Figure 1 shows that 47.5% of the 360 customers in this study were very satisfied with the services of the Commercial Banks, while 44.7% were satisfied. On the other hand, only 7.8% of them indicated their dissatisfactions about the bank's services. It can, therefore, be concluded that the bank's customers were highly satisfied since about 92% of them indicated so. According to Oslen (2002), quality and satisfaction are the most important tools contributing to the success of every business organisation. Service quality and customer satisfaction concepts have been linked to customer behavioural intentions like purchases and loyalty, willingness to spread positive word-of-mouth referral and complain intentions. Similarly, Zeithaml and Bitner (2000), Lardhari et al. (2008) and Kim et al. (2009) noted that high patronage of service of an establishment depends on the level of satisfaction customers derived from that service. Sales are directly related to customer satisfaction; hence, sales increase requires improvement in the quality of service delivery to encourage continuous patronage.

- **Relationship between Customers' Perception and their Level of Satisfaction**

The objective of the study was to determine the effects of perceptions of clients on their levels of satisfaction. Five service quality dimensions, namely, reliability, responsiveness, assurance, empathy, and tangibles were used. The results from the Pearson's correlation analysis are contained in Table 4.8.

Table 4.8: Influence of Customers' Perception on their Satisfaction Level

Perceptions on service quality	Satisfaction		
	Statistic	Value	Interpretation
Reliability	<i>R</i>	0.746	Significant
	<i>P</i>	.000	
	<i>N</i>	360	
Responsiveness	<i>R</i>	0.000	Not significant
	<i>P</i>	1.000	
	<i>N</i>	360	
Assurance	<i>R</i>	0.581	Significant
	<i>P</i>	.000	
	<i>N</i>	360	
Empathy	<i>R</i>	0.258	Significant
	<i>P</i>	.003	
	<i>N</i>	360	
Tangibles	<i>R</i>	0.170	Significant
	<i>P</i>	.005	
	<i>N</i>	360	

Source: Field Data, June 2015.

Table 4.8 shows that the correlation between customers' perceptions about quality reliability and satisfaction was relatively high with coefficient of 0.746 and a *p*-value of .000. This means that the relationship between the two variables is positive and statistically significant at 5% significance level. The implication of this is that reliability is a determinant of customer satisfaction. Thus, when customers perceive the bank's services to be reliable, they will be satisfied with its services. This result corroborates Zaim's (2010) finding that reliability is an important factor for customer satisfaction.

However, regardless of the degree of responsiveness of the bank, clients would not be satisfied since its influence on it is zero. Although the result is insignificant, the bank does not necessarily have to deny its client this service quality.

Similarly, significant positive relationships were seen between assurance, empathy and tangibles, and customer satisfaction. With clients' perceptions about service assurance, a correlation coefficient of 0.581 with a p -value of .000 was obtained. This is an indication of a direct relationship between them. It, therefore, means that when a customer perceives the bank's services to be assured, he/she will be satisfied than when he/she has no assurances in the kinds of services that the bank renders. With regard to the perception of customers about empathy and its influence on customer satisfaction, the results show a significant positive relationship between them; implying that a customer who perceives that the bank empathises with him, will be more satisfied than a customer who perceives it to be poor. Also, the perception of clients about the bank's tangibles is seen to be a very important factor in determining their satisfaction level. This is because the correlation coefficient is 0.170 and the p -value is .005. The indication is that there exists a significant and a direct relationship between clients' perceptions about the bank's tangibles and their satisfaction. It, therefore, means that when customers perceive that the bank has all the important tangibles like modern equipment (ATM machines), loan forms, cheque books, etc., they will be satisfied with the bank's services and when these tangibles do not exist they have negative perceptions about the bank's services.

The above results are consistent with that of Cronin and Taylor (1992) who examined the relationship between service quality and customer satisfaction. They established the proposition that customer satisfaction is an antecedent of perceived service quality. Similarly, Lee et al. (2000), Gilbert and Veloutsou (2006), Sulieman (2011) and Buttle (1998) postulated that service quality leads to customer satisfaction. Therefore, to achieve a high level of customer satisfaction, they suggested that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction.

5. CONCLUSION

The proliferation of banking institutions in the country has resulted in stiff competition hence the need for all such institutions, particularly Commercial Banks, to ensure it maintains very high service quality standards. With customers having multiple banks, bank accounts, and from diverse socio-cultural and economic backgrounds, it is incumbent on Commercial Banks to always strive for excellence. From the study, customers of Commercial Banks are fairly young and educated and thus are influenced by a change in service quality. Young and highly educated customers have higher level of perception towards service quality of banks (Devanathan and Jambulingam, 2014). Age and

education are therefore the demographic characteristics that influence the customers' level of perception. Customers of the banks have positive perceptions about the service quality and are generally satisfied with the services provided. As found in this study, customers' satisfaction is largely dependent on their perceptions about service quality reliability, assurance, empathy and tangibles. This is consistent with the results of Zaim (2010) and Kumar et al. (2010) that reliability, assurance, empathy and tangibles are important factors in client satisfaction. This study partly disagrees with Mengi (2009) and Agbor (2011) when they postulated that responsiveness and assurance are important factors in the satisfaction of clients since this study did not find any relationship between responsiveness and satisfaction. Similarly, Buttle's (1996) finding that tangibles are not related to customer satisfaction and also Ahmed et al.'s (2010) results that empathy is negatively related to customer satisfaction are contradicted by this study results.

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